



CITY OF KIRKLAND

CITY COUNCIL

Joan McBride, Mayor • Penny Sweet, Deputy Mayor • Dave Asher • Jessica Greenway
Doreen Marchione • Bob Sternoff • Amy Walen • Kurt Triplett, City Manager

Vision Statement

*Kirkland is an attractive, vibrant, and inviting place to live, work and visit.
Our lakefront community is a destination for residents, employees and visitors.
Kirkland is a community with a small-town feel, retaining its sense of history,
while adjusting gracefully to changes in the twenty-first century.*

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • TTY 425.587.3111 • www.ci.kirkland.wa.us

AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chambers

Tuesday, January 18, 2011

6:00 p.m. – Study Session – Peter Kirk Room

7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.ci.kirkland.wa.us, or at the Public Resource Area at City Hall on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (587-3190) or the City Manager's Office (587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 587-3190, or for TTY service call 587-3111 (by noon on Monday) if we can be of assistance. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

EXECUTIVE SESSIONS may be held by the City Council to discuss matters where confidentiality is required for the public interest, including buying and selling property, certain personnel issues, and lawsuits. An executive session is the only type of Council meeting permitted by law to be closed to the public and news media

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*, Peter Kirk Room
 - a. 2011 City Work Program and Council Retreat Planning

4. *EXECUTIVE SESSION*
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*

- a. *Announcements*
- b. *Items from the Audience*
- c. *Petitions*

7. *SPECIAL PRESENTATIONS*
 - a. FEMA Advanced Professional Series Certification

ITEMS FROM THE AUDIENCE provides an opportunity for members of the public to address the Council on any subject which is not of a quasi-judicial nature or scheduled for a public hearing. (Items which may not be addressed under Items from the Audience are indicated by an asterisk*.) The Council will receive comments on other issues, whether the matter is otherwise on the agenda for the same meeting or not. Speaker's remarks will be limited to three minutes apiece. No more than three speakers may address the Council on any one subject. However, if both proponents and opponents wish to speak, then up to three proponents and up to three opponents of the matter may address the Council.

8. CONSENT CALENDAR

- a. Approval of Minutes: (1) December 7, 2010
- (2) January 4, 2011 Special Meeting
- (3) January 4, 2011

GENERAL CORRESPONDENCE

Letters of a general nature (complaints, requests for service, etc.) are submitted to the Council with a staff recommendation. Letters relating to quasi-judicial matters (including land use public hearings) are also listed on the agenda. Copies of the letters are placed in the hearing file and then presented to the Council at the time the matter is officially brought to the Council for a decision.

- b. Audit of Accounts:
 - Payroll \$
 - Bills \$

c. General Correspondence

d. Claims

- (1) Sean Frankenfield and Mary Jarvis
- (2) Donald Kitch, Jr. and Donna Ann Porada-Kitch
- (3) Sergio and Patricia Miralda

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

- (1) 2010 Phase II Slurry Seal Project, Blackline, Inc., Spokane, Washington

g. Approval of Agreements

h. Other Items of Business

- (1) December Storm Debrief
- (2) Civil Service Commission Resignation

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

- a. 2011 Annexation Quarterly Report #1
- b. Eastside Rail Corridor Interest Statement
- c. South Kirkland Park and Ride Revised Principles of Agreement

11. NEW BUSINESS

- a. 6th Street South Grant Application Matching Proposal

ORDINANCES are legislative acts or local laws. They are the most permanent and binding form of Council action, and may be changed or repealed only by a subsequent ordinance. Ordinances normally become effective five days after the ordinance is published in the City's official newspaper.

RESOLUTIONS are adopted to express the policy of the Council, or to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution.

PUBLIC HEARINGS are held to receive public comment on important matters before the Council. You are welcome to offer your comments after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment and the Council proceeds with its deliberation and decision making.

NEW BUSINESS consists of items which have not previously been reviewed by the Council, and which may require discussion and policy direction from the Council.

- b. Ordinance No. 4288, Relating to Impact Fees for Changes in Use and Suspending Transportation Impact Fees for Changes of Use That Do Not Result in Increased Floor Area
- c. Ordinance No. 4289 and its Summary, Relating to Amending Chapter 21.74 of the Kirkland Municipal Code Related to Development Fees
- d. Ordinance No. 4290, Relating to Amending Chapter 21.06 of the Kirkland Municipal Code Related to the Completion of the Exterior of New Houses and Additions
- e. Ordinance No. 4291, Relating to Hotel Business Loading Zones and Adding Chapter 12.50 to the Kirkland Municipal Code
- f. Ground Floor Use Zoning Code Amendment - Scoping

12. *REPORTS*

a. *City Council*

- (1) Regional Issues
- (2) City Council Subcommittee Re-appointments

b. *City Manager*

- (1) Calendar Update

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*

ITEMS FROM THE AUDIENCE

Unless it is 10:00 p.m. or later, speakers may continue to address the Council during an additional Items from the Audience period; provided, that the total amount of time allotted for the additional Items from the Audience period shall not exceed 15 minutes. A speaker who addressed the Council during the earlier Items from the Audience period may speak again, and on the same subject, however, speakers who have not yet addressed the Council will be given priority. All other limitations as to time, number of speakers, quasi-judicial matters, and public hearings discussed above shall apply.

**CITY OF KIRKLAND**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: City Council
From: Kurt Triplett, City Manager
Date: January 10, 2011
Subject: 2011 City Work Program and Council Retreat Planning

RECOMMENDATION:

City Council provides direction on a preliminary work program of major policy and administrative items to be accomplished by the City in 2011 for possible adoption at a future Council meeting.

Council direction is also requested on topics for the upcoming Council retreat.

BACKGROUND DISCUSSION:

The adoption of the 2011-2012 Budget has set the broad policy and financial resource framework for the next biennium. The purpose of the 2011 City Work Program is to identify for the Council, City employees and the public the priority focus of Kirkland's staff and resources within that budgetary framework. The preliminary work program items listed below are derived from the City Manager's "Look, Listen and Learn Tour" and the budget process. Key themes emerged from consultations with the City Council, the Directors, Board and Commissions and the public over the past six months about Kirkland's present and future.

These themes fell into four main categories:

- Successfully annexing the 33,000 residents of Juanita, Finn Hill and Kingsgate
- Spurring job growth, economic development and revitalization
- Retaining a high quality of life in Kirkland in the midst of the recession
- Providing efficient, cost-effective City services to an informed and engaged public

The preliminary work program is a synthesis of both the adopted budget and these themes, resulting in specific key initiatives to be accomplished in 2011.

If revised and approved by the Council, the work program would become an "action plan" by which the public can measure the City's success in accomplishing its major policy and administrative goals in 2011. The work program would also be used to communicate to Kirkland's Boards and Commissions the 2011 "action plan" priorities.

The 2011 work program is not intended to be a comprehensive list of the important and necessary daily functions and services of the City government. Rather it is a much shorter list that demonstrates priority focus on major cross-departmental efforts with significant financial resources designed to maintain the public health, safety and quality of life in Kirkland.

Once the 2011 work program is finalized, the City staff would develop implementation steps, prioritize resources and efforts to achieve the work program, and periodically update the Council on these efforts.

Potential 2011 Work Program Items

- Annexation implementation
- Totem Lake revitalization
- Park Place redevelopment implementation
- Public Safety Building implementation
- Active engagement in the 2011 State Legislative Session
- Potential acquisition of the BNSF Eastside Rail Corridor within Kirkland
- Transit Oriented Development implementation at S. Kirkland Park and Ride
- 85th Street corridor project implementation
- Exploring new revenue options authorized by the state and/or requiring voter approval
- Alternative 2011 priority topics from the Council?

Potential 2011 Administrative Items

- Potential Budget "evolution" to ensure an engaged public and desired Council outcomes
- Successful negotiation of all Collective Bargaining Agreements up in 2011
- Partnership initiatives with employees to create sustainability of wages and benefits
- Employee engagement and recognition efforts
- Department succession planning
- Standardization of legislative processes, memos, presentations, and Council logistics
- Alternative 2011 priority topics from the Council?

Next steps

Throughout the year other issues may arise that also require staff resources and City Council review. The intent of the work program is not to preclude new items but to allow the Council and the City Manager to proactively identify the impact of new 2011 initiatives on established priorities. Decisions can then be made whether to attempt to accommodate new items or reprioritize the work program. Once Council has reviewed and revised the list at the study session, a decision is needed on whether to formally adopt the 2011 work program by Resolution at a February Council meeting.

Council Retreat Planning

The annual Council retreat will be held on Monday, March 21 and Tuesday March 22. Traditionally the Council retreat dedicates significant amounts of time to three or four major topics of discussion. Staff is seeking Council direction on the major topics of discussion.

During the past two years the City Council retreat has been used to define the Council's priorities for the year. Creation of a 2011 work program is not designed to replace the Council retreat but to help inform it:

- If "Totem Lake revitalization" is a 2011 work program item, potential topics for the Council retreat might be "Prioritize what at Totem Lake?" Options might include rezoning and regulatory change, storm water projects, or BNSF as a gateway to Totem Lake.
- "Partnership initiatives" with employees as a work program item might result in a retreat discussion of whether the Council should adopt labor policies, and so on.

Suggested retreat topics might include:

- 2011 work program selected items (see list on page 1)
- Financial update
- Updating Council Goals
- Budget evolution and engaging the community (City of Shoreline example)
- Potential new revenue sources – if, when, how and for what?
- Council Ethics Code and/or Code of Conduct

Once the Council decides the topics of the retreat, staff will turn that direction into specific retreat planning and report back to the Council for finalization of the retreat agenda.



CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Helen Ahrens-Byington, Deputy Fire Chief / City Emergency Manager

Date: January 5th, 2011

Subject: FEMA Advanced Professional Series Certification

RECOMMENDATION:

Recognize the level of training that Stephanie Day, Emergency Preparedness Coordinator, and John Hopfauf, Public Works Street Manager, have accomplished in emergency management. They are the first to complete this certification in the State of Washington in the last 5 years.

The City of Kirkland becomes a more resilient community when staff and citizens become educated about emergency management issues.

James Yates, the State Training Program Manager, with Washington State Emergency Management Division will be presenting the Certification.

BACKGROUND DISCUSSION:

The Advanced Professional Series Certification increases the ability to perform essential work in a disaster and develops required skills in the operations and management of a disaster. These skills are developed through this series of courses that offers "how to" training focused on practical information. The courses address top skills for performing emergency management and disaster duties, motivating and challenging students to continue emergency management training.

There are 5 required courses: *EOC Management and Operations; Incident Command System/Emergency Operations Center Interface; Rapid Assessment Workshop; Recovery from Disaster, the Local Government Role and Mitigation Planning Workshop for Local Governments.* To earn the certificate, students are also required to take 5 more elective classes in a variety of emergency management topics.



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
December 07, 2010

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Dave Asher, Councilmember Jessica Greenway,
Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember
Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

Members Absent: None.

3. STUDY SESSION

a. Development Codes

Joining Councilmembers for this discussion in addition to City Manager Kurt Triplett were Director of Planning and Community Development Eric Shields, Development Review Manager Nancy Cox, Building Services Manager Tom Phillips, Senior Planners Joan Lieberman-Brill and Jon Regala, and Planning Commission members Vice Chair Jay Arnold and Chair C. Ray Allshouse.

4. EXECUTIVE SESSION

a. To Discuss Property Acquisition

5. HONORS AND PROCLAMATIONS

None.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Bob Style
Jim McElwee
Barbara Ross

c. Petitions

7. SPECIAL PRESENTATIONS

a. Community Emergency Response Team (CERT) Graduation

Community Education Specialist Robin Paster introduced the twenty-six graduating members of the twelfth class. Mayor McBride and three former graduates, Deputy Mayor Sweet and Councilmembers Asher and Sternoff, assisted Chief Kevin Nalder and Deputy Chief Helen Ahrens-Byington in handing out certificates.

8. CONSENT CALENDAR

- a. Approval of Minutes: November 16, 2010
- b. Audit of Accounts:
 - Payroll \$ 2,024,125.71
 - Bills \$ 2,137,760.62
 - run # 965 checks # 521600 - 521608
 - run # 966 checks # 521610 - 521762
 - run # 967 checks # 521763 - 521810
 - run # 968 checks # 521836 - 521877
 - run # 969 checks # 521878 - 521981
- c. General Correspondence
 - (1) Metro Transit Task Force Letter to Eastside Transportation Partnership
- d. Claims
 - (1) Robert J. Wuorenma
- e. Award of Bids
- f. Acceptance of Public Improvements and Establishing Lien Period
- g. Approval of Agreements
 - (1) Housing of Inmates:
 - (a) Resolution R-4851, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN AMENDMENT OF THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND KING COUNTY FOR JAIL SERVICES."
 - (b) Resolution R-4852, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND YAKIMA COUNTY FOR JAIL SERVICES."
 - (c) Resolution R-4853, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING RENEWAL OF THE INTERLOCAL AGREEMENT BETWEEN

THE CITY OF KIRKLAND AND CITY OF MARYSVILLE FOR
JAIL SERVICES."

h. Other Items of Business

(1) Ordinance No. 4274, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO VACATING A PORTION OF A RIGHT-OF-WAY BASED ON AN APPLICATION FILED BY ERIC DRIVDAHL, FILE NO. VAC10-00001."

(2) Project Closeout - NE 73rd Street Sidewalk and Water Main Project

(3) Condemnation Update - NE 85th Street Corridor Improvements and NE 68th Street /108th Avenue NE Intersection Improvements

Motion to approve the Consent Calendar with edits to the response letter for item 8.c.(1). as discussed.

Moved by Councilmember Doreen Marchione, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

9. PUBLIC HEARINGS

- a. Resolution R-4854, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR PROPOSITION NO. 1, THE LAKE WASHINGTON SCHOOL DISTRICT NO. 414 CAPITAL PROJECTS LEVY."

Mayor McBride opened the public hearing. Testimony was received from Lake Washington School District Superintendent Chip Kimball, Johanna Palmer and Shelley Kloba. No further testimony was offered and the Mayor closed the hearing.

Motion to approve Resolution R-4854, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR PROPOSITION NO. 1, THE LAKE WASHINGTON SCHOOL DISTRICT NO. 414 CAPITAL PROJECTS LEVY."

Moved by Councilmember Dave Asher, seconded by Councilmember Bob Sternoff
Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

- b. Ordinance No. 4275, Relating to Renewal of Interim Official Controls Regarding the Zoning Review Process for "School or Day-Care Center" and "Government Facility/Community Facility" Uses in RSA Zone as Adopted by Ordinance No. 4249.

Mayor McBride opened the public hearing. Planning and Community Development Director Eric Shields noted an amendment to the ordinance in section 3 relating to the duration reflecting that it be effective for 180 days. No further testimony was offered and the Mayor closed the hearing.

Motion to approve Ordinance No. 4275, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO RENEWAL OF INTERIM OFFICIAL CONTROLS REGARDING THE ZONING REVIEW PROCESS FOR "SCHOOL OR DAY-CARE CENTER" AND "GOVERNMENT FACILITY/COMMUNITY FACILITY" USES IN RSA ZONE AS ADOPTED BY ORDINANCE NO. 4249." Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 7-0
Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

Motion to Approve Ordinance No. 4276, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2009-2010."

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione
Vote: Motion carried 7-0
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

Motion to Approve Ordinance No. 4277, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND ADOPTING THE BIENNIAL BUDGET FOR 2011-2012."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet
Vote: Motion carried 6-1
Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.
No: Councilmember Bob Sternoff.

Motion to Approve Ordinance No. 4278, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2011, THE FIRST YEAR OF THE CITY OF KIRKLAND'S 2011-2012 FISCAL BIENNIUM AND REPEALING ORDINANCE 4273."

Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

- d. Resolution R-4855, Adopting the 2011-2016 Six Year Capital Improvement Program for the City of Kirkland

Motion to Approve Resolution R-4855, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE 2011-2016 SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR THE CITY OF KIRKLAND."

Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

- e. Emergency Medical Service Fee for Transportation Update

Fire Lieutenant Mark Jung provided an update and responded to Council questions and comment. Council directed that an ordinance incorporating their feedback be brought back at their next regular meeting for consideration.

Council recessed for a short break.

- f. Resolution R-4856, Relating to the Adoption of a Preliminary Action Plan for the Totem Lake Business District

Motion to approve Resolution R-4856, entitled "A RESOLUTION OF THE CITY OF KIRKLAND RELATING TO THE ADOPTION OF A PRELIMINARY ACTION PLAN FOR THE TOTEM LAKE BUSINESS DISTRICT."

Moved by Deputy Mayor Penny Sweet, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

11. NEW BUSINESS

a. Draft 2011 Legislative Agenda

Motion to Approve the draft 2011 Legislative Agenda as amended by removal of support for the waste to energy proposal.

Moved by Councilmember Doreen Marchione, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

b. Ordinance No. 4279 and its Summary, Relating to Amending the Comprehensive Plan Ordinance 3481 as Amended, Amending Ordinance 3710 as Amended, and the Kirkland Zoning Map, as Required by RCW 36.70A.130 to Ensure Continued Compliance with the Growth Management Act and Approving a Summary for Publication, File No. ZON10-00001

Motion to Approve Ordinance No. 4279 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING THE COMPREHENSIVE PLAN ORDINANCE 3481 AS AMENDED, AMENDING ORDINANCE 3710 AS AMENDED, AND THE KIRKLAND ZONING MAP, AS REQUIRED BY RCW 36.70A.130 TO ENSURE CONTINUED COMPLIANCE WITH THE GROWTH MANAGEMENT ACT AND APPROVING A SUMMARY FOR PUBLICATION, FILE NO. ZON10-00001."

Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding the "Decorate Downtown" and Tree Lighting events; Eastside Historical Association address on women in politics; Association of Eastside Agencies panel and Hopelink Board panel on human services, the economy and civil discourse; Washington State Department of Transportation 520 Working Group for transit planning and financing related to SB6392; Assistance League of the Eastside Holiday

Home tour; Sustainable Connections brown bag session; opening of Milagro restaurant; WRIA 8 Summit; Eastside Human Services Forum; and the Executive Advisory Group for the Expert Panel on 405.

b. City Manager

(1) Bond Financing Update

(2) Calendar Update

The Council's regularly scheduled December 14, 2010 meeting was cancelled.

Council agreed to not move forward on the proposal for a Fire District 41 reverse annexation.

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of December 7, 2010 was adjourned at 10:07 p.m.

City Clerk

Mayor

KIRKLAND CITY COUNCIL SPECIAL MEETING

Minutes

January 4, 2011

1. CALL TO ORDER

Mayor McBride called the Special Meeting of the Kirkland City Council to order at 5:30 p.m.

2. ROLL CALL

Members Present: Mayor Joan McBride, Deputy Mayor Penny Sweet, Councilmembers Dave Asher, Jessica Greenway Doreen Marchione, Bob Sternoff, and Amy Walen.

3. LODGING TAX ADVISORY COMMITTEE INTERVIEW

a. Kathryn McNeill

4. PARKING ADVISORY BOARD INTERVIEW

a. Jack Halter

5. PARK BOARD INTERVIEWS

- a. Stuart Clarke
- b. Sue Contreras
- c. Doug Murray
- d. John Rudolf

6. SELECTION AND APPOINTMENT OF LODGING TAX ADVISORY COMMITTEE, PARKING ADVISORY BOARD, AND PARK BOARD MEMBERS

Following discussion of the applicants' qualifications, Councilmember Asher moved to appoint Kathryn McNeill to the remainder of an annually reviewed term on the Lodging Tax Advisory Committee. Councilmember Greenway seconded the motion, which passed unanimously.

Councilmember Asher moved to appoint Jack Halter to an unexpired four year term ending 3/31/2011 on the Parking Advisory Board. Councilmember Greenway seconded the motion, which passed unanimously.

Councilmember Asher moved to appoint Sue Contreras to an unexpired term ending 3/31/2014 on the Park Board. Councilmember Greenway seconded the motion, which passed unanimously.

Councilmember Asher moved to select Doug Murray as an alternate appointee should an additional vacancy arise on the Park Board within the

next six months. Councilmember Greenway seconded the motion, which passed unanimously

7. ADJOURNMENT

The January 4, 2011 Special Meeting of the Kirkland City Council was adjourned at 6:45 p.m.

City Clerk

Mayor



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
January 04, 2011

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Dave Asher, Councilmember Jessica Greenway,
Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember
Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

Members Absent: None.

Motion to continue the public hearings listed on the agenda under item 9.a., including Ordinance No. 4285 and Resolution No. 4861 relating to impact fees, to the February 15, 2011 regular City Council meeting.

Moved by Deputy Mayor Penny Sweet, seconded by Councilmember Bob Sternoff

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

3. STUDY SESSION

None.

4. EXECUTIVE SESSION

a. To Review the Performance of a Public Employee

5. HONORS AND PROCLAMATIONS

None.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Jim McElwee
Andrew Shanefelt
Milt Olson
Bill Vadino
David Hoffman

- c. Petitions

7. SPECIAL PRESENTATIONS

- a. 2010 Eastside Month of Concern for the Hungry

Committee member and Kirkland Alliance of Neighborhoods representative Norm Storme reported on the results of the food drive. Mayor McBride and Councilmember Marchione presented Mr. Storme with a certificate of appreciation in recognition of his efforts on behalf of the drive.

- b. Senator Elect Andy Hill

Mr. Hill, newly elected to represent the 45th District in the State Senate, introduced himself to Council.

8. CONSENT CALENDAR

- a. Approval of Minutes: December 7, 2010

This item was pulled for consideration at the January 18, 2011 meeting.

- b. Audit of Accounts:

Payroll \$ 4,048,674.65

Bills \$ 4,927,028.89

run # 970 checks # 522011 - 522209

run # 971 check # 522215

run # 972 checks # 522216 - 522224

run # 973 checks # 522226 - 522411

run # 974 checks # 522412 - 522466

run # 975 checks # 522498 - 522643

run # 976 checks # 522645 - 522692

- c. General Correspondence

- d. Claims

(1) Christine M. Rudolph, Trustee for Marjorie A. Ladson

- e. Award of Bids

- f. Acceptance of Public Improvements and Establishing Lien Period

(1) North Kirkland Community Center Carpet Replacement Project

(2) 2010 Street Overlay Project

(3) North Reservoir Rehabilitation/Repainting Project

g. Approval of Agreements

- (1) Ratification of the 2010-2012 Police Support Staff Agreement
- (2) Resolution R-4857, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE KIRKLAND CITY COUNCIL AND KURT TRIPLETT, ITS CITY MANAGER."

h. Other Items of Business

- (1) Resolution R-4858, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE BOARD AND COMMISSION APPOINTMENT AND REAPPOINTMENT POLICY."

This item was pulled from the Consent Calendar for consideration under Unfinished Business, item 10.d.

- (2) Code Enforcement Process Change and Code Consolidation:

- a. Ordinance No. 4280 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE CONSOLIDATION OF VARIOUS CITY CODE ENFORCEMENT PROCESSES INTO A SINGLE UNIFORM PROCESS."
- b. Ordinance No. 4281 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE AND AMENDING PORTIONS OF THE FOLLOWING CHAPTERS OF ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE: CHAPTER 1 - USERS GUIDE, CHAPTER 5 - DEFINITIONS, CHAPTER 95 - TREE MANAGEMENT AND REQUIRED LANDSCAPING, CHAPTER 115 - MISCELLANEOUS USE DEVELOPMENT AND PERFORMANCE STANDARDS, CHAPTER 117 - PERSONAL WIRELESS FACILITIES, CHAPTER 141 - SHORELINE ADMINISTRATION, CHAPTER 162 - NONCONFORMANCE, CHAPTER 170 - CODE ENFORCEMENT."

- (3) Ordinance No. 4282 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND ADOPTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND REPEALING THE UNIFORM HOUSING CODE, THE UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS AND TITLE 9 OF THE KIRKLAND MUNICIPAL CODE."

- (4) Resolution R-4859, entitled "A RESOLUTION OF THE CITY

COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION BY THE CITY IN A INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT WITH THE NATIONAL PURCHASING PARTNERS AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND."

(5) Ordinance No. 4283 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO CORRECTING FEES AND AMENDING SECTIONS 5.08.050 AND 5.74.040 OF THE KIRKLAND MUNICIPAL CODE."

(6) Resolution R-4860, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND THE CITY OF REDMOND FOR INTERIM SEWER SERVICE FOR ST. GEORGE COPTIC ORTHODOX CHURCH."

(7) Ordinance No. 4284, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO TRANSPORTATION AND PARK IMPACT FEES AND EXTENDING THE AVAILABILITY OF CERTAIN IMPACT FEE DEFERRALS IN KIRKLAND MUNICIPAL CODE SECTIONS 27.04.030(G) AND 27.06.030(G)."

(8) Procurement Activities

Motion to Approve the Consent Calendar with the exception of items 8.a., to be considered at the next regular meeting, and item 8.h.(1)., which was pulled from the Consent Calendar for consideration under Unfinished Business, as item 10.d.

Moved by Councilmember Doreen Marchione, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

9. PUBLIC HEARINGS

a. Lake Washington School District School Impact Fees:

The public hearings were continued to the City Council's regular meeting of February 15, 2011 at 7:30 p.m.

(1) Ordinance No. 4285 and its Summary, Authorizing the Collection of Impact Fees for Schools and Adding Chapter 27.08 of the Kirkland Municipal Code

(2) Resolution R-4861, Approving an Interlocal Agreement Between the

City of Kirkland and Lake Washington School District No. 414 for the
Collection, Distribution and Expenditure of School Impact Fees

10. UNFINISHED BUSINESS

- a. Resolution R-4862, Approving a City of Kirkland Legislative Agenda to be Addressed to the 2011 Session of the State Legislature

Councilmember Sternoff proposed moving bullet point three relating to the imposition of new mandates from "general principles" to "legislative priorities" and received Council support for the change.

Motion to Approve the staff recommendation to include "waste to energy conversion: re-use of brown grease" under additional legislation to support on the proposed agenda.

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

Motion to Approve Resolution R-4862, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2011 SESSION OF THE STATE LEGISLATURE" as amended.

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

- b. Miscellaneous Zoning/Municipal Code Amendments:

(1) Ordinance No. 4286 and its Summary, Relating to Zoning, Planning, and Land Use and Amending Portions of the Following Chapters of Ordinance 3719 as Amended, the Kirkland Zoning Ordinance: Chapter 5 - Definitions, Chapter 10 - Legal Effect/Applicability, Chapter 15 - Single-Family Residential (RS) Zones, Chapter 18 - Single-Family Residential a (RSA) Zones, Chapter 20 - Multifamily Residential (RM and RMA) Zones, Chapter 25 - Professional Office Residential (PR) and Professional Office Residential A (PRA) Zones, Chapter 27 - Professional Office (PO) Zones, Chapter 30 - Waterfront District (WD) Zones, Chapter 35 - Freeway Commercial (FC) Zones, Chapter 40 - Neighborhood Business (BN) Zones and Neighborhood Business A (BNA) Zones, Chapter 45 - Community Business (BC, BC 1 and BC 2) Zones, Chapter 47 - Community Business X

(BCX) Zones, Chapter 48 - Light Industrial Technology (LIT) Zones, Chapter 49 - Park/Public Use (P) Zones, Chapter 50 - Central Business District (CBD) Zones, Chapter 51 - Market Street Corridor (MSC) Zones, Chapter 52 - Juanita Business District (JBD) Zones, Chapter 53 - Rose Hill Business District (RHBD) Zones, Chapter 54 - North Rose Hill Business District (NRHBD) Zones, Chapter 55 - Totem Lake (TL) Zones, Chapter 60 - Planned Areas (PLA), Chapter 100 - Signs, Chapter 105 - Parking Areas, Vehicle and Pedestrian Access, and Related Improvements, Chapter 112 - Affordable Housing Incentives - Multifamily, Chapter 115 - Miscellaneous Use Development and Performance Standards, Chapter 117 - Personal Wireless Service Facilities, Chapter 120 - Variances, Chapter 150 - Process IIA, Chapter 155 - Process III, Chapter 170 - Code Enforcement, Chapter 180 - Plates; and Amending Sections 22.32.050 and 22.04.030 of the Kirkland Municipal Code; and Approving a Summary Ordinance for Publication, File No. ZON10-00013

Motion to Amend Ordinance No. 4286 and its summary to allow limited personal services uses above the ground floor by adopting the revisions shown in exhibit 1.

Moved by Deputy Mayor Penny Sweet, seconded by Councilmember Amy Walen

Vote: Motion carried 5-2

Yes: Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

No: Councilmember Dave Asher, and Councilmember Jessica Greenway.

Vote to Approve Ordinance No. 4286 and its Summary, Relating to Zoning, Planning, and Land Use and Amending Portions of the Following Chapters of Ordinance 3719 as Amended, the Kirkland Zoning Ordinance: Chapter 5 - Definitions, Chapter 10 - Legal Effect/Applicability, Single-Family Residential a (RSA) Zones, Chapter 20 - Multifamily Residential (RM and RMA) Zones, Chapter 25 - Professional Office Residential (PR) and Professional Office Residential A (PRA) Zones, Chapter 27 - Professional Office (PO) Zones, Chapter 30 - waterfront District (WD) Zones, Chapter 35 - Freeway Commercial (FC) Zones, Chapter 40 - Neighborhood Business (BN) Zones and Neighborhood Business A (BNA) Zones, Chapter 45 - Community Business (BC, BC 1 and BC 2) Zones, Chapter 47 - Community Business X (BCX) Zones, Chapter 48 - Light Industrial Technology (LIT) Zones, Chapter 49 - Park/Public Use (P) Zones, Chapter 50 - Central Business District (CBD) Zones, Chapter 51 - Market Street Corridor (MSC) Zones, Chapter 52 - Juanita Business District (JBD) Zones, Chapter 53 - Rose Hill Business District (RHBD) Zones, Chapter 54 - North Rose Hill Business District (NRHBD) Zones, Chapter 55 - Totem Lake (TL) Zones, Chapter 60 - Planned Areas (PLA), Chapter 100 - Signs, Chapter 105 - Parking Areas, Vehicle and Pedestrian Access, and Related Improvements, Chapter 112 - Affordable Housing Incentives - Multifamily, Chapter 115 - Miscellaneous Use Development and Performance Standards, Chapter 117 - Personal Wireless Service Facilities,

Chapter 120 - Variances, Chapter 150 - Process IIA, Chapter 155 - Process III, Chapter 170 - Code Enforcement, Chapter Kirkland Municipal Code; and Approving a Summary Ordinance for Publication, File No. ZON10-00013" as amended.

Vote: Motion carried 6-1

Yes: Councilmember Dave Asher, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

No: Councilmember Jessica Greenway.

- c. Ordinance No. 4287, Adopting a New Chapter 5.75 of the Kirkland Municipal Code to Recover Certain Costs of Providing Emergency Medical Services Transport

Motion to Approve Ordinance No. 4287, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND ADOPTING A NEW CHAPTER 5.75 OF THE KIRKLAND MUNICIPAL CODE TO RECOVER CERTAIN COSTS OF PROVIDING EMERGENCY MEDICAL SERVICES TRANSPORT."

Moved by Councilmember Dave Asher, seconded by Councilmember Bob Sternoff

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

- d. Resolution R-4858, Adopting the Board and Commission Appointment and Reappointment Policy

This item was pulled from the Consent Calendar for consideration under Unfinished Business.

Motion to Approve Resolution R-4858, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE BOARD AND COMMISSION APPOINTMENT AND REAPPOINTMENT POLICY."

Moved by Councilmember Bob Sternoff, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

11. NEW BUSINESS

- a. Green Codes Project

Green Building Lead and Project Manager David Barnes reviewed the tasks and items of the project and received Council feedback.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding the Suburban Cities Association dinner and the caucus; Bellevue City Council meeting agenda items; Polar Bear plunge event; Police Guild agreement; sustainability; appreciation for public safety workers during holidays; open house for the 101 Kirkland Building; Metropolitan Solid Waste Advisory Committee activities; request for future agenda item on Solid Waste interlocal agreement; appreciation for public works staff work during recent holiday preparations and flooding response; upcoming One Night Count of the homeless; State of the City address at Chamber of Commerce meeting on January 11; Totem Lake planning; request for public safety committee to discuss red light cameras.

b. City Manager

Finance and Administration Director Tracey Dunlap provided an update on the bond issuance for public safety building.

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of January 4, 2011 was adjourned at 9:04 p.m.

City Clerk

Mayor



CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: January 6, 2011
Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION

It is recommended that the City Council acknowledge receipt of the following Claim(s) for Damages And refer each claim to the proper department (risk management section) for disposition.

POLICY IMPLICATIONS

This is consistent with City policy and procedure and is in accordance with the requirements of state law (RCW 35.31.(040).

BACKGROUND DISCUSSION

The City has received the following Claim(s) for Damages from:

- (1) Sean Frankenfield and Mary Jarvis
12523 103rd Ave NE
Kirkland, WA 98034

Amount: \$1231.38

Nature of Claim: Claimant states damage resulted during a search of the vehicle.

- (2) Donald Kitch, Jr. and Donna Ann Porada-Kitch
7311 117th Place SE
Newcastle, WA 98056

Amount: \$325,000.00

Nature of Claim: Claimant states damage resulted from an unlawful search.

- (3) Sergio and Patricia Miralda
12404 98th Avenue NE
Kirkland, WA 98034

Amount: Unspecified Amount

Nature of Claim: Claimant states damage to property resulted from storm drain overflow due to weather related flooding.



CITY OF KIRKLAND
Department of Public Works
 123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
 www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: David Snider, P.E., Interim Capital Projects Manager
Ray Steiger, P.E., Interim Public Works Director

Date: January 6, 2011

Subject: ANNUAL STREET PRESERVATION PROGRAM (PHASE II SLURRY SEAL)
ACCEPT WORK

RECOMMENDATION:

It is recommended that City Council accept the work on the 2010 Phase II Slurry Seal Project, as completed by Blackline, Inc., Spokane, Washington, and establish the statutory lien period. It is also recommended that Council authorize the transfer of remaining 2010 Street Preservation Program funds to the 2011 Street Preservation Program.

BACKGROUND DISCUSSION:

The 2010 Slurry Seal Project is the Phase II element of the Annual (2010) Street Preservation Program. It involved the application of a thin layer of fine aggregate and liquid asphalt placed on low-volume residential streets where light to moderate surface wear was documented. Slurry seal is a versatile and cost effective way to extend the life of the City's residential streets that have Pavement Condition Index (PCI) ratings in the range of 56 to 85; the slurry seal protects the surface from the effects of aging while improving the existing pavement condition. The 2010 Project resulted in the application of slurry seal on 16 lane miles of roadway in three areas of the City (Attachment A); the Phase I portion of the Annual Street Preservation Program, the Overlay Project, was accepted at the January 4, 2011 Council Meeting.

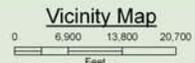


For 2010, the Annual Street Preservation Program had an original budget of \$2.041 million, including a \$41,000 contribution from the 2009 Emergency Sewer Program (ESP). At their regular meeting of July 20, 2010, Council awarded the contract for the Phase II Slurry Seal Project to Blackline, Inc., in the amount of \$220,628.20. The Phase II work began on August 16, 2010 and was substantially complete in October, 2010. As a result of reduced quantities for certain bid items, the total amount paid to the contractor was \$211,222.19.

For 2010, the Street Preservation Program came in under budget (Attachment B), and it is staff's recommendation that the balance of the 2010 Street Preservation Program funds (\$47,500) be transferred to the 2011 Street Preservation Program.

Attachments: (2)

Street Preservation Project - 2010 Slurry Seal Project



This map does not include streets to be treated with other overlay or other preventative maintenance techniques (i.e. Crack Seal, etc.).

Map Legend

- CS10006_Merge
- Temp

Neighborhoods

- Bridle Trails
- Central Houghton
- Everest
- Highlands
- Lakeridge
- Market
- Moss Bay
- Norkirk
- North Juanita
- North Rose Hill
- South Juanita
- South Rose Hill
- Totem Lake



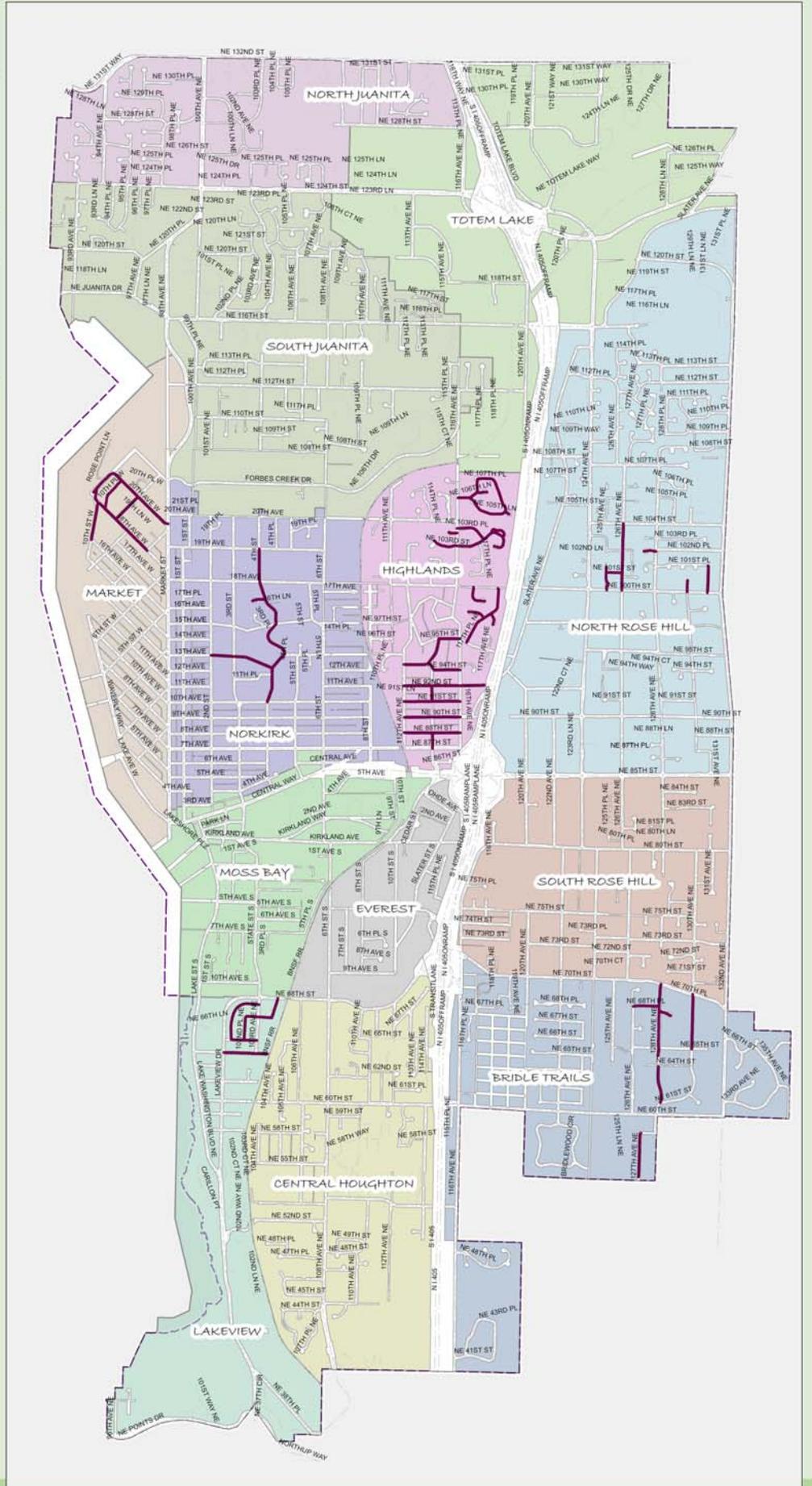
CITY OF KIRKLAND
DEPARTMENT OF PUBLIC WORKS



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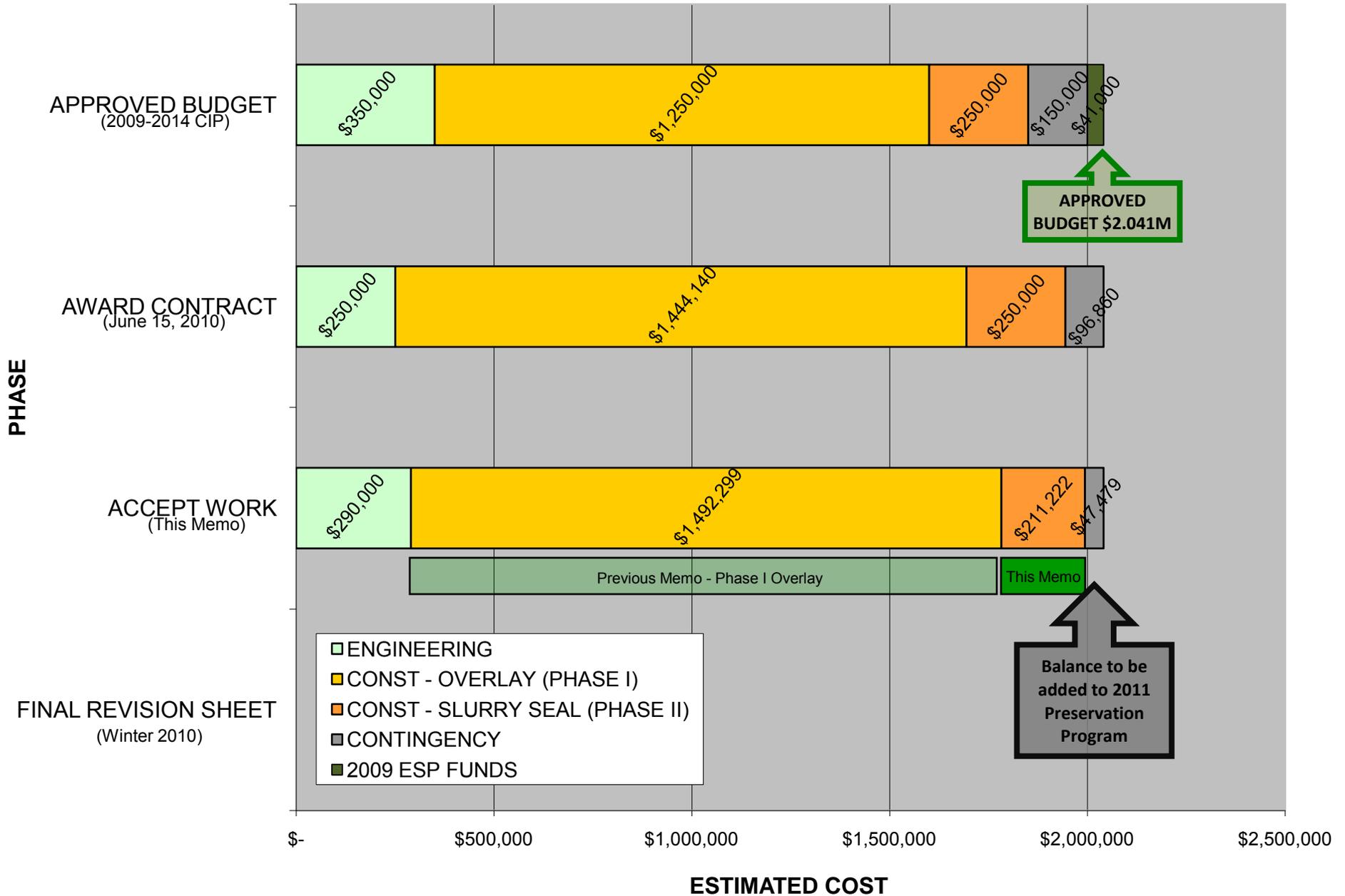
Print Date: 6/24/2010

Location: \\SRV-FILE01\Data\Pw\CIP group\Project Files\ST\CS1006\CS1006\Slurry\Design\GIS\COKSP-SS 2010 Plan.mxd



2010 STREET PRESERVATION PROGRAM (ST-1006)

Project Budget Report





CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jenny Gaus, P.E., Environmental Services Supervisor
Bobbi Wallace, Storm/Sewer Maintenance Manager
Ray Steiger, P.E., Interim Public Works Director

Date: January 6, 2011

Subject: December Storm Debrief

RECOMMENDATION:

It is recommended that City Council review the attached December (2010) storm debrief and approve next steps in addressing issues identified.

BACKGROUND AND DISCUSSION:

This memo is an update to the City Council on various elements of the December 12th, 2010 rainfall event including a number of lessons learned. The memo describes the specific flooding that occurred as a result of the rain, summarizes the City's response to the event, and outlines planned actions to reduce future flood impacts.

The storm

Kirkland received about 3.3 inches of rainfall between the 24 hour period of 2PM on 12/11/2010 and 2PM on 12/12/2010. This storm event has an approximately 2% chance of occurring in a given year; put another way, this would likely be categorized as a "50-year storm event" based on historic rainfall records. Design of stormwater conveyance systems in the City are expected to contain a 10 to 25-year event depending on when the system was constructed; larger storms are anticipated to generate localized flooding. Rainfall appears to have been heaviest in the northern portion of the City based on radar images, and this was borne out in where the most flooding occurred. This "Pineapple Express" storm event was accurately predicted by local weather forecasters and thus gave the City reasonable time to prepare.

The flooding

In urban areas, flooding that results from a given rain event depends not only on the total amount of rainfall, but more so on the intensity of the rainfall. During this event, rain fell at high intensities (0.2" inches per hour or greater) for two periods between midnight and 8:00AM. Most calls to the City regarding flooding occurred between midnight and noon on December 12th.

The following areas experienced flooding of roads and public infrastructure (ATTACHMENT A):

Billy Creek –

This is a small tributary of Juanita Creek that drains the eastern portion of Finn Hill. Much of the watershed is currently in unincorporated King County, Kirkland's annexation area. Water and sediment

overflowed the stream channel at two locations (ATTACHMENT B: Billy Creek Flooding Overview). Several houses were flooded, yards were covered with sediment, and a large amount of sediment was deposited on 94th Ave NE between NE 126th Place and NE 124th Street, along NE 124th Street between 94th and 98th Avenues NE. The majority of storm cleanup costs and ensuing citizen claims are associated with impacts of the storm in this area.

Totem Lake -

The level of Totem Lake began to rise in the early morning hours of December 12th, and it reached a peak elevation in the early evening. At its largest impact, the intersection of Totem Lake Boulevard and 120th Avenue NE was inundated, and water up 2 feet deep was standing on portions of Totem Lake Boulevard. Private properties that experienced flooding included: the Totem Lake Mall, Bank of America, and Toyota of Kirkland. Road access was restricted for four days although the roadway was partially opened after two days. Access to Evergreen Hospital was restricted due to the need to detour vehicles around the intersection. In addition, many local businesses were impacted by this road closure which occurred during the holiday shopping season. Flooding of this magnitude was accurately anticipated as shown on the attached map (ATTACHMENT C: Totem Lake Potential Flood Areas) which was distributed to Totem Lake businesses in the fall of 2010 as a part of the City's outreach to allow businesses in the area to anticipate the flood potential.

NE 62nd Street/Lakeview Drive -

NW University Creek flows into a pipe as it crosses Lakeview Drive. The trash rack at the pipe entrance plugged (despite frequent periodic cleaning by City crews) and water overflowed onto Lakeview Drive and then from the street into two homes at the intersection of NE 62nd Street and Lakeview Drive.

Silver Spurs: 130th Ave NE/NE 61st Street -

Water from a ditch/pipe system near the intersection of NE 61st Street and 130th Ave NE overflowed through private property, flooding one crawl space and threatening the basement of another property (the homeowners' efforts to pump water kept damage to a minimum).

In addition, many private properties experienced flooding. A small fraction of these problems were reported to the City (i.e. cases where the owner felt that City facilities may have contributed to the problem), but many owners have worked directly with their insurance companies and/or have repaired damages without City involvement.

City Response During and After The Event

City crews patrolled known flooding "hot spots" before and during the storm and responded to calls for help. Activities included unplugging catch basins and trash racks, and helping to minimize property damage where possible.

As the flood waters rose, roads were closed in the Totem Lake area using city signage and later by contracting with National Barricade as the area of closure expanded. In the Billy Creek area, staff monitored and cleaned a trash rack in the right of way of 94th Avenue NE to prevent clogging, although an undersized private culvert still caused water to overflow for some time. Following the storm, city crews cleaned streets and the drainage system, and assisted property owners by collecting sediment that they removed from their yards and had placed in the street. Cleanup in other parts of the City was minimal, though heavy rains often wash large quantities of sediment into the drainage system as a whole. It is expected that routine cleaning will net a larger-than-average amount of material in the coming months.

Five news releases were issued regarding road closures and flooding. The news releases were distributed via the following:

- City webpage postings: Home page/What's New Announcement, News Room & Emergency

- Non-city webpage: Regional Public Information Network website (www.rpin.org)
- City list serves:
 - News Room, 388 subscribers
 - Neighborhood News, 914 subscribers
 - Emergency Updates, 449 subscribers
- News releases are sent to TV, Radio & newspapers and to Kirkland blog sites

Cost of City Response

City costs for staff response during the event and for cleanup following the event totaled approximately \$16,000. Staff is currently waiting to hear whether King County or the State will declare the event an emergency, which would allow the City to recoup some of these documented costs.

Lessons Learned and Actions to Prevent Future Problems

Overall response:

Overall City response to the event went smoothly, though as with any emergency situation, there are lessons to be learned and improvements to be made. We will, for example, be working to better coordinate scheduling between the after-hours standby crew and crew members that are called in during an emergency to improve overall coverage and service.

•

Emergency Public Information

Staff will be working to improve communication with the City's Communications Program Manager (Public information Officer) by having that person stationed at the Maintenance Center during an event. This will improve the flow of information and the will ease creation of news release items. We are also investigating the possibility of calling in a GIS analyst to help provide maps of road closures and flooded areas.

The following are responses specific to particular flooding problems.

Billy Creek:

- King County is planning to repair an undermined stormwater pipeline in the upper reaches of Billy Creek. This project will help to reduce the sediment load. City staff will continue to work with King County urging them to complete this project as soon as possible, and definitely prior to annexation. In the short-term, a funded Kirkland CIP project is now underway to repair the downstream pipe system that carries the Creek from the City limits to Juanita Creek. This Project will prevent sinkholes in the street under which the pipe system runs as well as mitigate other potential downstream impacts. The Project will not increase the capacity of the system nor its ability to contain sediment received from the County. A long-term solution to this problem will involve stabilizing the upland stream channel to reduce delivery of sediment to the pipe system. Study and design of this project will be incorporated into the surface water CIP once annexation takes place.

Totem Lake:

- A traffic detour plan for Totem Lake flooding had been developed, but associated signage and coordination were not complete at the time of the storm. The traffic detour plan has now been refined based on observations made during the storm, and additional city signage will be ready shortly. National Barricade, a local signage and barricade provider, now has a copy of the traffic closure and detour plan, and they can be called to assist as needed. Contacts have been established for future coordination with WSDOT and Evergreen Hospital during storm events. The I-405 variable message reader board was utilized for notifying the public of the Totem Lake boulevard closures for the first time during this recent event and will continue to be available under similar situations.

- Staff is working to develop a long-term solution to the flooding. Consultant interviews are taking place during the week of January 10th, with the goal of having a consultant team under contract in 4-6 weeks. The first task for the selected consultant team will be to look for solutions that can be implemented for short-term relief while the long-term solution is developed.
- Discussions with private property owners indicate that the flood preparedness information provided in November was helpful. We are continuing to provide informational resources on possible mitigation measures to private property owners to help them protect their assets.

NE 62nd/Lakeview Drive and Silver Spurs:

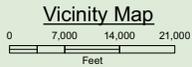
- Maintenance and engineering staff are working to develop alternatives to prevent these flooding occurrences. Depending on the cost of the preferred solutions, they will be implemented through the regular maintenance budget, or through the surface water CIP. Staff has contacted the various property owners to discuss temporary protection as long-term solutions are developed and to keep them informed of progress.

ATTACHMENT A: Map of December 12, 2010 flooding problems

ATTACHMENT B: Billy Creek flooding overview map

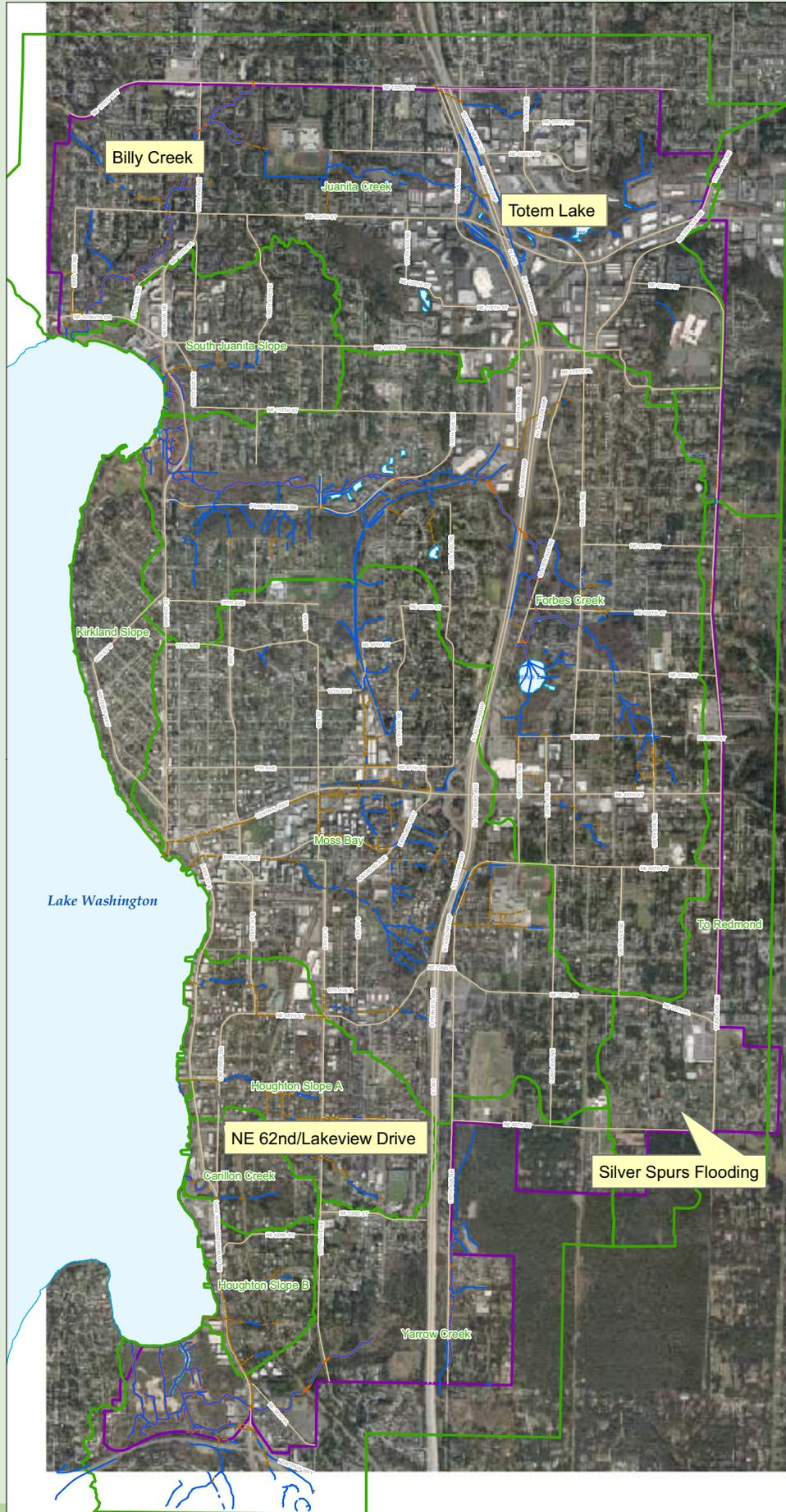
ATTACHMENT C: Totem Lake Potential Flood Areas

December 12, 2010 Flooding Problems

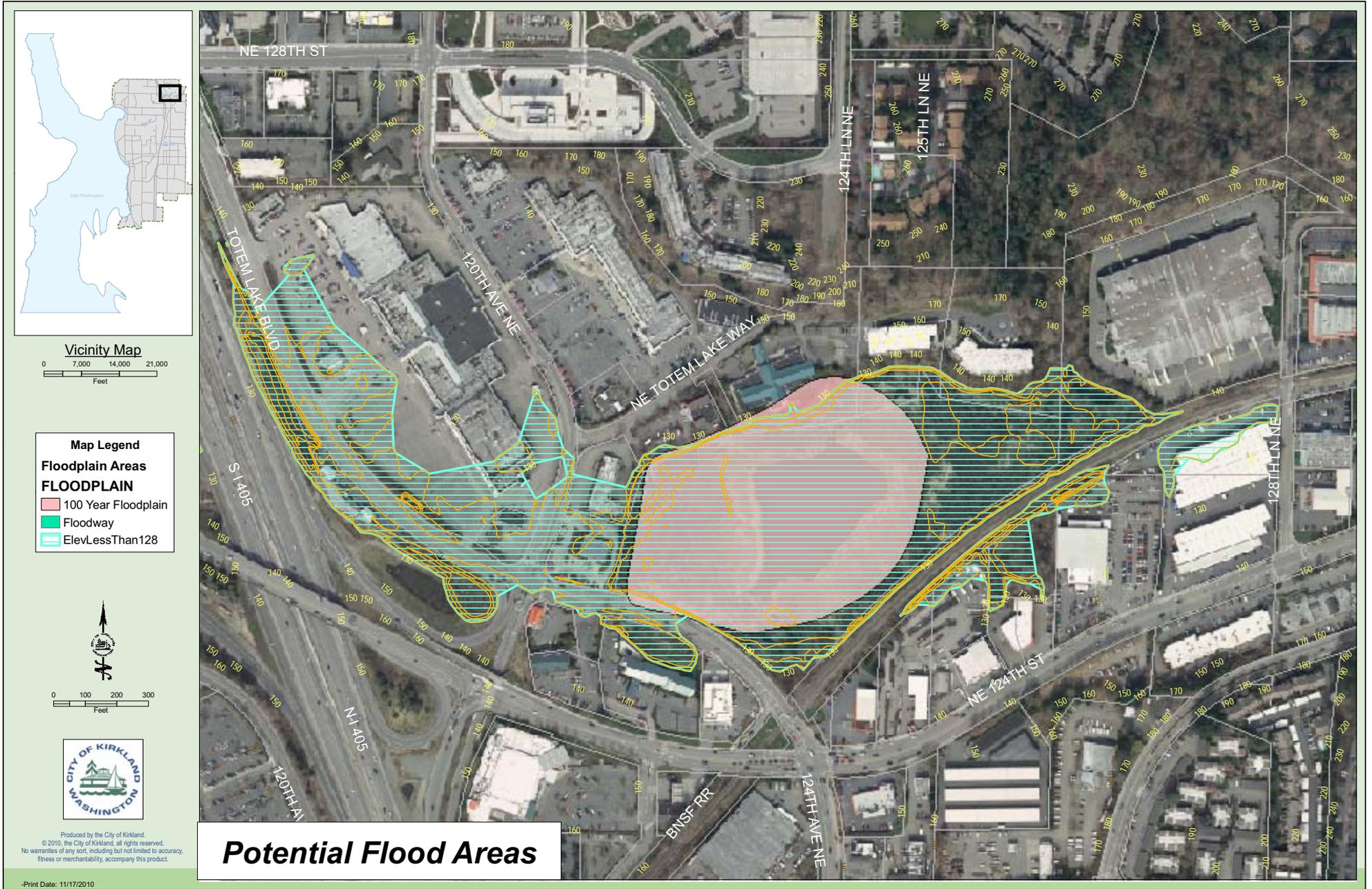


Map Legend

- █ Drainage Basin Boundaries
- █ City Limits
- SA_SLMFLG**
- █ Known Salmonid Locations



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CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: January 6, 2011
Subject: Civil Service Commission Resignation

RECOMMENDATION:

That Council acknowledge the resignation of Civil Service Commissioner Bill Petter effective December 31, 2010, and authorize the attached correspondence thanking him for his service.

BACKGROUND DISCUSSION:

Mr. Petter has tendered his resignation after many years of service on the Commission. Recruitment for this position has begun.

Bel-Kirk Motors

VOLVO

SAAB

10-5-10

ROD LANK
CITY OF KIRKLAND

DEAR ROD,

PLEASE ACCEPT THIS AS MY RESIGNATION
FROM THE KIRKLAND CIVIL SERVICE
COMMISSION AFTER 3 TERMS (18 YEARS).

I HAVE APPRECIATED WORKING WITH
YOU AND ALL THE FOLKS AT THE CITY
BUT FEEL THIS SHOULD BE MY LAST YEAR.

DEC. 31, 2010 IS THE DATE I HAVE
IN MIND TO BE FINISHED.

SINCERELY,

Bill Retter

DRAFT

January 18, 2011

Mr. Bill Petter
90 Central Way
Kirkland, Washington 98033

Dear Mr. Petter,

We have regretfully received your letter of resignation from the Civil Service Commission.

The City Council appreciates your long-time service as a Civil Service Commissioner. We note that you have served on the Commission for over 18 years, including a number of years as the Chairperson. We are also aware of the expressions of appreciation for your service by your fellow Commissioners and by the Kirkland Police Chief and Kirkland Fire Chief.

Kirkland citizens place a high value on the role which Public Safety employees have in our community. During your lengthy tenure as a Commissioner, both the Police and Fire Departments experienced significant growth, and your service on the Commission made a significant contribution to these efforts.

Thank you again for volunteering your time and talent to serve your community.

We wish you the very best.

Sincerely,
Kirkland City Council

by Joan McBride, Mayor



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marilynne Beard, Assistant City Manager
Lorrie McKay, Intergovernmental Relations Manager

Date: January 6, 2011

Subject: QUARTERLY ANNEXATION UPDATE

RECOMMENDATION:

City Council receives an update on annexation activities.

BACKGROUND DISCUSSION:

This is the first quarterly update for 2011 on the status of the many annexation implementation activities currently underway. As we approach the effective date of June 1 a number of issues are getting resolved and a few new issues have arisen. The following items are addressed in this quarterly update:

- Status of Interlocal Agreements
- Proposed Gambling Tax Ordinance Amendments
- State Sales Tax Contingency Plan
- King County Sheriff's Office Hiring Requirement
- Wild Glen Annexation
- Woodinville Fire and Rescue Transfer of Services
- Finn Hill Fire Station Property Transfer
- Public Safety Building Update
- Census
- Puget Sound Regional Council Representation
- Community Development Block Grant Funding Options
- Cell Tower and Billboard Ordinance
- Solid Waste Services
- Parks Maintenance Services for 132th Avenue Square Park
- Transfer of Open Space Parcels
- Totem Lake Neighborhood Meeting
- Annexation Communications
- Annexation Celebration

Interlocal Agreements

The City received two draft interlocal agreements from King County. The first addresses the transfer of governance for various functions to the City of Kirkland. The second addresses the transfer of property and assets. The interlocal agreements, along with agreements between the City and other jurisdictions, will provide authority for a smooth transition of services and property to the City of Kirkland. Staff representatives from City departments are working with their counterparts in King County to negotiate terms for consideration by the governing bodies. In the last quarterly report, progress on the transfer of development services was presented. City staff recently requested that King County provide draft interlocal language for all sections of the ILA by mid-January so that we can better understand issues that may be outstanding or needing direction from Council. As policy issues arise during these negotiations, they are brought to the City Council for direction. All draft language is being reviewed by the City Manager's Office, the City Attorney and Finance. Staff anticipates that the City Council will receive several updates between now and the time a complete interlocal is presented for consideration. Study sessions are tentatively scheduled for March 1 and April 19.

Gambling Tax Ordinance Amendments

Section 7.48.020 of the Kirkland Municipal Code regulates local gambling activities and taxes within the City of Kirkland including social card games. The current code prohibits social card rooms but also includes a tax rate of twenty percent. Two elements of the code will need to be updated to reflect the upcoming annexation consistent with previous direction from Council.

The first change will be to acknowledge the approval of ESSB 5321 allowing cities with a prohibition on gambling establishments to "grandfather in" businesses that were operating prior to the annexation effective date. During the Council's consideration of the annexation, they approved Resolution 4766 indicating their intent to grandfather in qualifying establishments. The Carribean Casino was in operation prior to the annexation and could be grandfathered in under state law. The Casino is currently within King County's jurisdiction which imposes an eleven percent tax rate on social card rooms. Financial scenarios prepared for the City Council during their deliberation assumed an eleven percent tax rate. Consequently, the code will also need to be amended to reflect the lower tax rate in order to be consistent with earlier projections. Staff will prepare an ordinance effecting these changes for consideration by the City Council in February, 2011 with an effective date of June 1, 2011.

State Sales Tax Contingency Plan

Recent budget challenges at the State level prompted a request for a contingency plan to address the potential loss of some or all of the state sales tax credit funding that was enacted to encourage annexation of unincorporated areas. All of the financial planning scenarios for annexation assumed annual revenue of approximately \$3.4 million is assumed for a ten-year period. The Governor's initial budget adjustment to address the current shortfall does not include any reduction in the state sales tax credit. In a recent presentation made by the Association of Washington Cities staff, their assessment was that the cuts proposed in the Governor's budget seem to indicate a policy of not "pushing down" the State's budget problems to the local level. That being said, the coming biennial budget has yet to be discussed and there is still a potential for some reduction of the sales tax credit as a means to balance the State's budget.

The long term financial plan for annexation assumed that a portion of the state sales tax credit would be used to service debt recently issued for the Public Safety Building. The debt was specifically structured to “wrap around” the ten-year state sales tax credit period. This action and expected revenue growth would allow the City to sustain ongoing services after the state sales credit expires.

The annexation budget for the 2011-2012 biennium includes about \$4.5 million in state sales tax credit revenue (\$1.13 million in 2011 and \$3.4 million in 2012), which represents about 13% of total General Fund annexation revenue. Total annexation General Fund revenue for the same period is \$34.9 million (including the state sales tax credit).

If the state sales tax credit is reduced or lost, the City will need to decide how to adapt to that action by the State. Staff has determined that it is legally possible for the City Council to defer the effective date of annexation as one possible response. However, given all of the reasons for which the City has decided to annex, the public expectation of an annexation, and all of the preparations that have been made to accommodate the annexation successfully, staff does not recommend deferral as an option. Staff believes that annexation services can still be funded, albeit at a lower level. Specific measures that can be taken or that are recommended include:

- Debt service – About half of the projected revenue is dedicated to debt service including a smaller debt issue that was planned for 2012 or 2013 for City Hall improvements. The City Council could opt to not issue the second portion of debt, estimated at \$500,000 to \$600,000 per year and defer remodel of City Hall.
- The annexation budget assumes that the state sales tax credit would be used to pay back the General Fund for pre-annexation expenses incurred in 2010 and 2011. This amount could be as much as \$3 million depending on the timing of Police Department hiring and a possible grant to fund new firefighters to serve the area. The City could also forego all or a portion of the remaining pay back.
- Revenue estimates for the annexation area were developed conservatively given the lack of actual data available for the area. It is possible that actual revenue will be in excess in the amount estimated, requiring a smaller amount of state sales tax credit funding.
- Many of the FTE’s approved for annexation have not been hired and 19 of the FTE’s are not scheduled to be hired until 2012. The City Manager is recommending that only selected annexation positions be hired until the City knows more about the State’s budget. All new annexation recruitments (i.e. any position that is not already filled by a City employee or which have a pending job offer) will be reviewed and approved by the City Manager’s Office. There are enough unfilled annexation positions to compensate for the loss of the state sales tax revenue. Staff will develop a revised service level plan once the State’s revenue impact, if any, is known.

King County Sheriff’s Office Hiring Requirement

State law provides that employees of county sheriff’s departments that are laid off as a direct result of annexation must be considered for hiring by the annexing city. Kirkland’s Police Department has been in contact with the King County Sheriff (KCSO) regarding this and other transition issues for several years. KCSO has consistently indicated that there would be no lay-offs resulting from Kirkland’s annexation due to the number of vacancies in the department and the ability to redeploy

staff dedicated to the area. In December 2010, the Seattle Times reported that up to eleven KCSO staff would be laid off as a result of the Kirkland annexation. Subsequent discussions with the Sheriff Rahr's staff confirmed that KCSO estimates a total of nine staff will be laid off. Official notification has not been received from King County.

Kirkland started the hiring process for police officers in 2009. To date 19 new officers have been hired and another four are in the testing and/or background process. During this time, Kirkland Police were in contact with KCSO to encourage their employees to apply. To date, several King County deputies have applied but none have been hired. At this point, the Police Department has 13 positions to fill. The City has not received official notice from King County about actual layoffs. Once an official notice is received from King County, affected employees can be placed on Kirkland's list to be considered for a position. All potential Police Department employees, including former KCSO deputies must be tested, pass background investigations and otherwise qualify for employment with Kirkland PD before they are hired.

Wild Glen Annexation

In previous reports, staff reported about annexation options for the Wild Glen Condominium parcel. Excerpt from April and October quarterly updates:

Wild Glen is a condominium located on a triangle of land west of 100th Avenue NE and north of Simonds Road NE just north of the Finn Hill/Juanita/Kingsgate annexation. The City has continued to pursue options for annexing the Wild Glen condominiums located north of the approved Finn Hill, Kingsgate and North Juanita annexation. Unless annexation of the parcel occurs, the condominium complex will be the only remaining property within Fire District #41. The desire is to have the area annex on June 1, 2011, when the larger annexation takes effect. Wild Glen property owners are supportive and are ready to sign annexation petitions. However, the King County Boundary Review Board (BRB) has refused to accept the Notice of Intention to Annex for Wild Glen until after it is contiguous with the enlarged city limits. This would cause hardships for both the Fire District and City during the interim period while the annexation is being processed. King County agreed to have their legal staff work with the Kirkland City Attorney to draft an interlocal agreement. The County and City are now exploring an alternative method of annexation that can be accomplished by interlocal agreement and will not require approval by the BRB. The agreement will need to be approved by the City, County and Fire District. We have discussed this with County and Fire District officials and have received positive feedback.

Since that time, the City received letters from both King County and Fire District #41 agreeing to the use of the interlocal method of annexation for the Wild Glen condominium complex so that the parcel can be annexed on the same effective date as the rest of the annexation area. The Kirkland City Attorney's Office will draft the agreement in cooperation with King County and the Fire District and will present the agreement for Council consideration prior to June 1, 2011.

Woodinville Fire and Rescue Transfer of Services

The interlocal agreement (ILA) between Woodinville Fire and Rescue (WFR) and the City, which was approved by the Kirkland City Council, has been executed by both parties and recorded with the City Clerk. As required by the ILA, WFR presented a letter to the City stating their intent to close fire station #34, located in the Kingsgate portion of the annexation area, on the effective date of annexation. As a result of this station closure WFR will lay off up to 10 firefighters and 4 officer

positions. The City replied with a request to meet and discuss how many of the potential layoffs were attributed to the loss of service area caused by the annexation rather than the closure of the station and implementation of a new organizational structure. The meeting was held on December 20, 2010 and an agreement was reached by both parties. WFR agreed to declare "as a direct consequence of annexation the District will lay off up to nine firefighters." The City agreed to declare a need to hire up to nine firefighters. As agreed in the ILA, a letter (see Attachment A) was drafted, signed by the City Manager and WFR Chief I David Daniels and presented to both IAFF Locals. Negotiations on the details of the transfer of impacted employees to the City of Kirkland are in process.

WFR will close fire station #34, serving the Kingsgate area, on June 1, 2011. Kirkland Fire will provide fire and emergency medical service to the Kingsgate area beginning June 1, 2010 by the addition of a dedicated Aid Unit staffed with two firefighters.

Finn Hill Fire Station Property Transfer

Fire District No 41 Board of Commissioners and City staff continue the negotiation process with King County officials to secure land at the Big Finn Hill Park site of 138th Place and Juanita Drive for the Finn Hill fire station consolidation project. Preliminary plot plan drawings to identify the land necessary for a proposed 8800 square foot station and a 22 stall parking area for park patrons were completed by TCA architectural firm. Building permit applications are anticipated to be filed with the City of Kirkland after the June 1 effective date, therefore the plans were reviewed by City staff prior to being presented to King County officials. The Fire District Commissioners have contracted with a geotechnical engineer to survey the land and determine soil quality and drainage issues. A draft interlocal agreement for the transfer of the land to the District was presented to King County officials. King County has authorized the District to perform the survey and are considering the interlocal agreement. King County protocol requires an appraisal for valuation of the land to be performed prior to the transfer.

The Commissioners will host public meetings during the first quarter of 2011 to inform the public, receive feedback and answer questions about the project. The dates and times of the public meetings will be announced on the City of Kirkland website once the times and locations are determined.

Public Safety Building Update

Planning for the Public Safety Building is moving forward. The Technical Advisor for the Design Services contract was put through a competitive process and was awarded to McClaren, Wilson, and Lawrie. The Technical Advisor will assist with planning and design efforts and also assist the City with the selection of an architectural and engineering team that would provide final design and prepare the bid construction documents. Discussions about the programming of the space continue including an evaluation of jail size, evaluation of the consolidation of the Police and Municipal Court and a potential satellite vehicle maintenance bay to service police vehicles onsite. Once McClaren, Wilson, and Lawrie's contract is finalized, their first task is to assist the City with drafting an RFP for the design architect. We hope to have a design architect on contract by beginning of second quarter.

Census

Current state law and procedure require that cities conduct a census of the newly annexed area within 30 days of the effective date of the annexation. City staff estimates that this could cost up to

\$225,000. The City Council has previously asked whether the City could use the federal 2010 census, in combination with the annual Housing Unit Population Estimate Report provided to the State Office of Financial Management (OFM) by the city and county, as the basis for the population enumeration. Subsequent discussions with the OFM determined that use of the federal census would require a legislative change. Given the timing of the legislative session and the effective date of the annexation- the annexation area census requirement is on a two track strategy:

Track 1 – Proceed forward in preparation for a City contracted enumeration of the annexation area. Funding was identified in the original annexation service packages. Staff is preparing a request for proposals and identifying appropriate firms to conduct the count. An RFP will be issued with the caveat that if the City is successful in securing legislative changes, the scope of the contract would change or be eliminated.

Track 2 – This legislative session, the City is working with the AWC to seek a legislative amendment that would allow cities whose annexation is effective within 15 months of the last federal census to use this data in combination with the City's and County's annual count data to meet the census requirement. Initial language was drafted by the City's contract lobbyists and Representative Springer has agreed to sponsor the legislation.

Puget Sound Regional Council Representation

The Puget Sound Regional Council will need to take up the topic of how to adjust the Executive Board to meet the state statute (RCW 47.80.060) when the State Office of Financial Management (OFM) establishes Kirkland's population in excess of 80,000. This is anticipated to be on July 1, 2012.

According to the 1998 Interlocal Agreement for Regional Planning of the Central Puget Sound, every September the weighted vote for the General Assembly and Executive Board is revised to reflect the most recent population figures from the OFM. Further, every three years, per the interlocal agreement the Executive Board reconsiders the distribution of county and city representation on the Executive Board.

Typically, the OFM releases their annual (April) population estimates in July of each year for the cities and counties. April 2011 is a different situation because in mid to late March, the actual federal 2010 Census data will be released. Before OFM can publish their 2011 estimates, we will have actual 2010 Census numbers for Kirkland and other cities. King County's Demographer, will work with Kirkland beginning April 1, 2011 to determine what the annexation population is estimated to be. On July 1, 2011, the OFM will determine an April 2011 estimate of city and county populations. The Juanita, Finn Hill and Kingsgate Annexation will not be effective until June 1, 2011 so, the official 2010 Census number for the City of Kirkland will not include the annexation area as part of Kirkland's count. On July 1, 2012, the OFM will determine an April 2012 estimate of city and county populations. It will be the April 2012 estimation from OFM for the City of Kirkland that will include the population of the annexation area. It is anticipated that Kirkland will be granted representation on PSRC in September 2012.

Community Development Block Grant Funding Options

The City currently receives its Community Development Block Grant (CDBG) funds through the King County CDBG Consortium based on an Interlocal Cooperation Agreement with the County. The

agreement will expire on December 31, 2011. With the annexation, the City will surpass the population threshold of 50,000, making Kirkland eligible for either a joint agreement with King County, or direct entitlement with the Department of Housing and Urban Development. Kirkland could also remain part of the Consortium. The City will need to decide which method they would like to use to receive CDBG funds by May 2011 to ensure that the appropriate agreements are in place by January 2012.

The cities of Redmond, Shoreline, Renton and Federal Way are also faced with this decision and staff from each city and Kirkland has been meeting with King County over the last several months to explore the implications of the three options. This working group will continue to meet over the next several months. Staff will also convene an internal working group early this year to discuss the pros and cons of the options for Kirkland. The issue will be brought forward to the City Council for a decision by May 2011. For additional detail, see Attachment B.

Cell Tower and Billboard Ordinance

The City had requested that King County revise its regulations governing billboards and wireless facilities to be more similar to the City's regulations prior to the effective date of annexation. King County agreed in principle and an ordinance was prepared jointly by Kirkland and King County staff. Under the proposed ordinance, if a billboard or wireless facility is proposed between the time the ordinance is adopted and the effective date of annexation, then the applicable rules will be more similar to Kirkland's than the County's.

On Monday, December 6, 2010 the King County Council's Committee of the Whole considered Ordinance 2010-0552 relating to the interim regulation of billboards and minor telecommunication facilities in the annexation area. The committee accepted the ordinance and voted it out of committee. The full County Council will consider Ordinance 2010-0552 on their agenda in mid-February, 2011.

Solid Waste Services

Solid Waste Contract Negotiations: Since the last annexation update, City staff and Waste Management, Inc. (WMI) have held several solid waste contract negotiation sessions. Work on the final contract draft has been substantially completed, and both parties have tentatively agreed to an array of contract updates and enhanced or new services. Staff is now in the process of evaluating WMI's initial rate proposal. The rates and services in the new contract will apply and be provided to all post-annexation Kirkland residents and businesses on July 1, 2011 - the effective date of the 4-Way Agreement which governs the transition of solid waste services from Allied Waste Services (AWS) to WMI. City staff and WMI have scheduled several contract implementation and transition meetings to be held between January and July 2011 designed to ensure a seamless transition between haulers. A more detailed discussion of the proposed solid waste contract provisions and rates will be provided at the January 25, 2011 Council Finance Subcommittee meeting.

Annexation Area Service Day Changes: Approximately 90% of the 8,464 annexation area residential customers with curbside garbage service receive service on either Monday or Tuesday. Waste Management has indicated that it will not be able to operationally duplicate the current service day schedule for all annexation customers due the sheer size of the annexation area and its obligation to continue to provide service in Kirkland proper. As a part of the contract negotiation process, City staff and WMI have committed to devising and implementing a revised weekly collection schedule that will

limit the impact to annexation area customers. Service day changes will be thoroughly communicated to the affected annexation area customers well in advance of the hauler transition date.

Self-Hauler Education and Outreach: In the spring 2011, City staff will begin contacting residents and businesses in the annexation area that currently elect to self-haul their own garbage in lieu of subscribing to curbside garbage service through AWS. Upon the effective date of annexation, approximately 1,200 annexation area residents and businesses without garbage service will be required to subscribe to service in accordance with Kirkland Municipal Code Section 16.08.030. The initial education and outreach effort will encourage residents without service to consider the convenience, financial incentives, and environmental benefits of curbside garbage and recycling service. The monthly cost of curbside garbage service is typically equal to or less than the cost of self-hauling garbage to the closest King County transfer station in Houghton. Staff anticipates that the majority of self-hauling annexation area residents will subscribe to a minimum level of curbside service on or before the effective date of annexation.

Service to Limited Access Residential Customers: There are several properties in the annexation area where the topography has restricted customers from access to a convenient curbside pickup site (long, steep driveways, for instance) and consequently may have precluded residents from subscribing to curbside collection in the past. The City and WMI have contractually committed to working individually with these residents to resolve access issues and to provide the most convenient and safe collection site possible. Additionally, WMI route managers have driven and assessed service accessibility along some of the steeper, narrower public streets in the annexation area. Customers that subscribe to hauler-provided carry-out or drive-in service on these streets through AWS will be provided with comparable service by WMI whenever safe and practicable.

Parks Maintenance Services for 132th Avenue Square Park

There will be 5 parks transferred to the City: Edith Moulton Park (26.71 acres), Juanita Heights Park (3.23 acres), Kingsgate Park (7.20), Windsor Vista Park (4.83) and 132nd Square Park (9.76). The majority of the parks are wooded open space parks with soft surface trails. The 132nd Square Park is a community type park with two ball fields, a grass field area for soccer, a playground, restroom facility, parking lot, hard surface pathways and other park amenities. King County has agreed to maintain 132nd Square Park through December 2011; this will be very helpful in the timing of hiring staff, scheduling ball fields, purchasing equipment and orienting staff to the new parks.

Transfer of Open Space Parcels

According to information received from King County there are 38 open space tracts within the annexation area owned by King County. In place of a park impact fee, the County required residential developments of a certain size to dedicate a percentage of the overall development for "open space purposes" or a developer could request to meet the requirement by way of paying a fee-in-lieu. Some developments within the annexation area retained ownership of the open space tracts in their development as part of a Homeowner's Association; others deeded the tracts to King County. Open Space tracts are similar to the Park Property's in that the transfer is to be negotiated. An interdepartmental team comprised of Parks and Public Works will meet in January to evaluate whether which of these tracts meet Kirkland's level of service needs for parks and/or surface water purposes and are appropriate for transfer to the City through the interlocal agreement process.

Totem Lake Neighborhood Meeting

The City Council was scheduled to hold a neighborhood Council meeting in the Totem Lake area in February. It was hoped that the meeting could draw representatives from the surrounding annexation area and outreach to the area was planned. Due to a scheduling conflict, the meeting was changed to March 16.

Annexation Communications

The City's annexation communications efforts outlined in the 2010-2011 Annexation Outreach Plan (March 2010) are continually being implemented (web updates, listserv announcements). Since the Council's acceptance of the annexation in December 2009, communications and outreach efforts have been focused on public education and involvement around defining neighborhood boundaries, addressing the impacts of annexation to the 2011-2012 Budget and, more recently, planning efforts for an annexation celebration.

Upcoming Action Items: Strategies as identified in the plan that will be implemented in the coming months include:

- Informational Kiosk: an informational display to be displayed at the Kingsgate Library or other public places.
 - Target Date: February, 2011
- City Services Folio: an informational mailer to homes and businesses within the annexation area explaining city services and listing department contact information and online resources. See Attachment C for the outline of topics to be included in the mailer.
 - Target Date: Early March, 2011
- Spring/Summer Recreation Guide: This publication is mailed to homes within the 98033 and 98034 zip codes. Annexation residents with a Bothell or Woodinville mailing address will not receive it directly. Resident rates will be made available to annexation residents. Registrations will be accepted beginning March 21, 2011.
 - Target Date: Mid-March, 2011
- Frequently Asked Questions (FAQ) Handouts: FAQs will be updated as needed.
 - Target Date: April, 2011
- Annexation Celebration: Through the planning efforts of a citizen volunteer group, a three-day celebration is being proposed. See details in section below.
 - Wednesday, June 1, Open House, City Hall, 4 to 8 p.m.
 - Thursday, June 2, Business Networking Breakfast
 - Friday, June 3, Community Celebration at Juanita Beach Park
- New Citizen Orientation: an informative series of workshops that could cover topics such as "City Government 101," "Budget Basics," "Decision making in Land Use and Capital Project Planning," and "Q&A with Elected and Appointed Officials."
 - Target Date: Fall, 2011

Public Outreach: The City continues to be available for neighborhood and community organization meetings. All departments are responding to an increase in public inquiries about annexation and staff is responding promptly to call-in and walk-in customers. Approximately 2-3 email inquiries are received each week through the "Ask a Question" feature on the City's website. Common questions include:

- Effective Date of Annexation: Several departments report hearing from annexation residents that the effective date of annexation is believed to be January 1, 2011.
- Addressing: A common question received via "Ask a Question" relates to when the Post Office will change Woodinville and Bothell addresses in the annexation area to Kirkland (city and zip code).
- Tax implications: A minimal number of inquiries have been received about the property tax and utility tax impacts to annexation area residents. A recent "Letter to the Editor" published in the Kirkland Reporter questioned the impact to annexation residents of the property tax levy adopted by the Council in December (note the City's property tax levy does not apply in the annexation area until the 2012 levy is adopted).
- Development Services: The Building, Planning and Public Works Departments continue to report a steady flow of inquiries about permitting and project development regulations.
- Fire Service: Some inquiries have been received about questions about the status of the Kingsgate Fire Station and the fire station consolidation.

Annexation & Neighborhood Websites: The City's annexation webpage continues to be a primary source of information and all public materials and messaging promotes www.ci.kirkland.wa.us/annexation. The homepage content was updated in January 2010 and the following new pages were added to the site in 2010:

- [Neighborhood Boundaries](#)
- [City Services](#)
- [Shoreline Master Program](#)

A link to the site has been added on the [Northshore Utility District](#) and [Allied Waste Service](#) websites. A request to Woodinville Water District is pending; however an annexation update was published in its [Fall 2010 newsletter](#). Additionally, requests have been made to homeowner associations in the annexation area to add a link to their websites. The following HOA's actively post annexation information:

- Kingsgate Alliance of Neighborhoods, <http://www.kingsgate.org/>
 - High Woodlands
 - Kingsgate Highlands Divisions 1 & 2, 3 & 4 and 5
 - Upland Green

As part of the public involvement process to help define the neighborhood boundaries in the annexation area, an online survey was created as a means for annexation residents to express their preference for various concepts. The online survey asked respondents how they currently receive information about the City of Kirkland. The results reflected the following top three sources of information: (1) Kirkland Reporter, (2) City website and email updates and (3) Bothell-Kenmore Reporter.

Email Alerts (Listserv): A great deal of information is released by the City through the Annexation Listserv (email notification) which, as of December 29, 2010 had 1,213 subscribers (up by over 200 subscribers since the October 2010 Annexation Update). The City has sent four (4) updates since the October update to the City Council (a total of 16 updates in 2010).

Annexation information can also be released through other City listserv notifications. If the City issues a news release about annexation, it is forwarded to 391 subscribers. If the City's newsletter, City Update, contains an article on annexation, then 914 subscribers are notified.

The following table reflects the increase in listserv subscribers from April to December 2010.

Name of Listserv	Subscribers as of April 2010	Subscribers as of December 2010	Increase number of subscribers
Annexation	995	1,213	218
News Room (News Releases)	292	391	99
City Update (Newsletter)	703	914	211

Printed Materials: The following printed materials are available.

Neighborhood Boundaries Handout

Information handouts were developed to support the public involvement efforts around defining the neighborhood boundaries. (Attachment D)

Frequently Asked Questions (FAQ) Handouts

In September, 2010 the [Frequently Asked Questions](#) (FAQ) handouts listed below were updated and posted to the website. Hard copies were provided to the City Council and are available at City Hall. They will be made available at neighborhood association and other meetings.

- Annexation Process
- City Finances
- Public Safety (fire, EMS, police, court)
- Zoning & Building Requirements
- Utility, Solid Waste & Other Services
- Community Involvement

The Parks, Recreation & Community Services FAQ did not require updates.

City Update Newsletter

City Update is published quarterly (March, June, September, December) with all editions posted on the City's website. Annexation was featured in the [1st](#), [2nd](#), and [3rd](#) quarter editions in 2010. A limited number of the 3rd edition were printed and made available at City and other public buildings. As a reduction for the 2011-2012 Budget, postage to mail one edition of the newsletter has been eliminated; therefore future editions will be primarily available online.

Media Messaging: News releases about annexation topics are typically issued when a significant policy issue has been decided by the Council. News releases are forwarded internally and then released to media (TV, radio, newsprint), community organizations, other cities, and community blogs.

Annexation has been featured in recent editions of "Currently Kirkland," the City's weekly TV City News show.

Internal Communications: The City Manager continues to host monthly all staff meetings to discuss the budget, annexation and other issues impacting City employees. The KirkNet Annexation webpage was updated in November 2010.

For questions, please contact Marie Stake, Communications Program Manager at 425-587-3021 or mstake@ci.kirkland.wa.us.

Annexation Celebration

Based on direction from the City Council, an Annexation Celebration Planning Team was formed to plan for and implement events intended to mark the transition, introduce new residents to the City organization and services and to help create a sense of one community. The planning team consists of residents from the annexation area, Deputy Mayor Penny Sweet, representatives from the Kirkland Alliance of Neighborhoods (KAN) and other Kirkland residents. The team is staffed by Marie Stake, Communications Program Manager and several Parks and Community Services Department staff. To date, two meetings were held. Notes from the meetings are included as Attachment E and Attachment F.

The planning team is recommending three events the week of the effective date of annexation. The first event would be an open house at City Hall where residents can meet City officials and become familiar with City Hall and City services. The second event is a business-to-business connection event to be coordinated with the Chamber of Commerce and Kirkland Downtown Association. The third event is a community outdoor event to be held at Juanita Beach Park and will be hosted in conjunction with the Friday Market. This event will include a variety of activities and demonstrations by City staff and include a formal welcome by the Mayor and City Council. Planning efforts will continue in the coming months including identifying an event (e.g. children's talent show) that will attract families to attend and securing sponsors to underwrite any costs.



December 22, 2010

Employees of IAFF Local 2950
Woodinville Fire and Rescue
PO Box 2200
17718 Woodinville-Snohomish Rd. NE
Woodinville, WA 98072

Dear Employees of IAFF Local 2950,

As you know, the City of Kirkland ("the City") has annexed a portion of the Woodinville Fire and Rescue district ("the District"). As a result, the City and the District are required under RCW 35A.14.485(1) to jointly provide the District's employees with information about hires, separations, terminations and any other changes in employment that are a direct consequence of the annexation. This letter is sent for that purpose.

As a direct consequence of the annexation the District will lay off up to nine firefighters, which will proceed in accordance with the current collective bargaining agreement between the District and IAFF Local 2950. The City will then hire up to nine firefighters on such terms as the City, District and IAFF Locals 2545 and 2950 agree upon or, if such an agreement cannot be reached, upon the terms provided by law.

This is the extent of the information contemplated by RCW 35A.14.485 that we have, which satisfies the requirements of that law. Additional information will be shared with Local 2950 employees as determined by the above-noted collective bargaining process.

Sincerely,

CITY OF KIRKLAND

A handwritten signature in black ink, appearing to read "Kurt Triplett", written over a horizontal line.

By: Kurt Triplett, City Manager

WOODINVILLE FIRE AND RESCUE

A handwritten signature in black ink, appearing to read "I. David Daniels", written over a horizontal line.

By: I. David Daniels, Fire Chief/CEO

cc: J. Kevin Nalder, Chief
City of Kirkland Fire and Emergency Services



CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Carrie Hite, Deputy Director, Parks and Community Services
Dawn Nelson, Planner Supervisor, Planning Department
Jennifer Schroder, Director, Parks and Community Services

Date: December 22, 2010

Subject: Community Development Block Grant Funds

The Community Development Block Grant Program (CDBG) is authorized under Title I of the Housing and Community Development Act of 1974, as amended. It grew out of consolidation of eight categorical programs under which communities competed nationally for funds. Those programs were: Open Space, Urban Renewal, Neighborhood Development Program Grants, Historic Preservation Grants, Model Cities Supplemental Grants, public facilities loans, neighborhood facilities grants and water and sewer grants. Its primary objective is supporting the development of viable urban communities by providing decent housing, a suitable living environment (community facilities and public infrastructure) and expanded economic opportunities principally for persons of low and moderate income.

Eligible Activities of CDBG Funding:

There are three general categories of activities that are eligible for CDBG funding.

1. **Capital Projects:** involves the acquisition or improvement to real property.
2. **Planning and Administration:** there is a ceiling of 20% of the CDBG allocation that is allowable to support administration and planning efforts.
3. **Public Service Programs:** there is a 15% ceiling of the CDBG allocation that is allowable to support the ongoing operational costs for programs serving low and moderate Kirkland residents.

Federal regulations cap the amount of CDBG funds that can be expended in the second and third categories. Historically, Kirkland has used CDBG funds for sidewalks, ADA upgrades, grants to nonprofits for capital development, ARCH parity contribution, and grants for programs that serve the housing needs of low to moderate income individuals.

The City is currently eligible to apply for Community Development Block Grants (CDBG) funds from the King County CDBG Consortium through a three year contractual agreement with the County. The agreement will expire on December 31, 2011. With annexation effective June 1, 2011, the City will surpass the population threshold of 50,000, which will make Kirkland eligible for either a joint agreement with King County, or direct entitlement with the Department of Housing and Development. The City will need to decide which method they would like to receive CDBG funds by May 2011 to be effective January 2012.

The City will have three options:

1. **Direct Entitlement:** The City may receive funds directly from the Department of Housing and Development (HUD) – this is called direct entitlement. Although this will bring the CDBG funds directly into the City, it also comes with a large administrative workload. The cities of Seattle, Bellevue, Kent, and Auburn are examples of King County cities that have opted to be direct entitlement cities.
2. **Joint Agreement:** The City can opt to initiate a three year joint agreement with King County. The County would use a portion of the allocation for providing oversight and satisfying administrative requirements. Although the County would retain some of the CDBG funds, it would ease the burden of the HUD administrative requirements on the City. The City would retain a portion of CDBG funds to allocate to projects that are selected by the City, and contribute a portion of funds to consortium-wide programs and administration of funds. All funds allocated by the joint agreement city and through the consortium-wide process must be consistent with the consolidated housing and community development plan. The cities of Shoreline, Renton, and Federal Way are examples of King County cities that meet the 50,000 threshold and have opted to enter joint agreements with the County.
3. **King County Consortium:** The City can renew a three year agreement to be a member city of the King County CDBG Consortium. This option would be status quo for the City.

The City will need to make a decision by May 2011 to give King County enough time to plan for the following year. Currently, the cities of Redmond, Shoreline, Renton, Federal Way, and Kirkland have all been meeting with King County to explore options for 2012. King County is in the process of estimating allocations for each city given each option listed above. Kirkland will need to consider these estimates in their financial analysis to determine feasibility of each of these options.

Following is a brief overview of some advantages and disadvantages of each option to be considered when completing an analysis.

1. Direct Entitlement

Advantages:

- Kirkland would control its CDBG program and would have autonomy in decision-making, as long as the federal regulations are followed.
- Planning and Administration Funds have more flexibility. The funds can be used to support City staff, interns, needs assessments, other regional planning efforts (Communities Count reports), etc.
- Funds are received several months sooner, as they do not need to flow through King County prior to coming to Kirkland. This helps the agencies receive CDBG funding sooner. The County process can sometimes take 6-12 month to disseminate the funds .
- The City would not have a direct working relationship with King County. Therefore, the City would retain more control over efficiency and effectiveness.
- Kirkland would decide whether to continue to fund the deferred home loan program or the Housing Stability Program. King County funds these programs

off the top of each allocation for Joint Agreement and Consortium members, and Kirkland doesn't have a choice. Kirkland could opt to contract with King County to continue support of these programs.

- The City can control the amount of staff work to be done, by its choice of projects to be funded.

Disadvantages:

- The City would have more planning responsibilities. A Consolidated Plan must be completed every five years, with an estimated cost of \$50,000. A plan would need to be in place and approved by HUD by November of the year preceding funding.
- The City would have more administrative work. Data input, project monitoring, and reporting requirements can be extensive.
- If funding from HUD decreases, the amount of funding Kirkland would receive decreases, but the requirements will remain constant.
- The City would need to either operate a housing stability component, or contract it out, as a requirement of HUD.
- The City is subject to HUD audits and must ensure compliance with the following federal requirements: Fair Housing, CPD (Community Planning and Development), Fair Labor, Construction Monitoring and Environmental Review.

2. Joint Agreement

Advantages:

- King County staff is responsible for compliance of federal regulations.
- The City will have the local control and authority to allocate funding to projects, subject to the terms and conditions of HUD rules and regulations.
- The City would have more of a direct benefit from CDBG funds than its current arrangement through the Consortium, including retention of some administrative dollars to support program administration.

Disadvantages:

- The City would not have direct control over the CDBG program. The County gets to decide priorities, administrative capacity, and program requirements.
- The City is subject to King County timelines, which have proven to take 6-12 months to get contracts routed and signed.

3. Member Consortium

Advantages:

- Kirkland pools its CDBG funds with other cities in North and East King County. The members of the Consortium, which includes a member from Kirkland make funding recommendations to the Joint Regional Council.
- Minimal administrative duties.

Disadvantages:

- The City does not have local control over allocation, but has to apply and compete with other jurisdictions.
- All planning and administrative funds are allocated directly to King County.

Recommended Next Steps:

- Convene an internal committee to complete an analysis of each option.
- Continue to engage with regional committee and King County to analyze County-wide options.
- When the County releases their estimates for each option, complete a financial and staffing analysis to determine best options.
- Engage with City Council to lay out options and determine best choice for Kirkland.
- Inform County of option by May 2011.

OUTLINE: INFORMATIONAL MAILER TO ANNEXATION HOMES & BUSINESS

GENERAL INFORMATION (Intro)

- Welcome from City Council
- About Kirkland
- Annexation and address change effective dates
- Transition of services
- Census
- Annexation webpage, email, phone
- City Hall Open House & Community Celebration

YOUR CITY

- City Council
- Boards & commissions
- City departments
- Volunteering
- News and information

YOUR SAFETY

- Police services
- Fire & EMS Services
- Municipal Court
- Emergency Preparedness
- Building/Zoning Codes & Permits
 - County permits on file
 - Oversize vehicle registration
- Code Enforcement
- Fireworks Ban
- Animal Control
- Alarm Registration
- Snow & Ice Removal (Priority Road System)

YOUR NEIGHBORHOOD

- Neighborhood boundaries planning
- Neighborhood services
- Street & public grounds service requests
 - Graffiti Hotline
 - Sidewalk requests
- Garbage & recycling collection service
- Water & sewer services
 - Surface Water Charge (KC)
- Private utility services (phone, electric, cable, Internet)

YOUR PARKS & RECREATION

- Parks and open spaces
- Recreation programs
- Community Centers

YOUR BUSINESS

- Business License

City of Kirkland

September, 2010

Kirkland Neighborhood Planning

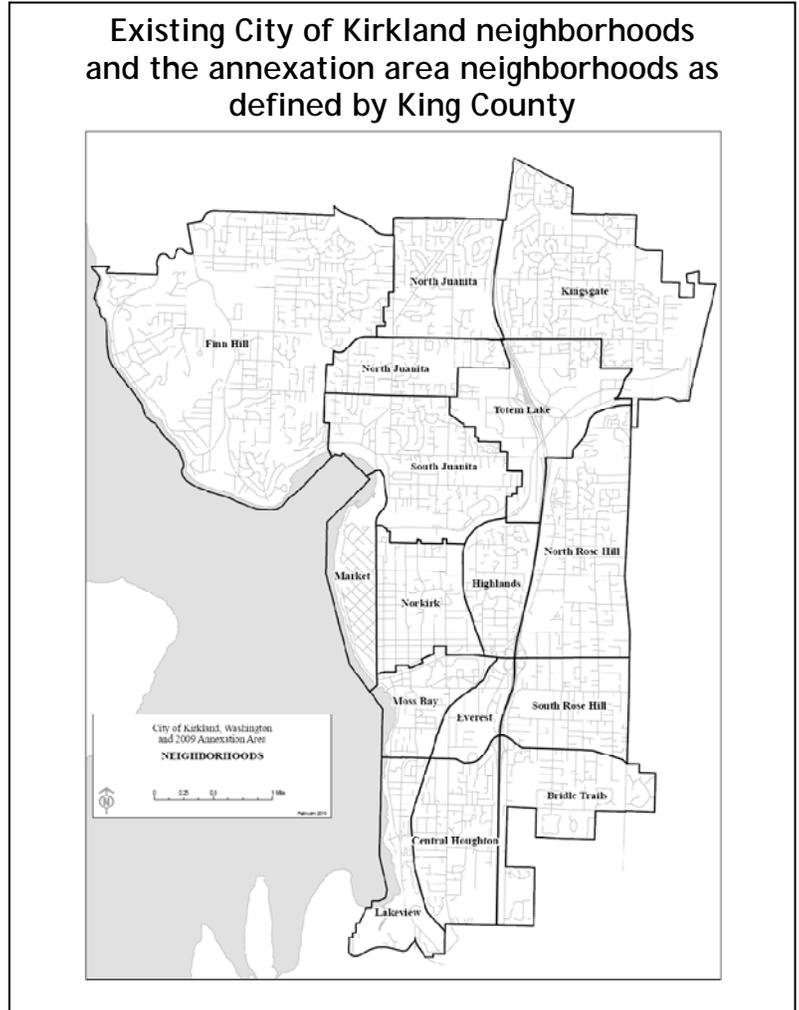
The City of Kirkland is currently divided into 13 neighborhoods. Each neighborhood has a chapter in the City’s Comprehensive Plan that helps guide future growth and change and clarifies how broader City goals and policies apply to each neighborhood. The Neighborhood Plans establish a vision and supporting policies for land use, natural elements, open space and parks, vehicular circulation, and urban design.

The annexation area currently contains the three neighborhoods of Finn Hill, North Juanita, and Kingsgate as previously defined by King County. As a regional planning agency, King County does not conduct detailed planning at the neighborhood level.

Establishing neighborhood boundaries is not an exact science. Kirkland’s current neighborhood boundaries were created over time with edges established by features like major roads, topography, changes in land use, etc. To qualify for recognition as a Kirkland Neighborhood Association (see other side), the association must have boundaries contiguous with Kirkland’s Comprehensive Plan neighborhood designations.

As part of its 2010 Comprehensive Plan update, the City’s Planning & Community Development Department has initiated a process to integrate the annexation area neighborhoods into Kirkland, including developing more formal neighborhood boundaries. Taken into consideration will be existing organizations, local school boundaries, physical features and other relevant factors.

For more information, contact Jeremy McMahan, Kirkland Planning & Community Development Department at 425-587-3229 or jmcmahan@ci.kirkland.wa.us.



Neighborhood Meetings	Public Hearing on Proposed Boundaries
<p><i>For Kingsgate Residents</i> September 15, 7:00 p.m. Kamiakin Junior High 14111 – 132nd Ave NE</p>	<p>Kirkland Planning Commission October 14, 7:00 p.m. Kirkland City Hall, Council Chambers 123 5th Ave</p>
<p><i>For Finn Hill Residents</i> September 22, 7:00 p.m. St. John Vianney Church 12600 84th Ave NE</p>	
<p><i>For North Juanita Residents</i> September 23, 7:00 p.m. Holy Spirit Lutheran Church 10021 NE 124th St</p>	

**Take the online survey by Sept. 30, 2010:
www.ci.kirkland.wa.us/annexation**

City of Kirkland

September, 2010

Kirkland Neighborhood Services

The City works closely with Kirkland neighborhood associations to ensure that quality services are provided, neighborhood associations are supported, and neighborhood issues are responsively addressed.

Kirkland Alliance of Neighborhoods (KAN) is a coalition of the Kirkland's neighborhood associations. KAN provides information, networking, education and support to neighborhoods and their representatives. The Alliance is an effective, representative voice for communicating neighborhood concerns and challenges to the appropriate entities. KAN meets five times a year to share information on important city-wide issues and events.



Neighborhood Services Programs:

Neighborhood Connection Program:

Neighborhoods become empowered to suggest improvements and help implement neighborhood solutions. The program provides funding to neighborhoods for roadway, sidewalk, landscaping or park improvements. The program helps build a sense of community and creates connections between City Hall and the neighborhood.

Neighborhood Matching Grant Program: Neighborhoods receive matching funds to support their neighborhood efforts on physical improvements, neighborhood identity projects, special events, leadership training, communications, and fostering active living. Applications of up to \$3,500 have historically been available to all neighborhoods; however with the economic downturn, the 2010 matching grants were reduced to \$615 per neighborhood. To qualify to receive City neighborhood grant funding, a recognized Kirkland Neighborhood Association, the association must:

- be located in the City of Kirkland;
- have boundaries contiguous with Kirkland's Comprehensive Plan neighborhood designations;
- be incorporated as a non-profit, tax exempt organization with by-laws and a Board of Director;
- have a majority of the organization's members living or operating businesses in the neighborhood; and
- not discriminate and must actively offer membership to all neighborhood residents

Neighborhood Meetings with the City Council: Neighborhoods meet their City Council and City staff in an informal setting and discuss any City issues which may be of interest or concern. These special City Council meetings are on a three year cycle around the City (meeting with each neighborhood every three years).

Neighborhood University: "Neighborhood U" is a unique learning opportunity for all city residents. Held each year, topics developed by KAN and city staff are presented in an interactive setting. Popular topics include: neighborhood community building, city finances and emergency preparedness.

Neighborhood News E-Bulletin: To receive city and community information via email, subscribe to the Neighborhood News list serv at www.ci.kirkland.wa.us/e-bulletins.

To learn about Kirkland's current Neighborhood Services Program, visit www.ci.kirkland.wa.us/neighborhoods or contact Kari Page, Neighborhood Outreach Coordinator at 425-587-3011 or kpage@ci.kirkland.wa.us.

Annexation Celebration Planning Team Meeting #1 Nov. 17, 2010

Community Members Present: Gerri Kircher (Kingsgate 3&4), Johanna Palmer (Kingsgate), Katrina Fountain (Kingsgate 3&4), Penny Sweet (City Council), Steve Swedenburg (Kingsgate 1&2), Toby Nixon (Kingsgate 5), Norme Storme (Kirkland Alliance of Neighborhoods)

Staff Present: Marie Stake (Communications Program Manager), Linda Murphy (Recreation Supervisor), Tracy Harrison (Recreation Coordinator), Sudie Elkayssi (Special Projects Coordinator)

Celebration Activities Agreed Upon by Team

There was consensus to host a 3 day event:

- Wednesday, June 1, 2011: Open House at City Hall
- Thursday, June 2, 2011: Business-to-Business event
- Friday, June 3, 2011: Community Celebration

Event #1: Open House at City Hall, June 1, 4-8 p.m.

- Meet & Greet with city officials (elected officials, board/commission members and staff)
- Suggested hours of open house: 4 to 8 p.m.
- Refreshments
- Include the activities noted in the Oct. 19 Annexation Update Memo (Attached)
- Suggestion: Include tours of the entire city. Would need to coordinate with King County Metro

Event #2: Business-to-Business Connection, June 2

- Suggestion: Create a "Greater Kirkland" Coupon Book
- Coordinate with Chamber of Commerce/Kirkland Downtown Association

Event #3: Community Celebration, Juanita Beach Park, June 3, 3 to 8 p.m.

- Host activities in conjunction with Friday Market at Juanita Beach
- Formal Welcome by
 - City Council Members
 - County, State & Federal Dignitaries/elected officials
 - Annexation area neighborhood leaders
- Activities
 - Fire/police (including K-9) vehicle displays
 - City Services informational booths
 - Cake cutting
 - Face painting
 - Balloon maker
 - Outdoor movie
 - Kirkland food vendors
- Celebration activities will be held where ever the market is set up
 - Park construction may be completed by June 1 but if not, celebration activities will occur on the north side of the park
- Logistics
 - May need a shuttle to event
 - Need an Emcee

Miscellaneous Ideas

- Prominent Police patrol on June 1 throughout the day and night
- Need to think of a theme
 - Suggestion: One Kirkland. One Community. One City.
- Develop Marketing Plan
 - Spring/Summer Recreation Guide (content due mid-Feb; guide mailed out late March)
 - Annexation Mailer (to homes & businesses in annexation area. Mail out by mid-March)
 - City newsletter (online version with limited printed copies. Published by late March)
 - Street banners
 - Seek business sponsorship

The following activities were presented to the City Council at its October 19, 2010 meeting.

Possible Event Activities

The celebration is intended to welcome Kirkland's new residents in a festive, yet informative way. It is hoped annexation residents will personally meet their elected and appointed officials, learn about their new government, meet other residents, and enjoy some food and activities.

Possible activities include:

- Welcome remarks from City Council members
- Informational booths about city services and programs (displays and handouts)
 - Welcome Kiosk
 - City Council
 - Public Safety
 - Crime Prevention
 - Emergency Preparedness
 - Fire Safety
 - Development Services, including Green Building Design & Construction
 - Volunteer Program
 - Neighborhood Services Program
- Interactive and educational activities
 - Police vehicle display
 - Police K-9 demonstration
 - Police SWAT demonstration
 - Fire Ready Trailer
 - Fire Truck and Aid Car display
 - Environmental education activity
 - Voter registration
 - Pet Licensing
 - E-gov services demo (allow for online registration to city information and services)
 - GIS maps
- Other
 - Local food vendors
 - Business vendors
 - Community organizations

Annexation Celebration Planning Team Meeting #2 Dec. 13, 2010

Community Members Present: Gerri Kircher (Kingsgate 3&4), Johanna Palmer (Kingsgate), Katrina Fountain (Kingsgate 3&4), Penny Sweet (City Council), Steve Swedenburg (Kingsgate 1&2), Toby Nixon (Kingsgate 5), Norme Storme (Kirkland Alliance of Neighborhoods), Jackie Pendergrass (Finn Hill), Lynda Haneman (Totem Lake), Rob Butcher (KirklandViews Blog)

Staff Present: Marie Stake (Communications Program Manager), Linda Murphy (Recreation Supervisor), Tracy Harrison (Recreation Coordinator), Mike Metteer (Business Services Manager)

Name/Theme of Event (brainstorm)

- New Neighbors
- One Community Becoming One City OR One Community; One City
- Annexation Transpiration
- Welcome to the Neighborhood
- Annexation Celebration: One Community; One City
- Celebrating Kirkland:
- Celebrate One Kirkland

Consensus: This would be a one time event; not an annual event.

Review of Last Meeting/Times Set

There was consensus to host a 3 day event:

- Wednesday, June 1, 2011: Open House at City Hall, **4 to 8 p.m.**
- Thursday, June 2, 2011: Business-to-Business event, **Breakfast Event**
- Friday, June 3, 2011: Community Celebration, **3 to 8 p.m.**

More Details About Event #1: Open House at City Hall, June 1, 4-8 p.m.

- Handouts: City phone numbers, new city maps
- KAN to have an informational table

More Details About Event #2: Business-to-Business Connection, June 2

- Subcommittee: Penny Sweet, Toby Nixon, Rob Butcher, Mike Metteer, Tracy Harrison, Ellen Miller-Wolfe
- In addition to coupon book, a business breakfast can be organized
 - Coupon book for businesses in annexation area and current city
 - Seek in-kind printing
 - Seek help from Chamber of Commerce
 - Book available online (Kirkland Views)
- Breakfast
 - Need Host site
 - City officials & Econ Dev staff

More Details About Event #3: Community Celebration, Juanita Beach Park, June 3, 3 to 8 p.m.

- Park Logistics
 - Grass may not be ready by June

- Adequate parking is available
- Activities Confirmed
 - Outdoor movie: Carillon Point to host movie (T. Harrison)
 - Music entertainment: Finn Hill Blues, Kamiak & Juanita Hi Jazz Bands, Karen Storey's Band
 - Face painting & balloon maker: Usually part of the Friday Market
 - Cake cutting: Seek donation from Costco (L. Haneman)
 - Coffee donation: Seek donation from Starbucks (N. Storme) and CocaCola (P. Sweet)

More Brainstorming: What's the Draw?

The group recognizes the need for a "draw" – what will compel people to come to the event. Ideas generated:

- Spelling Bee
- Trivia
- Talent Show (for kids)
- Restaurant Relay

More discussion to follow at Meeting #3

Marketing

- Content for City's Rec Guide is due soon. Need to confirm name of event.
- Street Banners: Need sponsorship and confirmation of availability of a location



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: David Godfrey, P.E., Transportation Engineering Manager
Ray Steiger, P.E., Interim Public Works Director

Date: January 6, 2011

Subject: Draft Eastside Rail Corridor Interest Statement

RECOMMENDATION

It is recommended that the Council review and comment on the attached draft Interest Statement.

BACKGROUND

At its June 1, 2010 meeting, the City Council approved a public process (Figure 1) that would culminate in a statement describing the City's interests in development of the Eastside Rail Corridor. Council has received updates on this process, the most recent one occurred on October 5, 2010, when the Transportation Commission gave a summary of the opinions and comments they had heard to date.

The Commission has prepared a draft Interest Statement (attached) for Council consideration. Once the Council is comfortable with the draft Statement, the Commission will convene appropriate events to allow the public to comment on the document. At their January 26 meeting, the Commission will refine the methods used for additional outreach, and such events will include a review with key Boards and Commissions.

Process/Timeline for public involvement and interest statement development approved by City Council, June 2010. Tasks in gray boxes have been completed, black box represents current step.

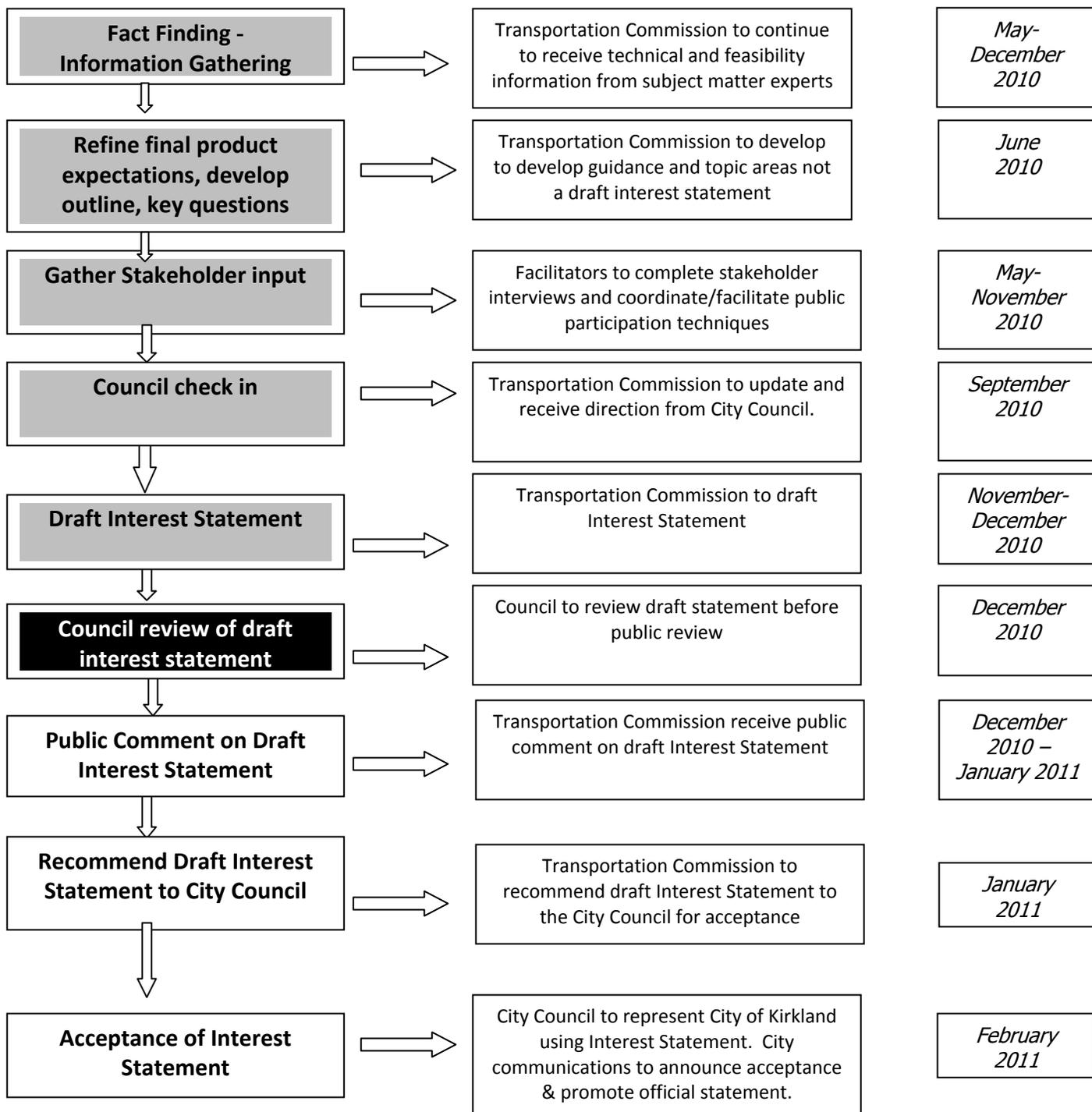


FIGURE 1

City of Kirkland Eastside Rail Corridor Interest Statement

City of Kirkland Transportation Commission
DRAFT January 6, 2011

Introduction

In December 2009, the Port of Seattle purchased the Woodinville subdivision from the BNSF Railroad. The Eastside Rail Corridor, stretching between Snohomish and Renton via Kirkland, thereby became a publicly-owned corridor. The City of Kirkland has long been interested in the corridor as a potential facility for bicycle and pedestrian transportation; having identified the Cross Kirkland Trail¹ project more than 15 years ago.

With the corridor coming into public ownership, the City Council realized the importance of proactively identifying Kirkland's interests for corridor development. Both King County and Sound Transit have expressed interest in purchasing various rights in the corridor. The City Council directed the Transportation Commission to conduct public outreach, then identify and document the City's interests in the corridor. This Interest Statement is the product of that work.

During the summer and fall of 2010, the Commission gathered comments at the Wednesday Market, fielded an online survey, met with Boards and Commissions and walked the corridor. At their Commission meetings, Commissioners heard from individuals with interests, opinions and particular knowledge of the corridor. The 2009 Final Eastside Commuter Rail Feasibility Study² study prepared by Sound Transit and PSRC also served as a reference.

Using these information sources the Transportation Commission prepared this Interest Statement to guide evaluation of proposals for corridor development as the City of Kirkland works with regional partners. Proposals that satisfy more of the interests would rank more highly than proposals that satisfy fewer of the interests. The conclusions at the end of this document are the Commission's thoughts on the type of corridor development that is likely to be practical and meet the City's interests given current information.

Interests

Serve Transportation needs of Kirkland

Transportation on the corridor should be integrated with and support the City's transportation goals³ to provide travel options within Kirkland and to points outside Kirkland. This implies an interest in how and when the corridor is developed in other cities as well.

The Eastside Rail Corridor (black line) touches many neighborhoods and parks in Kirkland



A section of the right-of-way in the Highlands neighborhood



Source: City of Kirkland

Council Goal concerning Balanced Transportation:

Kirkland values an integrated multi-modal system of transportation choices.

Council Goal: To reduce reliance on single occupancy vehicles. (September 2009)

Keep the corridor in public ownership

The region has determined⁴ that the public interest is served by public ownership of the corridor and the City of Kirkland supports this position.

Develop a plan to actively use the corridor in the near future

Because the corridor is a valuable asset that could be used to transport people, allowing it to remain unused or undeveloped has a high opportunity cost. The longer it is not used, the more resistance may be encountered toward any particular use.

Maintain the corridor in good condition

The corridor should be maintained to protect its value and the value of adjacent properties. Proper operation of drainage facilities, prevention of encroachment, and the preservation of structures and crossings are examples of ongoing maintenance needs.

Contribute to economic sustainability

Development of the corridor should be done in a cost effective manner and should consider the short and long term costs of construction, maintenance, and operation. Development should link to and support current and future plans for economic and neighborhood development.

Connect Totem Lake

Because of the corridor's proximity to the Totem Lake Urban Center⁵, it has the potential to help connect Totem Lake to the rest of the city and the region.

Protect neighborhood feel and atmosphere

Development of the corridor should allow for access across and along the corridor and not create barriers within or between neighborhoods. Residential neighborhoods should be protected from any excessive noise and safety impacts caused by corridor uses. Development of any trailheads, transit stations and/or parking locations should consider and minimize impacts to neighborhoods.

Plan for a multi-use facility

In the long term, transit, pedestrians and cyclists should be able to simultaneously travel safely and efficiently in the corridor. Planning or implementing one transportation mode must not foreclose future corridor use by another mode. Additionally, underground utilities that currently use and will continue to use the corridor⁶ must be considered. Freight operations may be considered along the corridor, but there does not appear to be much commercial interest in freight rail service within Kirkland.

The existing corridor contains many drainage facilities that require regular maintenance.



Source: City of Kirkland

Objective under goal G1 from the Active Transportation Plan:

Objective G1.1: By 2015, open a section of the Cross-Kirkland Trail on the Eastside Rail Corridor.

Cross-Kirkland trail is the working name of a bicycle/pedestrian trail located on the right-of-way.

This area in the Houghton neighborhood contains wetlands.



Source: City of Kirkland

A shared rail and trail facility



Source: Marin County Bicycle Coalition

Serve the transportation needs of pedestrians and bicyclists

A bicycle and pedestrian transportation facility should allow all weather, day and night use. It should be sized to allow simultaneous safe passage for both pedestrians and bicyclists of all skill levels. Its development should include protection of existing connections and include new connections to the City's streets and trails. The Active Transportation Plan⁷ has a list of such connections.

Plan any transit use in close consultation with the City of Kirkland.

Locating transit stations and associated parking and feeder bus connections has major short- and long-term impacts on the surrounding neighborhoods and on the transportation network. A process to determine station locations should include extensive work with neighborhood groups, appropriate Boards and Commissions and the City Council.

Transit service must be designed to move people

To offer viable travel choices and attract a high level of ridership⁸, transit must have certain characteristics. Service should be frequent, available most of the day, operate between desirable destinations, be easily accessible by potential riders and offer reasonable travel speeds. It should be flexible and offer capacity appropriate for ridership. The best choice of transit technology may vary, with one system best in the shorter term and another better in the longer term.

Consider grade crossing delay and safety

Design of the corridor should consider the potential time delays and safety concerns for users of streets that cross the corridor. Crossings must provide a reasonable level of safety and convenience for both users of the corridor and for street traffic.

Disclose and mitigate environmental impacts

Prior to any development of the corridor, a complete environmental review should be conducted to identify and disclose impacts and to propose mitigations for those impacts. Noise, air quality, surface water and sensitive areas are topics that typically require analysis in an environmental review.

Conclusion

In developing the following conclusions, the Transportation Commission considered comments from the community, previous corridor studies, likely funding sources and the magnitude of costs for various types of projects. These conclusions are the Commission's opinions on how the corridor should be developed given this information.

Ultimately, the best use of the corridor is as the site of a welcoming, transportation-oriented facility for pedestrians and bicyclists and a high capacity transit system that connects Kirkland to the region. Ideally, trail and transit users could use the corridor simultaneously. The main focus for development of the corridor

Sample transit types

Heavy rail: Sound Transit Sounder



Source: Railpictures.net Image © PNWRailfan

Electric Light Rail: Sound Transit Link



Source: lisatown.com

Diesel multiple unit: DMU in service in Australia



Source: thetransportpolitic.com

Bus Rapid Transit: Community Transit Swift



Source: blogs.seattleweekly.com

in the short term should be on development of a trail. High capacity transit should be added when feasible, more likely in the medium to longer term. While freight operations may be part of a future rail corridor, there does not appear to be much current commercial interest in freight rail service within the city.

Due to its poor physical condition, the current infrastructure in the corridor is not capable of supporting rail traffic that would offer a viable transportation option. A safe, fully featured high-capacity rail system—similar to Link Light Rail—is perhaps the ideal rail option. However, a high capacity rail system is very expensive and would require a great deal of careful planning. For example, an extension of East Link to the north is currently contemplated in the Sound Transit master plan, but would likely not be considered for funding until late in the Sound Transit 2 construction plan. At the soonest, high capacity rail transit wouldn't be open for service until at least 2030. Moreover, the Eastside Rail Corridor may not be the best alignment for such a route. In the shorter term, there may be less expensive corridor transit options that could be developed, such as bus rapid transit linking the South Kirkland Park & Ride and Totem Lake.

A paved, accessible, bicycle and pedestrian trail that meets Kirkland's interests would be far less expensive than a high capacity rail or bus system and would require a less extensive planning process than would a transit option. However, it is important that trail planning be done with rail compatibility as the long term goal.

The Transportation Commission believes that the Eastside Rail Corridor is a transportation facility that represents enormous opportunity for the City of Kirkland and the region. We are fortunate to have such a facility in Kirkland and should strive to see that our interests are met during its development.

City of Kirkland Transportation Commission

The City of Kirkland Transportation Commission is made up of seven members appointed by the City Council to four year terms. The Commission meets every month to make recommendations on transportation policy to the City Council. Visit the Commission webpage where you can join the Transportation Commission List-Serve and automatically receive e-mail updates on the Commission's activities.

Commission members:
 Donald Samdahl, Chair
 Joel Pfundt, Vice Chair
 Morgan Hopper
 Tom Neir
 Thomas Pendergrass
 Sandeep Singhal
 Michael Snow
 Carl Wilson

Summary of interests

- **Serve transportation needs of Kirkland**
- **Keep the Corridor in public ownership**
- **Develop a plan to actively use the corridor in the near future**
- **Maintain the corridor in good condition**
- **Contribute to economic sustainability**
- **Connect Totem Lake**
- **Protect neighborhood feel and atmosphere**
- **Plan for a multi use facility**
- **Serve the transportation needs of pedestrians and bicyclists**
- **Plan any transit use in close consultation with the City of Kirkland**
- **Transit service must be designed to move people**
- **Consider grade crossing delay and safety**
- **Disclose and mitigate environmental impacts**

¹ The Cross Kirkland trail was originally envisioned as a trail that would operate beside what was at the time an active railroad corridor.

² 2009 Final PSRC and Sound Transit BNSF Eastside Commuter Rail Feasibility Study, 2009 Puget Sound Regional Council <http://www.psrc.org/transportation/bnsf>

³ City of Kirkland Council Goals. <http://www.ci.kirkland.wa.us/Assets/City+Council+Goals.pdf>

⁴ BNSF Corridor Preservation Study, Final Report May, 2007 Puget Sound Regional Council. Page 7. http://www.psrc.org/assets/3176/_07-20_BNSFfinalreport.pdf

⁵ In cooperation with member cities, Puget Sound Regional Council has designated an number of Urban Centers where regional growth is to be targeted. Totem Lake is the only Urban Center in Kirkland. Downtown Bellevue, downtown Redmond and Overlake are examples of other nearby Urban Centers.

⁶ Puget Sound Energy and Cascade Water Alliance are examples of current and potential users respectively.

⁷ *More People, More Places, More Often, an Active Transportation Plan* City of Kirkland, March 2009. Page 100. http://www.ci.kirkland.wa.us/depart/Public_Works/Transportation_Streets/Active_Transportation_Plan.htm

⁸ Ridership on existing King County Metro routes could be a reasonable benchmark.



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3225
www.ci.kirkland.wa.us

MEMORANDUM

Date: January 6, 2011

To: Kurt Triplett, City Manager

From: Paul Stewart, Deputy Planning Director

Subject: South Kirkland Park and Ride Revised Principles of Agreement (File No. ZON10-00014)

Recommendation

Staff recommends the City Council approve the Mutual Objectives and Principles of Agreement for the South Kirkland Park and Ride Transit Oriented Development Project as revised and adopted by the City of Bellevue.

Background

On November 16, 2010 the Kirkland City Council approved the draft Principles of Agreement establishing the framework to move forward with the zoning and project for the South Kirkland Park and Ride site.

The City of Bellevue reviewed these principles at their study session on December , 2010. Mayor Joan McBride and Planning Director Eric Shields attended the Bellevue study session along with King County Councilmember Jane Hague. At that meeting the Bellevue Councilmembers indicated support for the principles after discussion and with the direction to include an additional principle on public outreach.

The revised principles were placed on the Bellevue City Council consent agenda for their January 4, 2011 Council Meeting. A link to the Bellevue packet for that meeting is noted: http://www.bellevuewa.gov/pdf/City%20Council/RS01032011_8c.pdf

That item was pulled from the consent agenda and discussion occurred with some questions on timing, impacts and construction in relation to the SR-520 improvement project. The Bellevue City Council, in a 7-0 vote adopted a resolution approving the principles with additional language addressing the timing of the SR-520 project in relation to construction impacts.

The attached principles have been revised based on the Bellevue City Council action and the changes are noted in the attached principles under Impact Mitigation and Public Involvement. The Kirkland City Council's Housing Committee reviewed these at their January 4 meeting.

Additional public outreach activities for the park and ride zoning regulations are scheduled in January with two workshops being held on January 20th and January 25th. Bellevue staff will be participating in the workshops. Attached is the schedule for the upcoming meetings on this issue.

Attachments

- 1 Principles of Agreement
- 2 Park and Ride Zoning Regulations Schedule

King County City of Bellevue City of Kirkland**Mutual Objectives and Principles of Agreement
for the South Kirkland Park and Ride Transit Oriented Development Project**

- Expand park and ride capacity. Add a significant number of parking spaces for transit riders at the South Kirkland Park and Ride, to better serve Bellevue and Kirkland residents and encourage higher transit ridership. Promote shared use parking between residents and Park and Ride users. Improve transit facility and provide vehicle charging stations as funding is available. Preserve the park and ride as a long term use of the property for transit riders.
- Local services. Incorporate ground floor commercial space into the housing project design to provide opportunities for businesses that support transit riders, residents and surrounding activities. Add TOD supportive services in the adjacent area through neighborhood planning.
- Timing. Proceed with the project in a timeframe that protects the existing FTA funding available for the park and ride expansion.
- Feasibility. Allow for a financially feasible project.
- Coordination. Coordinate among Bellevue, Kirkland, and King County Metro Transit to develop an appropriate permit review and inspection process that is efficient and avoids conflict and redundancy to the extent practical and consistent with the goals of the project.
- Attractive and compatible site development. Incorporate high quality design standards. Develop an attractive site and building complex that is compatible with the surrounding area and provides a welcoming gateway to both cities in this location. As appropriate and feasible, preserve areas of existing landscaped buffers and use green building techniques. Provide a safe and secure facility.
- Range of housing affordability. Ensure that housing on the site includes a range of affordability, including market rate housing. It is expected that a majority of the housing will be market rate, while a significant share will be affordable at moderate and/or lower income levels with some units that are accessible to those with disabilities.
- Impact mitigation. Minimize and mitigate traffic and other impacts of the development, including impacts of the SR-520 project. Encourage alternative modes of transportation, including transit, bicycling and walking.

- Construction impacts. Minimize construction impacts on park and ride users and the surrounding area. Coordinate project construction with SR520 construction, to the extent possible.
- Connections to BNSF Corridor. Design to accommodate a future connection to the BNSF corridor.
- Public Involvement – Engage the surrounding community and interested parties in both cities in the planning and review of the proposal. City staff in both cities will collaborate to support outreach efforts.

Park & Ride TOD
Public Meeting Schedule*

Date	Meeting	Topic/Action
December 13, 2010	Study: PC/HCC	Plan for public outreach and code amendments
January 20, 2011	Public Workshop	Input on concept
January 25, 2011	Public Workshop	Input on concept
February 10, 2011	Study: PC/HCC	Review draft regulations
Mar 3, 2011	Public Workshop	Input on draft regulations
March 24, 2011	Public Hearing: PC/HCC	Hearing on draft regulations. HCC to deliberate, begin to develop recommendation
April 14, 2011	Study: PC	Deliberation, develop recommendation
April 25, 2011	Study: HCC	Finalize recommendation
May 2011	City Council	Action on amendments
May/June 2011	HCC	Final action on amendments

**Dates are tentative*



MEMORANDUM

To: Kurt Triplett, City Manager

From: David Snider, P.E., Interim Capital Projects Manager
Ray Steiger, P.E., Interim Public Works Director

Date: January 6, 2011

Subject: 6TH STREET SOUTH GRANT APPLICATION UPDATE

RECOMMENDATION:

It is recommended that Council approve the use of REET II funds for the City's grant match requirement on the 6th Street South sidewalk improvements and authorize the City Manager to sign the granting agency's distribution agreement.

BACKGROUND DISCUSSION:

The Public Works Department was recently notified by the Washington State Transportation Improvement Board (TIB) that the City's August 31st Urban Sidewalks Program (USP) grant request for \$181,777 was approved. For the 2010 USP, staff submitted the 6th St S sidewalk improvements (NM-0059 in the CIP) as the candidate project which most closely satisfied the requirements of the TIB Program. This route was selected specifically as one that connects social centers and/or recreational areas with commercial centers. The 6th St S improvements include connecting missing segments of sidewalk on 6th St S and Kirkland Avenue in the vicinity of Peter Kirk Park, the City's pool, the Library, the Senior Center, the Kirkland Performance Center and surrounding commercial businesses (Attachment A).

On July 28th, staff invited our local TIB Project Engineer to City Hall to discuss our list of various non-motorized projects and to assist us with a self-scoring exercise in advance of completing the formal application. Staff also toured with the TIB Engineer around the City to see first-hand the projects identified on the City's non-motorized transportation project list. At the conclusion of the meeting, it was determined that the 6th St S improvements most directly met all of the requirements of the USP for 2010.

Through recent private development activities, new sidewalk has been added to 6th St S and, as shown in Attachment A, the missing sections (indicated in red) will be completed with the grant funds. The total estimated cost of the Project is approximately \$265,000 and, with the TIB contribution of \$181,777, the City's grant match requirement will be \$83,253.

Presently, the 6th St S improvements are on the City's unfunded list of transportation projects in the 2011-2016 CIP; however, with Council's authorization to fund the City's grant match, staff will move the Project to the funded category. Due to the pending construction of the King County Waste Water forcemain along this section of Kirkland Ave in the summer/fall of 2011, design of the sidewalk improvements can proceed; however, construction of the sidewalk improvements will not take place until the spring of 2012.

Two additional sidewalk grant applications are currently pending with the Washington State Safe Route to School Program; those projects include 104th Ave NE at NE 68th Street (Lakeview Elementary) and NE 100th St at 116th Ave NE (Peter Kirk Elementary). Staff will return to Council once formal notification from the State has been received on those grants.

Attachments: (2)

City of Kirkland - 6th Street Sidewalk



Vicinity Map
0 4,100 8,200 12,300
Feet

Map Legend

- City of Kirkland Boundary
- Building Footprint
- Railroad Centerline
- Lake
- Tax Parcel Boundary
- Pavement Edge
- Address Point
- Tax Parcels

0 20 40 60
Feet

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FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ray Steiger, Internim Public Work Director							
Description of Request							
Request for grant match funding of \$83,253 from the REET II Reserve for the 6th Street South sidewalk improvements CNM 0059. This project is currently unfunded in the 2011-16 CIP, but the City has been awarded an Urban Sidewalks Program Grant for the project. This funding provides the required City funding match to receive the grant.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$83,253 of the REET II Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
	REET II Reserve	5,023,254	0	0	83,253	4,940,001	N/A
	There are no 2011-12 Prior Authorized Uses of this reserve.						
Revenue/Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	January 7, 2011
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**CITY OF KIRKLAND****Public Works Department****123 Fifth Avenue, Kirkland, WA 98033 425.587-3800****www.ci.kirkland.wa.us**

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ellen Miller-Wolfe, Economic Development Manager
David Godfrey, P.E., Transportation Manager
Ray Steiger, P.E., Interim Public Works Director

Date: January 6, 2011

Subject: Suspension of Change in Use Impact Fees

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance amending the Kirkland Municipal Code (KMC) to temporarily suspend the charging of impact fees for a "change in use" of an existing building through December 31, 2013.

BACKGROUND

At its 2010 Retreat, the City Council determined that economic development is both an important and urgent issue for Kirkland. In response to this concern, staff undertook a competitiveness study (Attachment 1) to understand how taxes and fee policies might be affecting the City's ability to remain competitive among its peer communities. While the study determined that the portion of locally variable costs that can be attributed to tax and fee policies is a relatively small share of these costs, it also indicated that a combination of the market and tax and fee costs make Kirkland one of the higher cost places in the region to do business. The consultants, Berk & Associates, indicated that targeting incentives toward new development and reducing historically high vacancy rates was important in this recessionary climate. One approach they suggested was to eliminate impact fees that are charged when a change of use results in an increase in SOV trips, but there is no related increase in square footage.

The Economic Development Committee (EDC), who studied this issue, asked if eliminating impact fees for changes of use could apply solely to specific business districts such as just in the Downtown area. It was determined that because the impact fee ordinance applied city-wide, it was legally challenging and inequitable to focus this incentive only on certain areas. In recognition of the current financial situation for the business community, the EDC recommended temporarily eliminating the charging of impact fees for change of use for the entire City at its November 22, 2010 meeting. It was recommended by the EDC at their November meeting that staff return to the full Council with an ordinance suspending the change of use impact fee.

State law authorizes the collection of impact fees to help defray the costs of new transportation infrastructure. Currently, the City collects impact fees on all new development including development/redevelopment of an existing structure from one use (i.e. furniture store) to another use (i.e. auto parts store). The attached ordinance authorizes the suspension until the City completes its next impact fee study likely to be completed in 2013. The suspension automatically expires on December 31, 2013.

Suspension of change of use impact fees will not affect the collection of impact fees for new development or the enlargement of existing buildings; it applies to a limited component of the development sector. It is estimated that change in use impact fees over the time since impact fees were first adopted, June of 1999, account for approximately 25-30% of all impact fees collected city-wide and for the 2011/2012 biennium, the potential loss of revenue is estimated to be approximately \$250,000.

This loss in impact fees previously dedicated to CIP projects will require additional grant funding, other resources, or a delay in projects funded by the anticipated impact fees. At this time, the likely affected projects that are funded in part with impact fees in 2011/2012 are two signal projects associated with the NE 85th Street corridor improvements: 124th Ave NE, and 132nd Ave NE. Based on the current bidding climate in which bids are consistently 20 to 30% below the engineer's estimate, and as the 2012 construction of these improvements approaches, staff will modify the CIP projects accordingly.

**City of Kirkland,
Economic Development**

**Competitiveness Assessment:
Cost of Doing Business in Kirkland**

Objective: To build on previous work (2008 Tax Burden Study) to explore the issue of the City of Kirkland's competitiveness to attract and retain business activity.

- 1. Cost of Doing Business with Kirkland (Development Perspective).** The analysis of doing business with the City of Kirkland addresses how costs associated with permitting and impact fees compare with both other Cities cities and with overall costs of development. For similar projects, land costs and the costs of doing business with the host jurisdiction are the key locally-variable costs, while construction costs tend to be less variable site-to-site (excepting site prep/critical area issues).
- 2. Cost of Doing Business in Kirkland (Business Owner/Operator Perspective).** The analysis of the business operator perspective considers the relative cost of doing business in the City of Kirkland. Beyond tax burdens, the analysis needs to consider lease rates, which are the other principal locally-variable business cost.

Peer Cities from 2008 Tax Burden Study

- Bellevue
- Bothell (King County Portion)
- Kent
- Redmond
- Renton

Representative Developments and Businesses

Representative Developments	Representative Businesses
Large Office	Large Office
Medium Office	Medium Office
Big Box Retail	Big Box Retailer
Strip Retail	Restaurant
Mixed Use (residential/retail)	

LOCAL COMPETITIVENESS AND THE MARKET PERSPECTIVE

How to Think About Local Competitiveness

- It is easy to focus too narrowly on relative costs associated with tax and fee policies -- the key question is whether these policies make a material difference to a location decision.
- Comparisons must be understood in a broader market context:
 - Costs of operating in any location are only relevant to the value of the location
 - Any meaningful differences in local tax and fee costs will be reflected in underlying land values

Current Market Considerations

- Generally, market pricing suggests that a Kirkland location is desirable in relation to some of its peer and neighbor cities.
- Relative to its peer and neighbor jurisdictions, the City of Kirkland has:
 - Higher land values for commercially-zoned land
 - Higher lease rates for office uses
 - Lower lease rates for retail uses
 - Much higher vacancy rates

Average Land Value per Square Foot, 2010 Commercially-zoned Land

City	2003	2007	2010
Bellevue (Outside of Downtown)	\$13.93	\$21.08	\$38.41
<i>Downtown Bellevue</i>	\$70.32	\$86.92	\$181.59
Bothell	\$5.90	\$8.45	\$11.77
Kent	\$5.95	\$7.15	\$9.13
Kirkland	\$12.91	\$18.66	\$30.99
Redmond	\$14.97	\$19.76	\$29.84
Renton	\$7.32	\$9.42	\$13.44

Commercial Lease Rates, 2010 Q1

Type	Office	Office	Restaurant
	Class A	Class B	Retail
Kirkland	\$28.42	\$24.12	\$16.88
Bellevue CBD	\$33.89	\$33.77	\$28.74
Bellevue (Bel-Red)	\$27.46	\$23.74	\$23.26
Bothell	\$22.59	\$22.05	\$20.15
Kent	\$21.61	\$20.88	\$23.10
Redmond	\$24.58	\$24.47	\$29.53
Renton	\$22.30	\$20.51	\$20.28

Office and Retail Vacancy Rates

City	Office			Retail		
	2003, Q4	2005, Q4	2010, Q1	2003, Q4	2005, H2	2009, Q4
Kirkland	9.3%	4.4%	30.6%	8.6%	0.8%	22.2%
Bellevue CBD	20.8%	9.1%	17.0%	1.5%	11.1%	4.4%
Bellevue (Non-CBD)*	10.1%	9.8%	11.1%	12.8%	2.9%	10.4%
Bothell	-	-	21.4%	0.9%	1.4%	4.6%
Kent	22.9%	24.5%	29.1%	1.9%	2.0%	7.5%
Redmond	11.6%	11.0%	25.7%	4.6%	0.3%	3.7%
Renton	23.6%	30.9%	14.0%	1.2%	0.9%	6.6%

*Bellevue office figures are for the Bel-Red corridor

DEVELOPMENT PERSPECTIVE

Representative Development Types

Type	Acres	GFA	Est. Construction Cost
Large Office Building	2.50	270,000	\$47,250,000
Medium Office Building	0.75	80,000	\$9,200,000
Big Box Retail	6.50	100,000	\$7,000,000
Strip Retail	2.00	45,000	\$3,150,000
Mixed Use Development	0.50	120,000	\$19,800,000

Summary of Findings

- Land costs are the biggest portion of locally-variable costs
- Kirkland's permit and impact fees are on the higher end of the comparison
- Locally-variable costs are a relatively small share of total project costs
- Costs tend to vary according to the underlying value of a location
- While local tax and fee policies might have some impact on the margin, the impact of these fees on the total cost of development is relatively small

Estimates of Locally Variable Costs by Jurisdiction

Development Type	Kirkland	Bellevue	Bothell	Kent	Redmond	Renton
Large Office Buildings	\$6,036,000	\$5,652,000	\$3,610,000	\$1,394,000	\$8,078,000	\$2,212,000
% of Project Cost	11.3%	10.7%	7.1%	2.9%	14.6%	4.5%
Impact Fees	\$1,998,000	\$923,000	\$1,958,000	NA	\$4,357,000	\$363,000
Permit Fees	\$664,000	\$545,000	\$371,000	\$400,000	\$472,000	\$385,000
Land Cost	\$3,374,000	\$4,183,000	\$1,281,000	\$994,000	\$3,250,000	\$1,464,000
Medium Office Building	\$1,751,000	\$1,650,000	\$1,042,000	\$378,000	\$2,624,000	\$634,000
% of Project Cost	16.0%	15.2%	10.2%	3.9%	22.2%	6.4%
Impact Fees	\$592,000	\$274,000	\$580,000	NA	\$1,528,000	\$108,000
Permit Fees	\$147,000	\$122,000	\$77,000	\$80,000	\$121,000	\$87,000
Land Cost	\$1,012,000	\$1,255,000	\$384,000	\$298,000	\$975,000	\$439,000
Big Box Retail	\$9,681,000	\$11,245,000	\$4,100,000	\$2,645,000	\$9,898,000	\$4,320,000
% of Project Cost	58.0%	61.6%	36.9%	27.4%	58.6%	38.2%
Impact Fees	\$805,000	\$294,000	\$707,000	NA	\$1,362,000	\$450,000
Permit Fees	\$103,000	\$76,000	\$62,000	\$60,000	\$86,000	\$64,000
Land Cost	\$8,773,000	\$10,875,000	\$3,331,000	\$2,585,000	\$8,449,000	\$3,806,000
Strip Retail	\$2,953,000	\$3,528,000	\$1,379,000	\$823,000	\$3,214,000	\$1,373,000
% of Project Cost	48.4%	52.8%	30.4%	20.7%	50.5%	30.4%
Impact Fees	\$202,000	\$123,000	\$324,000	NA	\$572,000	\$168,000
Permit Fees	\$52,000	\$58,000	\$30,000	\$28,000	\$43,000	\$34,000
Land Cost	\$2,699,000	\$3,346,000	\$1,025,000	\$795,000	\$2,600,000	\$1,171,000
Mixed Use Development	\$1,471,000	\$1,166,000	\$839,000	\$700,000	\$1,749,000	\$651,000
% of Project Cost	6.9%	5.6%	4.1%	3.4%	8.1%	3.2%
Impact Fees	\$546,000	\$129,000	\$425,000	\$332,000	\$910,000	\$188,000
Permit Fees	\$251,000	\$201,000	\$158,000	\$169,000	\$190,000	\$170,000
Land Cost	\$675,000	\$837,000	\$256,000	\$199,000	\$650,000	\$293,000

Relationship of Land Costs and Tax and Fee Policies. Land values likely capture any meaningful distinctions among local tax and fee impacts. As a result, it is worth noting that the low impact fee environment in Kent and Renton may reflect insufficient market value to support impact fees rather than fewer infrastructure needs or a particular "developer-friendly" approach.

BUSINESS OPERATOR PERSPECTIVE

Representative Business Types

Business Type	GFA	Employees	Gross Revenues
Large Office	45,000	150	\$16,732,204
Medium Office	13,200	44	\$6,733,398
Restaurant	17,100	57	\$3,557,002
Big Box	100,000	165	\$58,112,725

Summary of Findings

- As with the Development Perspective, real estate costs are the largest portion of locally-variable costs
- The City of Kirkland tax burden is a relatively small share of the total tax burden, though can be more visible
- The degree to which local tax burden is meaningful to a location decision will eventually be reflected in lease rates
- Kirkland's business taxes have a disproportionate effect depending on type of business:
 - A relatively small factor for high value-added businesses
 - Larger impact on those with lower revenues per employee

Estimates of Locally Variable Costs by Jurisdiction

Business Type	Kirkland	Bellevue	Bothell	Kent	Redmond
Large Office	\$1,778,000	\$1,735,000	\$1,508,500	\$1,472,600	\$1,601,000
% of Gross Rev.	10.6%	10.4%	9.0%	8.8%	9.6%
Annual Rent	\$1,279,000	\$1,236,000	\$1,017,000	\$972,000	\$1,106,000
State & Regional Taxes	\$447,000	\$443,000	\$456,000	\$458,000	\$447,000
Local Taxes	\$52,000	\$56,000	\$35,500	\$42,600	\$48,000
<i>Property</i>	\$8,500	\$7,000	\$9,500	\$16,000	\$10,500
<i>Sales</i>	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
<i>Utility</i>	\$19,500	\$15,000	\$16,000	\$17,500	\$15,000
<i>Business</i>	\$15,000	\$25,000	\$1,000	\$100	\$13,500
Medium Office	\$554,000	\$544,000	\$475,500	\$464,100	\$502,000
% of Gross Rev.	8.2%	8.1%	7.1%	6.9%	7.5%
Annual Rent	\$375,000	\$362,000	\$298,000	\$285,000	\$324,000
State & Regional Taxes	\$164,000	\$163,000	\$167,000	\$167,000	\$164,000
Local Taxes	\$15,000	\$19,000	\$10,500	\$12,100	\$14,000
<i>Property</i>	\$2,500	\$2,000	\$3,000	\$4,500	\$3,000
<i>Sales</i>	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
<i>Utility</i>	\$5,500	\$4,500	\$4,500	\$5,000	\$4,500
<i>Business</i>	\$4,500	\$10,000	\$500	\$100	\$4,000
Restaurant	\$358,500	\$462,500	\$409,500	\$463,100	\$570,500
% of Gross Rev.	10.1%	13.0%	11.5%	13.0%	16.0%
Annual Rent	\$289,000	\$398,000	\$345,000	\$395,000	\$505,000
State & Regional Taxes	\$51,000	\$50,000	\$54,000	\$55,000	\$51,000
Local Taxes	\$18,500	\$14,500	\$10,500	\$13,100	\$14,500
<i>Property</i>	\$3,000	\$2,500	\$3,000	\$5,000	\$3,500
<i>Sales</i>	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
<i>Utility</i>	\$8,000	\$5,000	\$5,500	\$6,500	\$4,500
<i>Business</i>	\$6,000	\$5,500	\$500	\$100	\$5,000
Big Box	\$2,165,000	\$2,847,000	\$2,471,000	\$2,783,100	\$3,413,500
% of Gross Rev.	3.7%	4.9%	4.3%	4.8%	5.9%
Annual Rent	\$1,688,000	\$2,326,000	\$2,015,000	\$2,310,000	\$2,953,000
State & Regional Taxes	\$398,000	\$393,000	\$408,000	\$411,000	\$398,000
Local Taxes	\$79,000	\$128,000	\$48,000	\$62,100	\$62,500
<i>Property</i>	\$10,500	\$8,500	\$11,000	\$19,000	\$12,500
<i>Sales</i>	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
<i>Utility</i>	\$46,000	\$26,500	\$30,000	\$37,000	\$29,000
<i>Business</i>	\$16,500	\$87,000	\$1,000	\$100	\$15,000

POLICY CONSIDERATIONS

Overall Assessment

- City's ability to use tax and fee policies to affect business decisions is likely to be limited, since these are relatively small components of overall cost
- Changes in tax and fee policies designed to improve competitiveness must consider how lower City revenues might affect the broader attractiveness of Kirkland for businesses and development
- Given the current economic conditions, any efforts to focus on competitiveness should target keeping existing businesses and filling existing vacant spaces

Development Perspective

- Predictability and timeliness of development is generally more important than absolute costs of permitting or impact fees.
- Currently, impact fees on changes in use for existing vacant properties may be an unnecessary hurdle
- With high vacancy rates, there is additional capacity on the local roadway system
- Consider treating additions to building capacity differently from changes to existing commercial inventory
- One option might be to suspend impact fees for activity related to filling existing commercial spaces until vacancy rates return to "normal" levels

Business Owner/Operator Perspective

- While local tax and fee policies are a small portion of the cost of doing business in the City, the "head tax" is highly visible
- For many businesses, the business taxes are not likely to be a significant deterrent to locating in Kirkland
- The exceptions may be businesses with lower gross business income per employee
- Possibly consider options for refining business taxes to account for impact on these businesses
- Challenges would be to avoid opening up the discussion too broadly and accounting for the revenue impacts of any changes

ATTACHMENT

Technical Report

COMPETITIVENESS ASSESSMENT: COST OF DOING BUSINESS IN KIRKLAND

To inform discussions about the City's fiscal policies and its overall financial position, the City of Kirkland retained BERK in 2008 to perform a Tax Burden Study. The study built upon work performed in Kirkland's 2001 Tax Burden Analysis, adopting and extending much of the 2001 framework. In particular the analysis presented findings on:

- Tax burdens borne by a range of representative taxpayers in the city;
- Shifts in tax burdens over time (1996-2007);
- How current tax burdens in Kirkland compared to those in peer jurisdictions; and
- Overall contributions made by Kirkland's households and businesses (viewed as groups) to the city's tax revenue streams.

In the budgeting process that followed the Tax Burden Study, City policy makers took many actions to curtail expenditures in the biennial budget and they took a number of actions to augment revenues. Among the most high-profile of these revenue actions was the restructuring of the City's business tax to a "head tax."

At this time, the Economic Development Department has a need for some additional follow-up analysis to supplement the 2008 study. In particular, the Department is interested in addressing broader questions relating to the City's local competitiveness and the possible role of tax and fee policies on the City's ability to attract and retain commercial businesses including the City's ability to compete for new commercial development that would grow the local tax base.

To inform this broader discussion, BERK was retained to conduct a competitiveness assessment that would build on the tax burden analysis, which is one component of local competitiveness, by looking at how the City's tax and fee policies might be affecting the City's ability to remain competitive among its local peer communities.

There are two perspectives that the City has an interest in when examining the issue of local competitiveness in attracting business activity. The first is a development perspective, with a particular focus on the costs associated with doing business with the City. The other perspective is the business operator perspective, with a focus on the costs of doing business in the City of Kirkland. These perspectives are explained below:

1. **Cost of Doing Business with Kirkland (Development Perspective).** The analysis of doing business with the City of Kirkland addresses how costs associated with permitting and impact fees compare with both other cities and with overall costs of development. This is a key element of competitiveness as developers look to limit their costs and risks while seeking development opportunities within the broader eastside marketplace. For similar projects, land costs and the costs of doing business with the host jurisdiction are the key locally-variable costs, while construction costs tend to be less variable site-to-site (excepting site prep/critical area issues).
2. **Cost of Doing Business in Kirkland (Business Operator Perspective).** The analysis of the business operator perspective considers the relative cost of doing business in the City of Kirkland. Beyond tax burdens, the analysis will also consider the lease rates, which is the other principal locally-variable business cost.

Ultimately, businesses do not base their location decisions purely on an assessment of these locally-variable costs. Rather, businesses make siting decisions by balancing costs against locational benefits, particularly with respect to the things they need from their place of business:

- Access to markets and customers; and,
- Access to the factors of production:
 - Access to and ability to attract the appropriate labor force;
 - Access to non-labor production inputs/supplies;
 - Access to capital; and,
 - Availability of entrepreneurial initiative

As a result, a key part of this assessment is to put the locally-variable cost comparison data in a market context, since the real question is not whether costs are higher but whether costs can be justified based on perceived value. For example, we can be certain that the cost of doing business will be higher in Bellevue than it is in communities in south King County. Yet, Bellevue has been much more successful at achieving employment growth than have the smaller communities in south King County. Clearly, businesses are willing to pay a premium for a location based on the value of that location in relation to the success of their enterprise, whether the enterprise is real estate development or operating a business in an office or retail space.

To explore these issues, this assessment focuses on estimating the location-driven costs of doing business for five representative development types (development perspective) and four representative businesses (business operator perspective). The representative businesses are a subset of the ten representative commercial taxpayers that were examined as part of the 2008 Tax Burden Study, focusing on operators which might best represent the broadest perspective for all business types.

Exhibit 1

Representative Developments and Businesses

Representative Developments	Representative Businesses
Large Office	Large Office
Medium Office	Medium Office
Big Box Retail	Big Box Retailer
Neighborhood (Strip) Retail	Restaurant
Mixed Use (residential/retail)	

The analysis examines the locally-variable costs with costs that these developments and businesses would face if they were located in each of the peer cities examined in the 2008 Tax Burden study:

- Bellevue
- Bothell (KC Portion)
- Kent
- Redmond
- Renton

Since this analysis is focused primarily on local competitiveness for commercial enterprises, the comparisons focus on the other cities in the 2008 tax burden study and do not include unincorporated parts of King County. This decision was made based on two factors: (1) most of the competitive

commercial areas are located in cities; and, (2) there are data availability issues that limit the ability to look at isolated areas within the broader unincorporated parts of King County.

Summary of Findings

Exhibit 2 summarizes the results of the competitive assessment for both the development perspective and the business owner perspective. The table shows how locally-variable costs relate to total project cost, in the case of the new development scenario or gross business income in the business owner perspective. For each perspective, the locally-variable costs are the major costs that will vary based on choice of location and include real estate costs and costs associated with local taxes and fees. The summary table illustrates the range of impacts using the lowest and highest value projects and businesses to illustrate the overall impact of local tax and fee policy on city competitiveness. The assessments are described in greater detail later in the report.

**Exhibit 2
Summary of Key Factors in Local Competitiveness (in \$1,000s)**

	Kirkland		Bellevue		Bothell		Kent		Redmond		Renton	
	Low Value	High Value										
DEVELOPMENT PERSPECTIVE												
Total Project Cost	\$6,103	\$53,286	\$6,678	\$52,902	\$4,529	\$50,860	\$3,973	\$48,644	\$6,364	\$55,328	\$4,523	\$49,462
Local Variable Costs	\$2,953	\$6,036	\$3,528	\$5,611	\$1,379	\$3,446	\$823	\$1,272	\$3,214	\$8,388	\$1,373	\$2,053
Impact Fees	\$202	\$1,998	\$123	\$917	\$324	\$1,869	NA	NA	\$572	\$4,524	\$168	\$337
Permit Fees	\$52	\$664	\$58	\$541	\$30	\$354	\$28	\$365	\$43	\$490	\$34	\$357
Land Cost	\$2,699	\$3,374	\$3,346	\$4,153	\$1,025	\$1,223	\$795	\$907	\$2,600	\$3,374	\$1,171	\$1,359
Local Variable Costs	48.4%	11.3%	52.8%	10.6%	30.4%	6.8%	20.7%	2.6%	50.5%	15.2%	30.4%	4.2%
Impact Fees	3.3%	3.7%	1.8%	1.7%	7.1%	3.7%	NA	NA	9.0%	8.2%	3.7%	0.7%
Permit Fees	0.9%	1.2%	0.9%	1.0%	0.7%	0.7%	0.7%	0.8%	0.7%	0.9%	0.8%	0.7%
Land Cost	44.2%	6.3%	50.1%	7.8%	22.6%	2.4%	20.0%	1.9%	40.8%	6.1%	25.9%	2.7%
BUSINESS OWNER PERSPECTIVE												
Gross Revenue	\$3,557	\$16,732										
Local Variable Costs	\$307	\$1,331	\$412	\$1,292	\$355	\$1,052	\$408	\$1,015	\$520	\$1,154	\$363	\$1,056
Local Taxes	\$19	\$53	\$14	\$56	\$11	\$36	\$13	\$43	\$15	\$48	\$17	\$53
Rent	\$289	\$1,279	\$398	\$1,236	\$345	\$1,017	\$395	\$972	\$505	\$1,106	\$347	\$1,004
Local Variable Costs	8.6%	8.0%	11.6%	7.7%	10.0%	6.3%	11.5%	6.1%	14.6%	6.9%	10.2%	6.3%
Local Taxes	0.5%	0.3%	0.4%	0.3%	0.3%	0.2%	0.4%	0.3%	0.4%	0.3%	0.5%	0.3%
Rent	8.1%	7.6%	11.2%	7.4%	9.7%	6.1%	11.1%	5.8%	14.2%	6.6%	9.7%	6.0%

Source: Rider Levett Bucknall, 2010; BERK, 2010

Overall there were several key findings that have emerged from the competitive assessments,

- The largest share of locally-variable costs are derived from the relative values placed on different locations (i.e. rent costs or land costs).
- The portion of locally-variable costs that are attributable to tax and fee policies is a relatively small share of total locally-variable costs and of the total size of a given development project or business.
- The City of Kirkland is among the higher cost places to do business due to both market factors and tax and policy decisions.
- There is a general correlation between cities that have higher land values and lease rates and higher local costs associated with tax and fee policy.

- Given the relatively small share of total development and business costs that are attributable to local tax and fee policies, it is unclear how much impact changes in these policies might have on local competitiveness.
- The more significant factors affecting local competitiveness are those that increase demand for real estate, since these lead to increases in the price that businesses are prepared to pay to secure a location within a particular commercial district and generate the underlying economic value that supports the local tax and fee policies.
- It is important to not lose sight of the fact that the costs attributable to local tax and fee policies do provide value to developers and business owners, which can contribute to supporting the overall attractiveness of the City and thus the rents that can be achieved, for example:
 - Impact fees fund necessary capital improvements; and
 - Local taxes fund public services like public safety and amenities such as waterfront parks.

Development Perspective. Development profitability is a function of the income producing capacity of the project and the costs of developing the project. As a result, local government actions that are designed to influence development decisions must either address the cost (including development risk factors) or the market value of the project. The assessment of local competitiveness compares the locally-variable costs to the total cost of development and looks at how much of the locally-variable costs are attributable to local jurisdictions' tax and fee policies. Overall findings from this assessment include:

- Land costs are the primary driver of locally-variable costs. As development projects increase in value and density, land costs become smaller share of total development costs. Higher land values are a reflection of how the market values the commercial opportunities in a given community and correlate with higher lease rates that individual businesses are willing to pay to operate in these commercial centers.
 - Kirkland's land values (\$31/SF) for commercially-zoned property are similar to Redmond (\$30/SF) and generally lower than Bellevue (\$38/SF outside of CBD, \$182/SF in CBD) but substantially higher than Kent (\$9/SF), Renton (\$13/SF) and Bothell (\$12/SF).
- City of Kirkland's permit fees appear to be somewhat higher than some of its peer jurisdictions, though the actual dollar value differences may not be material in the context of the overall share of development costs.
- City of Kirkland's impact fees are higher than all of the peer and neighbor jurisdictions except for Redmond. The fees are substantially higher than the lower land value communities of Kent and Renton and comparable to Bothell.
- While local tax and fee policies might have some impact on the margin, the impact of these fees on the total cost of development is relatively small, though between impact fees and permit fees, impact fees have the larger impact on locally-variable costs.
- Beyond the cost of acquiring development permits, developers also care very much about the predictability and timeliness of the permit review process. Generally, the most important factor in assessing the impact of working with a jurisdiction on permitting is the predictability of the process. Lack of predictability increases development risk which can correlate to higher development costs (i.e. higher interest rates, higher capital requirements) or higher return requirements which can depress land values.
- Land values likely capture any meaningful distinctions among local tax and fee impacts. As a result it is worth noting that the low impact fee environment in Kent and Renton may reflect insufficient market value to support impact fees rather than fewer infrastructure needs or a

particular “developer-friendly” approach. In contrast, Bellevue with its higher values and somewhat lower impact fees probably does reflect a “developer-friendly” building environment.

Business Owner Perspective. The assessment of local competitiveness from the business operator perspective considers the potential impact of the relative differences in tax burden for selected businesses on the City’s ability to attract and retain commercial enterprises.

- As with the development perspective, the most significant locally-variable cost factor is lease costs, which vary widely among the peer and neighbor jurisdictions based on the relative attractiveness of the commercial areas.
 - Overall average lease rates in Kirkland are generally higher than its neighbors for office uses (except Bellevue CBD) and somewhat lower for retail uses. In fact, the average lease rates for retail uses are the lowest among the peer and neighbor jurisdictions
- The local tax burden (the portion that varies by location) is a very small portion of overall business operator costs.
- As with the development-related costs, any meaningful difference in local tax policy between jurisdictions that are competing for the same market will be reflected in the lease rates that landlords can achieve.
 - Generally, businesses that are particularly sensitive to certain local taxes will consider the costs as part of their decision, which will drive down what they are willing to pay for rent. For example, a high volume/low margin business might be particularly sensitive to a local B&O tax or a business that is very labor intensive might be particularly sensitive to a local head tax.

Policy Considerations. The key policy considerations that arise from this assessment are related to how City actions might influence the competitiveness of local commercial districts in terms of attracting new development and/or attracting and retaining businesses.

- The tax and fee impacts on the competitiveness situation may be a factor, but it is likely a small factor in locational decisions, as the biggest cost factor in locational decisions are related to the cost and availability of real estate (either land prices or lease rates).
- Further, these tax and fee policies have largely been accounted for by market adjustments to real estate costs – either lease rates or land values or both.
- While it is likely that the impact of tax and fee policies is small from a local competitiveness perspective, a reduction in these costs might produce some benefits on the margin.
- Probably the most significant jurisdictional factor that affects the relative attractiveness of development is the predictability and timeliness of development and not the absolute dollar costs of permitting or impact fees.
 - To put this into perspective, the estimated cost of acquiring the necessary building permits, while not insignificant, would likely equate to approximately 2-4 months of interest costs on construction loans.
 - Strategies designed to promote new development should generally start with addressing predictability and timeliness issues.
- To the extent that a strategy to reduce local tax and fee impacts on development (through reduced impact fees and/or reduced permit fees) had a meaningful impact it would likely either:
 - Provide some incentive to develop for current property owners who could then capitalize on the lower cost of development; or,
 - Increase the price of land as prospective developers bid up the land costs, shifting the benefits of the lower permitting costs to property owners and having minimal impact on the overall incentive to develop.

- It is important not to focus exclusively on the cost side of the equation, since a big part of attracting and retaining businesses is the real and perceived value of locating in the City. In particular, Kirkland benefits from its location on Lake Washington and proximity to major highways, other employment centers, high income neighborhoods and significant cultural, recreational and entertainment opportunities. Efforts to leverage and enhance these characteristics are likely to have as much or greater impact on locational decisions.
 - By looking at the value part of the equation, it becomes important to remember that the costs discussed in this assessment are also revenues to the City that support infrastructure development and local services, which are important parts of the value equation.
- The current economic climate is one where the challenge for local jurisdictions is primarily on the demand side – there are fewer businesses, lower employment levels, lower sales. In considering policy options that might stimulate business activity, the focus should be primarily on strategies to boost sales for existing businesses and reduce vacancies among existing office and retail properties.
 - With vacancies at historic highs, strategies targeting incentives for new development are unlikely to provide much immediate benefit.

The following sections provide a brief discussion of the approach, key assumptions and findings for each element of the study:

1. Cost of doing business with the City of Kirkland (Development Perspective)
2. Cost of doing business in the City of Kirkland (Business Owner Perspective)
3. Market Perspective on Local Competitiveness

Cost of Doing Business with City of Kirkland (Development Perspective)

The development perspective assessment presents an analysis of the key locally-variable costs associated with new development, namely land costs, impact fees and permit fees. For this comparison, representative profiles for different development types were developed and are presented in Exhibit 3, including the building scale and type of project and the estimated construction cost for each development. The mixed use development assumes ground level retail space with five stories of residential units above.

**Exhibit 3
Representative Development Types**

Type	Acres	GFA	Stories	FAR	Est. Construction Cost
Large Office Building	2.50	270,000	6	2.48	\$47,250,000
Medium Office Building	0.75	80,000	3	2.45	\$9,200,000
Big Box Retail	6.50	100,000	1	0.35	\$7,000,000
Strip Retail	2.00	45,000	1	0.52	\$3,150,000
Mixed Use Development	0.50	120,000	6	5.51	\$19,800,000

Source: Rider Levett Bucknall, 2010; BERK, 2010

Exhibit 4 presents the estimates of locally variable costs by jurisdiction for each of the representative development types. It is worth noting that this analysis is at a conceptual level and designed to highlight local policy implications. As such the fee estimates are based on generic development types and

current development fee ordinances. The permit fees in particular reflect the principal permits that would likely be required for a new development and do not fully account for all of the likely permit costs, nor do they capture any costs associated with potential differences in permit review time. Since most jurisdictions seek to recover their permit review costs through permit fees, the fee structures will also depend on the expected level of development activity at any given time and/or the level of staffing that is offered to meet the expected demand.

Exhibit 4

Estimates of Locally-Variable Costs by Jurisdiction

Development Type	Kirkland	Bellevue	Bothell	Kent	Redmond	Renton
Large Office Buildings	\$6,036,000	\$5,652,000	\$3,610,000	\$1,394,000	\$8,078,000	\$2,212,000
Impact Fees	\$1,998,000	\$923,000	\$1,958,000	NA	\$4,357,000	\$363,000
Permit Fees	\$664,000	\$545,000	\$371,000	\$400,000	\$472,000	\$385,000
Land Cost	\$3,374,000	\$4,183,000	\$1,281,000	\$994,000	\$3,250,000	\$1,464,000
Medium Office Building	\$1,751,000	\$1,650,000	\$1,042,000	\$378,000	\$2,624,000	\$634,000
Impact Fees	\$592,000	\$274,000	\$580,000	NA	\$1,528,000	\$108,000
Permit Fees	\$147,000	\$122,000	\$77,000	\$80,000	\$121,000	\$87,000
Land Cost	\$1,012,000	\$1,255,000	\$384,000	\$298,000	\$975,000	\$439,000
Big Box Retail	\$9,681,000	\$11,245,000	\$4,100,000	\$2,645,000	\$9,898,000	\$4,320,000
Impact Fees	\$805,000	\$294,000	\$707,000	NA	\$1,362,000	\$450,000
Permit Fees	\$103,000	\$76,000	\$62,000	\$60,000	\$86,000	\$64,000
Land Cost	\$8,773,000	\$10,875,000	\$3,331,000	\$2,585,000	\$8,449,000	\$3,806,000
Strip Retail	\$2,953,000	\$3,528,000	\$1,379,000	\$823,000	\$3,214,000	\$1,373,000
Impact Fees	\$202,000	\$123,000	\$324,000	NA	\$572,000	\$168,000
Permit Fees	\$52,000	\$58,000	\$30,000	\$28,000	\$43,000	\$34,000
Land Cost	\$2,699,000	\$3,346,000	\$1,025,000	\$795,000	\$2,600,000	\$1,171,000
Mixed Use Development	\$1,471,000	\$1,166,000	\$839,000	\$700,000	\$1,721,000	\$978,000
Impact Fees	\$546,000	\$129,000	\$425,000	\$332,000	\$882,000	\$515,000
Permit Fees	\$251,000	\$201,000	\$158,000	\$169,000	\$190,000	\$170,000
Land Cost	\$675,000	\$837,000	\$256,000	\$199,000	\$650,000	\$293,000

Source: BERK, 2010

- Land costs are the largest locally-variable cost factor, in some cases by a wide margin. The land costs in this analysis are based on an overall average of land values for commercially-zoned land as estimated by the King County Assessor's Office. While individual sale prices will vary greatly, this estimate provides a reasonable overall measure of the relative value of commercial properties in the peer and neighbor jurisdictions.
- Land costs also already account for any meaningful differential in permit or impact fee costs since buyers would be factoring these cost differentials into what they are willing to pay for a piece of land.
 - For example, while the City of Kent presents developers with significantly lower local costs, both low permit fees and no impact fees, these lower costs are also matched with very low land prices. So another way to think about these low development costs is that the market is not strong enough to support an impact fee program. Thus, the lack of impact fees on development is actually a sign of a weak commercial market (in terms of valuations) as opposed to a significant competitive advantage.
- Impact fees vary, both in terms of the particular impact fee rates but also in which fees, in any, are charged.

- For commercial development the key is transportation impact fees where Kirkland is on par with Bothell, but substantially lower than Redmond and substantially higher than Bellevue and Renton. Kent does not assess impact fees on commercial development.
- For the mixed use projects, residential impact fees play into the equation. In this case, Kirkland's parks fee is on par with Redmond.
- Overall, there is not a significant difference in total permit fees amongst the peer cities. Both Kirkland and Bellevue have fee totals higher than the other peer cities with Kirkland's being the highest for all of the development types with the exception of strip retail.
 - The primary reason for higher fees in Kirkland are that the City's building, mechanical and electrical permits are all on the higher end compared to those of the peer cities.
- Permit fees represent a small share of a projects overall cost. In Kirkland, they are no more than 1.3% of a development projects overall cost. For Bellevue, Bothell, Kent, and Renton they are all around 1.0% or less.

Permit fees. Building fees for Kirkland and the five other peer cities – Bellevue, Bothell, Kent, Redmond, and Renton – were gathered from each of the cities' municipal code and related documents available on their websites. Building fees required for commercial development vary from city to city, however all of the cities reviewed in this assessment charged at least a building permit fee and plan review fee. In addition to these two fees, a number of the cities charged other types of fees including:

- Design Review Fees
- Fire Plan Review Fees
- Engineering Plan Review Fees
- Mechanical Fees
- Electrical Fees

All of the cities reviewed calculate these fees in a similar method. For example, the building permit fees have a base fee scaled on the total value of the development. Developments valued above an established threshold pay an additional fee amount based on the value of the remainder of the development above that threshold. Exhibit 5 summarizes the fee rates for these representative permits for each of the peer and neighbor jurisdictions.

Exhibit 5
Representative Permit Rates by Jurisdiction, 2010

Development Permit Rates	Kirkland	Bellevue	Bothell	Kent	Redmond	Renton
Building Permit Fee	\$3,430 + \$5.04 each \$1,000 over \$500k	<\$5M: \$7,836 + \$4.35 each \$1,000 over \$500k >\$5M: 25,236 + \$3.82 each \$1,000 over \$5M	\$6,730 + \$4.50 each \$1,000 over \$1M	\$6,042 + \$5.10 each \$1,000 over \$1M	\$4,109 + 0.365% of value over \$1M	\$6,615 + \$4.35 each \$1,000 over \$1M
Plan Review Fee	65% of building permit fee	65% of building permit fee	65% of building permit fee	65% of building permit fee	\$2,027 + 0.237% of value over \$1M	65% of building permit fee
Design Review Fee	\$1,427 + \$4,371 + \$0.20/SF new GFA + \$201/res. Unit			\$588		
Fire Plan Check Fee		\$124/hour	\$0.06/SF		\$2,064	
Engineering Plan Check Fee					\$0.16/SF (commercial) or \$164.90/Unit (residential)	
Mechanical Fee	\$1,710 + \$14.86 each \$1,000 over \$100k*	\$2,098 + \$15.40 each \$1,000 over \$100k*	Charge per fixture	Charge per fixture	<\$1M: \$89.31 + \$19.63 each \$1,000 over \$1,000 \$1M-\$2M: \$19,712 + \$9.87 each \$1,000 over \$1M >\$2M: \$29,580 + \$5.95 each \$1,000 over \$2M	Charge per fixture
Electrical Fee	\$1,433 + \$8.70 each \$1,000 over \$100k*	\$1,806 + \$11.49 each \$1,000 over \$100k*	-	-	\$250k-\$1M: \$5,061 + 1.3% of cost over \$250k >\$1M: \$15,632 + 0.7% of cost over \$1M	\$250k-\$1M: \$3,573 + 0.8% of value* >\$1M: \$11,573 + 0.4% of value*
Technology Surcharge	-	-	-	-	3% of building fee	-

Source: City of Bellevue; City of Bothell; City of Kent; City of Kirkland; City of Redmond; City of Renton; BERK, 2010

Impact Fees. Among the studied peer locations and development types, the City of Kirkland's impact fees generally fall into the middle of the range. For the example developments analyzed in this assessment, Kirkland's impact fees are consistently and significantly lower than those charged by Redmond, and consistently higher than Bellevue and Renton. The City of Bothell is relatively similar to Kirkland. The summary of these impact fees for example developments is shown in Exhibit 6.

There is some variation in Kirkland's competitive position based on whether or not the development includes residential properties. The City of Kirkland is less competitive for developments with residential units, such as a mixed-use development, due to the City's park impact fees. The total fee charged on the example mixed-use development is higher for Kirkland than for all other cities except Redmond.

For developments with only commercial properties, Kirkland is consistently in the middle of the impact fee range. Kirkland charges only traffic impact fees on these developments, as do Bellevue and Bothell. Renton also charges fire impact fees, and Redmond charges both fire and park fees. Redmond consistently has the highest total impact fee for all types of development.

**Exhibit 6
Summary of Impact Fees Paid by Development Type and Jurisdiction**

Type of Development	Kirkland		Bellevue		Bothell		Kent		Redmond		Renton	
	Rate	Units	Rate	Units	Rate	Units	Rate	Units	Rate	Units	Rate	Units
Large Office Buildings												
Traffic ¹	\$7.40 SF/GFA		\$3.42 SF/GFA		\$7.04 SF/GFA		NA	NA	\$14.97 SF/GFA		\$0.83 SF/GFA	
Fire	-	-	-	-	-	-	-	-	\$144 1,000 GFA		\$0.52 per SF	
Parks	-	-	-	-	-	-	-	-	\$1,022 1,000 GFA		-	-
Schools	-	-	-	-	-	-	-	-	-		-	-
Medium Office Building												
Traffic	\$7.40 SF/GFA		\$3.42 SF/GFA		\$7.04 SF/GFA		NA	NA	\$17.93 SF/GFA		\$0.83 SF/GFA	
Fire	-	-	-	-	-	-	-	-	\$144 1,000 GFA		\$0.52 per SF	
Parks	-	-	-	-	-	-	-	-	\$1,022 1,000 GFA		-	-
Schools	-	-	-	-	-	-	-	-	-		-	-
Big Box Retail												
Traffic	\$8.05 SF/GFA		\$2.94 SF/GFA		\$6.85 SF/GFA		NA	NA	\$13.01 SF/GFA		\$8.86 SF/GFA	
Fire	-	-	-	-	-	-	-	-	\$166.00 1,000 GFA		\$0.52 per SF	
Parks	-	-	-	-	-	-	-	-	\$448.00 1,000 GFA		-	-
Schools	-	-	-	-	-	-	-	-	-		-	-
Strip Retail												
Traffic	\$4.48 SF/GFA		\$2.74 SF/GFA		\$6.95 SF/GFA		NA	NA	\$12.09 SF/GFA		\$3.22 SF/GFA	
Fire	-	-	-	-	-	-	-	-	\$166 1,000 GFA		\$0.52 per SF	
Parks	-	-	-	-	-	-	-	-	\$448 1,000 GFA		-	-
Schools	-	-	-	-	-	-	-	-	-		-	-
Mixed Use Development²												
Traffic	\$4.48 SF/GFA		\$1.90 SF/GFA		\$6.95 SF/GFA		NA	NA	\$9.34 SF/GFA		\$5.19 SF/GFA	
Fire	-	-	-	-	-	-	-	-	\$174 per Unit		\$388 per Unit	
Parks	\$2,515 per Unit		-	-	\$762 per Unit		-	-	\$2,414 per Unit		\$355 per Unit	
Schools ³	-	-	-	-	-	-	\$3,322 per Unit		\$280 per Unit		-	-

¹ Bothell also has a 3% admin. fee and a \$1633 traffic mitigation fee which varies on the number of trips/hr. Renton traffic rates are \$75 per additional trip. Converted to dollars per square foot for comparison.

² Park and School fee rates are shown for residential portion only; Traffic fee rates are for commercial portion only.

³ Kent School District Fees applied for Kent; Lake Washington School District Fees applied for Redmond
GFA: Gross Floor Area

Source: City of Kirkland, City of Bellevue, City of Bothell, City of Kent, City of Redmond, City of Renton, BERK, 2010.

Notes: The City of Kent only charges traffic impact fees if the proposed development's traffic impact would cause the affected routes to no longer be in GMA compliance.

Cost of Doing Business in Kirkland (Business Operator Perspective)

The local tax assessment summarizes the total local tax burden for four representative businesses used in the 2008 Kirkland Tax Burden Study as part of determining the relative cost of doing business in the City of Kirkland. Exhibit 7 gives an overview of the four representative businesses used in the updated tax burden assessment.

Exhibit 7

Representative Business Profiles

Business Type	GFA	Employees	Gross
			Revenues
Large Office	45,000	150	\$16,732,204
Medium Office	13,200	44	\$6,733,398
Restaurant	17,100	57	\$3,557,002
Big Box	100,000	165	\$58,112,725

Source: BERK, 2010

Exhibit 8

Comparative Annual Taxes, 2010

Business Type	Kirkland	Bellevue	Bothell	Kent	Redmond	Renton
Large Office	\$500,000	\$504,000	\$483,000	\$490,000	\$496,000	\$500,000
State & Regional	\$448,000	\$448,000	\$447,500	\$447,400	\$448,000	\$447,000
Local	\$52,000	\$56,000	\$35,500	\$42,600	\$48,000	\$53,000
Property	\$8,500	\$7,000	\$9,500	\$16,000	\$10,500	\$18,500
Sales	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Utility	\$19,500	\$15,000	\$16,000	\$17,500	\$15,000	\$17,000
Business	\$15,000	\$25,000	\$1,000	\$100	\$13,500	\$8,500
Medium Office	\$180,000	\$183,000	\$175,000	\$177,000	\$178,000	\$180,000
State & Regional	\$165,000	\$164,000	\$164,500	\$164,900	\$164,000	\$164,500
Local	\$15,000	\$19,000	\$10,500	\$12,100	\$14,000	\$15,500
Property	\$2,500	\$2,000	\$3,000	\$4,500	\$3,000	\$5,500
Sales	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Utility	\$5,500	\$4,500	\$4,500	\$5,000	\$4,500	\$5,000
Business	\$4,500	\$10,000	\$500	\$100	\$4,000	\$2,500
Restaurant	\$70,000	\$66,000	\$62,000	\$65,000	\$66,000	\$68,000
State & Regional	\$51,500	\$51,500	\$51,500	\$51,900	\$51,500	\$51,500
Local	\$18,500	\$14,500	\$10,500	\$13,100	\$14,500	\$16,500
Property	\$3,000	\$2,500	\$3,000	\$5,000	\$3,500	\$6,000
Sales	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Utility	\$8,000	\$5,000	\$5,500	\$6,500	\$4,500	\$6,000
Business	\$6,000	\$5,500	\$500	\$100	\$5,000	\$3,000
Big Box	\$477,000	\$526,000	\$447,000	\$460,000	\$461,000	\$468,000
State & Regional	\$398,000	\$398,000	\$399,000	\$397,900	\$398,500	\$398,500
Local	\$79,000	\$128,000	\$48,000	\$62,100	\$62,500	\$69,500
Property	\$10,500	\$8,500	\$11,000	\$19,000	\$12,500	\$21,500
Sales	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Utility	\$46,000	\$26,500	\$30,000	\$37,000	\$29,000	\$33,000
Business	\$16,500	\$87,000	\$1,000	\$100	\$15,000	\$9,000

Source: City of Kirkland, City of Bellevue, City of Bothell, City of Kent, City of Redmond, City of Renton, King County, BERK, 2010

BERK used the same approach for this assessment as in the 2008 study. Assumptions about the number of employees, floor area, retail and utility purchase levels, and utility tax distribution all stayed the same. Changes include updating tax rates, inflating business retail and utility purchases to 2010 dollars, and updating business gross revenue estimates. One of the most notable changes since the 2008 study is that the City of Kirkland has restructured its business tax to a "head tax". Local taxes evaluated for each

representative business includes the major sources of local funding including property, sales, utility, and business taxes and are summarized in Exhibit 8.

Overall, Bellevue has the highest taxes for three of the four representative businesses. Kirkland is second highest except for the restaurant example, where it has the highest local taxes. Overall, local taxes are relatively small as a percentage of each representative business' annual gross revenue. Exhibit 9 shows the percent of gross revenue that local taxes represent. Taxes for each of the representative business are less than 0.50% of gross revenue in almost all of the peer cities. Taxes for the representative restaurant in Kirkland have the largest percentage, which is 0.52%.

The difference in taxes between peer cities is not that large, either. The representative restaurant in Kirkland would pay almost \$8,000 more in taxes annually than the same restaurant in Bothell, the peer city with the lowest taxes for the restaurant. This difference is relatively small compared to the restaurants annual gross revenues of \$3.5 million. The additional \$8,000 the restaurant pays in taxes is estimated to be approximately 0.2% of its gross revenue.

Exhibit 9

Annual State and Local Taxes as a Percent of Annual Gross Revenue, 2010

City	Large Office		Medium Office		Restaurant		Big Box	
	Local	Total	Local	Total	Local	Total	Local	Total
Kirkland	0.31%	2.99%	0.23%	2.67%	0.52%	1.96%	0.14%	0.82%
Bellevue	0.34%	3.01%	0.29%	2.72%	0.40%	1.84%	0.22%	0.91%
Bothell	0.21%	2.89%	0.16%	2.60%	0.30%	1.75%	0.08%	0.77%
Kent	0.25%	2.93%	0.19%	2.62%	0.38%	1.82%	0.11%	0.79%
Redmond	0.29%	2.96%	0.21%	2.65%	0.42%	1.86%	0.11%	0.79%
Renton	0.31%	2.99%	0.23%	2.67%	0.47%	1.91%	0.12%	0.81%

Source: City of Kirkland, City of Bellevue, City of Bothell, City of Kent, City of Redmond, City of Renton, King County, BERK, 2010

Locally-variable taxes are a small part of the total state and local tax burden for businesses and can be difficult for businesses to separate which taxes are local and which are accruing to other jurisdictions, such as with the sales or property taxes. The exception however is when there is a locally levied and collected tax, such as a local B&O or a local employment tax. In this case it is clear, not only who is levying the tax, but also may lead to a perception that this tax is an "extra" tax. This makes it particularly difficult for a business owner to assess the true local tax differentials. For example, while Kent does not have a B&O tax or an employment tax, the City has higher property taxes which are not as visible and would tend to overstate the difference in local tax burdens between Kent and cities that do have employment taxes.

To the extent that they are meaningful to businesses in their locational decisions, variations in locally-variable tax burdens are likely already be reflected in local lease rate differentials. Generally, business owners are aware of the more meaningful local tax differentials, such as which cities have a local B&O tax and which do not. This knowledge gets incorporated into leasing decisions and, on the margins, will likely push down lease prices to account for these other costs of locating in a particular community.

Market Perspective

It is useful to look at the broader market perspective to see how the market views the relative attractiveness of local commercial districts. It is easy to be too focused on the relatively small differences in costs associated with variations in local tax and fee policies. The best market indicators are those that highlight the value that is placed on being in a particular location, namely the price that

the market is willing to pay to acquire land or secure a lease in one commercial area versus another. By this measure, Kirkland is viewed as a relatively high value location where the market is willing to pay more than some of the peer and neighbor jurisdictions.

Land costs. Land cost is not a development cost that policy-makers have direct control over as with impact and permit fees, but it is a locally based cost for developers that influence the location decisions for different development types. Land costs reflect the market fundamentals and desirability of that location based on the rents that one can expect to get at that location. High land values represent a desirable area with strong demand.

This assessment evaluated the difference in the average value per square foot of land that a developer would likely pay in each of the six peer cities. Because the value reflects the expected rents from that location, parcels were analyzed based on their zoning and thus the development potential for the five development types – large office building, medium office building, big box retail, strip retail, and a mixed use building. The total assessed land value and square footage for the selected parcels was summed by the develop type the zoning allowed and used to calculate an average value per square foot in each city.

Bellevue, Kirkland, and Redmond have the highest average land values of all the peer cities. Kent and Renton in south King County and Bothell to the north have the lowest average land values. Exhibit 10 lists the average land value for each city.

Exhibit 10

Average Land Value per Square Foot (Commercial Zoning)

City	2003	2007	2010
Bellevue (Outside of Downtown)	\$13.93	\$21.08	\$38.41
<i>Downtown Bellevue</i>	\$70.32	\$86.92	\$181.59
Bothell	\$5.90	\$8.45	\$11.77
Kent	\$5.95	\$7.15	\$9.13
Kirkland	\$12.91	\$18.66	\$30.99
Redmond	\$14.97	\$19.76	\$29.84
Renton	\$7.32	\$9.42	\$13.44

Source: King County, 2010; BERK, 2010

Overall, land acquisition in Kirkland will likely be more expensive for a developer compared the other peer cities with the exception of Bellevue and possibly Redmond. Higher land costs are not necessarily a negative. They indicate that Kirkland is desirable location relative to the other peer cities and that business owners are prepared to pay a premium for a Kirkland location presumably because they are able to generate higher business income in this location.

While the overall average land values in Kirkland are higher than many peer communities, there are significant differences in land values among Kirkland's various commercial districts. Exhibit 11 presents the estimated average land values for Kirkland's commercial business districts. As shown, there are several districts that are close to the overall city average, with the Central Business District and the North Market Corridor valued significantly higher than average and Totem Lake significantly lower.

Exhibit 11

Average Land Value per Square Foot (Commercial Zoning) by Kirkland Business District, 2010

Business District	Average Land Cost/SF
Kirkland (Citywide Commercial)	\$30.99
Central Business District	\$89.52
Houghton	\$34.44
Juanita	\$38.48
North Market Corridor	\$67.00
Rose Hill	\$36.75
Totem Lake	\$17.58

Note: Land values are for commercial zoning within the district. Does not include Light Industrial Technology zoned parcels.

Source: King County, 2010; BERK, 2010

Exhibit 12 presents the percent of land cost for each of the development types for Kirkland overall as compared with the peer and neighbor jurisdictions.

Exhibit 12

Estimated Land Costs as a Percent of Total Project Cost

Development Type	Kirkland	Bellevue	Bothell	Kent	Redmond	Renton
Large Office Building	6.3%	7.9%	2.5%	2.0%	5.9%	3.0%
Medium Office Building	9.2%	11.6%	3.8%	3.1%	8.2%	4.5%
Big Box Retail	52.6%	59.6%	30.0%	26.8%	50.0%	33.6%
Strip Retail	44.2%	50.1%	22.6%	20.0%	40.8%	25.9%
Mixed Use Development	3.2%	4.0%	1.2%	1.0%	3.0%	1.4%

Source: King County, 2010; BERK, 2010

For higher cost projects, such as a large or medium office building or a mixed use building, the land costs are smaller percent of the overall project cost. However, for lower value projects, such as a big box development or smaller scale retail development, land costs makeup a larger share of the project's overall cost. A developer of these types of developments may realize significant cost savings by locating in lower cost jurisdiction.

Commercial rents. Rent is another cost of business that varies by location that can impact a business' location decision. This assessment used per square foot lease rates to calculate a representative business' annual rent. Lease rates are average asking lease rates from CB Richard Ellis' 2010 MarketView reports for the Puget Sound region. Exhibit 13 lists the lease rates used for this analysis.

Exhibit 13

Commercial Lease Rates (2010 Q1)

Type	Office Class A	Office Class B	Restaurant Retail
Kirkland	\$28.42	\$24.12	\$16.88
Bellevue CBD	\$33.89	\$33.77	\$28.74
Bellevue (Bel-Red)	\$27.46	\$23.74	\$23.26
Bothell	\$22.59	\$22.05	\$20.15
Kent	\$21.61	\$20.88	\$23.10
Redmond	\$24.58	\$24.47	\$29.53
Renton	\$22.30	\$20.51	\$20.28

Source: CB Richard Ellis, MarketView - Puget Sound, 2010; BERK, 2010

CB Richard Ellis only has a broad “Retail” category for lease rates, thus, lease rates for the big box and restaurant representative business profiles are the same. The average retail lease rate used for Kirkland includes the Totem Lake area, which is likely to be lower than locations in downtown Kirkland. All lease rates for Bellevue are specific to the Bel-Red Corridor Commercial lease rates for the large and medium office profiles are based on the Class A lease rates.

High cost locations for commercial rent vary by the type of business. Exhibit 14 shows the annual rent paid for each representative business with the share of business’ annual gross revenue its rent represents. For the large and medium office examples, Kirkland, followed closely by Bellevue, have the highest annual rents. For retail businesses, Redmond, Bellevue, and Kent are close together with the highest rents. Kirkland has the lowest annual rent.

Exhibit 14

Annual Rent & Rent as a Percent of Annual Gross Revenue

Business Type	Kirkland	Bellevue	Bothell	Kent	Redmond	Renton
Large Office	\$1,278,900	\$1,235,700	\$1,016,550	\$972,450	\$1,106,100	\$1,003,500
% of Gross Rev.	7.6%	7.4%	6.1%	5.8%	6.6%	6.0%
Medium Office	\$375,144	\$362,472	\$298,188	\$285,252	\$324,456	\$294,360
% of Gross Rev.	5.6%	5.4%	4.4%	4.2%	4.8%	4.4%
Restaurant	\$288,648	\$397,746	\$344,565	\$395,010	\$504,963	\$346,788
% of Gross Rev.	8.1%	11.2%	9.7%	11.1%	14.2%	9.7%
Big Box	\$1,688,000	\$2,326,000	\$2,015,000	\$2,310,000	\$2,953,000	\$2,028,000
% of Gross Rev.	2.9%	4.0%	3.5%	4.0%	5.1%	3.5%

Source: CB Richard Ellis, 2010; BERK, 2010

Rent is more substantial of a cost for a representative business than taxes. Depending on the business, annual rent paid represents 3-14% of a business’ annual gross revenue.

Rents do vary somewhat between the peer cities. The restaurant example varies the most. The difference between the highest rent (Redmond) and the lowest (Kirkland) is \$217,316, which represents 6.08% of the representative restaurant’s gross revenue. For the large office example, the difference between the highest rent (Kirkland) and the lowest (Kent) is \$306,450, which is 1.8% of its gross revenue.

A more temporal indicator of local competitiveness is the vacancy rates in office and retail space. Exhibit 15 presents the current vacancy rate for the peer and neighbor jurisdictions and compares these with some earlier data points. Clearly, the vacancy rates are showing the effects of the current major recession, as all of the communities are experiencing higher rates of vacancy.

In Kirkland, the vacancies are particularly high, which could be interpreted as an indicator that the City is not as competitive as the lease rate and land value data might suggest. It is worth looking a little bit beyond the raw numbers and considers some of the underlying issues that have led to these high levels of vacancy.

- The vacancies reflect the peculiarities of how the current recession has affected businesses throughout the region. Generally, these high vacancy rates reflect a significant drop in demand as businesses have contracted and some have closed. There is a certain element of luck involved in terms of how these reductions are spread among the various commercial areas.
- Before the recession, Kirkland enjoyed lower vacancies relative to the peer and neighbor jurisdictions
- The office vacancy is particularly high and likely reflects the impact of Google opening its own campus in late 2008 and pulled out of space elsewhere in the city. This shift, right as the overall economy was dropping into a major recession, would have had the effect of increasing the vacancy rate while keeping a major employer in the City.
- The retail vacancy rate is probably more troubling, since retail lease rates are already among the lowest within the peer and neighbor jurisdictions.

Exhibit 15

Office and Retail Vacancy Rates

City	Office			Retail		
	2003, Q4	2005, Q4	2010, Q1	2003, Q4	2005, H2	2009, Q4
Kirkland	9.3%	4.4%	30.6%	8.6%	0.8%	22.2%
Bellevue CBD	20.8%	9.1%	17.0%	1.5%	11.1%	4.4%
Bellevue (Non-CBD)*	10.1%	9.8%	11.1%	12.8%	2.9%	10.4%
Bothell	-	-	21.4%	0.9%	1.4%	4.6%
Kent	22.9%	24.5%	29.1%	1.9%	2.0%	7.5%
Redmond	11.6%	11.0%	25.7%	4.6%	0.3%	3.7%
Renton	23.6%	30.9%	14.0%	1.2%	0.9%	6.6%

*Bellevue office figures are for the Bel-Red corridor

Source: CB Richard Ellis, 2010; BERK, 2010

ORDINANCE 4288

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO IMPACT FEES FOR CHANGES IN USE AND SUSPENDING TRANSPORTATION IMPACT FEES FOR CHANGES OF USE THAT DO NOT RESULT IN INCREASED FLOOR AREA.

The City Council of the City of Kirkland do ordain as follows:

Section 1. A new Kirkland Municipal Code Section 27.04.035 is hereby created to read as follows:

27.04.035 Temporary suspension of transportation impact fees relating to change of use

Notwithstanding any other provision of this Chapter, the City temporarily suspends the imposition of transportation impact fees to the extent the assessment of the fee is the result of a change to a land use category that results in a higher fee under KMC 27.04.150; provided that this Section shall not apply to a project to the extent it will add, increase or expand the gross floor area of an existing building; and provided further that this Section applies only to the use, renovation or remodeling of existing structures and does not apply to redevelopment projects or other projects in which existing structures are replaced or substantially redeveloped. This Section shall apply to projects for which complete building applications are filed with the City between February 1, 2011 and December 31, 2013. This Section shall automatically expire on December 31, 2013.

Section 2. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 18th day of January, 2011.

Signed in authentication thereof this 18th day of January, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

**CITY OF KIRKLAND****Fire & Building Department**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tom Jensen, Plan Review Supervisor
Kevin Nalder, Director of Fire and Building

Date: January 6, 2011

Subject: Sign and Plumbing Permit Fee Update

RECOMMENDATION

Council adopts an Ordinance amending and simplifying sign and plumbing permit fees.

BACKGROUND DISCUSSION

During the recent configuration of the new EnerGov permit tracking program, staff realized it would be advantageous to simplify two of our more complex permit fee schedules. The intent of the revisions is to simplify and not increase fees with the exception of residential, alteration plumbing permits.

The current sign permit fee schedule places signs into four categories. The new fee schedule reduces the number of categories to two since that is all that is needed to determine the cost of doing the inspection. It also assigns a flat fee instead of a fee based on valuation because the cost of plan review and inspection do not change significantly with the valuation of the sign. Fee revenue from 2009 was used to determine the new flat fee so we do not expect to see an overall increase or decrease in sign permit fees. To further simplify, the plan review fee has been combined with the permit fee because all signs require a similar plan review.

Currently our plumbing permit fee schedule for other than new single family residences is based on a tedious fee per fixture approach which involves accounting for every plumbing related fixture in a project. Changing the determination of plumbing permit fees for multi-family, mixed-use and non-residential projects to be based on the value of the plumbing work would bring alignment with the other building related permits and simplify the process for both the applicant and the City. In this case the cost of inspections and plan review do increase with the valuation of the work. Similar to the current mechanical fee schedule, plumbing permit fees for residential remodels would still be based on a per fixture basis but the minimum fee per fixture would increase from \$9.50 to \$20 per fixture with a minimum fee of \$40 (currently \$29) and a maximum fee of \$240 (currently no limit). This should result in an increase in revenue but it is not expected to be significant.

This issue was discussed at the September 27, 2010 Economic Development Committee where staff was directed to take a look at permit fees that do not recover the cost of the service provided. The residential, alteration plumbing fees still do not recover the full cost and will be reviewed again in a more comprehensive permit fee study later this year. Both of the proposed fee schedules are similar to or lower than our neighboring cities.

ORDINANCE 4289

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING CHAPTER 21.74 OF THE KIRKLAND MUNICIPAL CODE RELATED TO DEVELOPMENT FEES.

The City Council of the City of Kirkland do ordain as follows:

Section 1. Kirkland Municipal Code Subsection 21.74.030(c)(7) is hereby amended to read as follows:

(7) Fees for Sign Permits. Table 4 is used to calculate fees for sign permits. The plan review fee is due at submittal and the inspection fee is due at issuance.

Table 4—Sign Permits

Type of Sign	Fee*
Plan Review	
Nonilluminated signs (each sign)	Table 3—minimum fee \$40.00
Illuminated signs (each sign)	Table 3—minimum fee \$79.00
Inspection Fees	
Marquee or building-mounted sign (each sign)	Table 3—minimum fee \$40.00 \$195
Freestanding or pole-mounted sign (each sign)	Table 3—minimum fee \$65.00 \$145

*Includes Plan Review

Section 2. Subsection 21.74.030(f) of the Kirkland Municipal Code is amended to read as follows:

(f) Plumbing Permits.
 (1) Scope. The fees established here apply to the installation, relocation, addition, or repair of plumbing work that requires a permit.
 (2) Fixtures. For the purposes of this chapter, "fixture" means and includes any appliance which connects to water, drain, or vent.
 (3) Fee Schedule. ~~Table 10 is used to calculate plumbing fees. The plan review fees are due at issuance and are in addition to the inspection fee.~~

Table 10—Plumbing Inspection Fees

	Fee	Due At
Permit issuance fee	\$5.00	Issuance
Minimum permit fee	\$29.00	Issuance

Each plumbing fixture on one trap or a set of fixtures on one trap (including water, drainage piping and backflow protection therefor)	\$9.50	Issuance
Rainwater systems—per drain (inside building)	\$9.50	Issuance
For each water heater and/or vent	\$9.50	Issuance
For each industrial waste pretreatment interceptor including its trap and vent, excepting kitchen type grease interceptors functioning as fixture traps	\$9.50	Issuance
For each installation, alteration or repair of water piping and/or water treating equipment, each	\$9.50	Issuance
For each repair or alteration of drainage or vent piping, each fixture	\$9.50	Issuance
For each lawn sprinkler system on any one meter including backflow protection devices therefor	\$9.50	Issuance
For each backflow preventer not included in above item:		
2-inch diameter and smaller	\$9.50	
over 2-inch diameter	\$19.00	Issuance
For repiping domestic water lines within existing structures:		
Single-family	\$20.00	Issuance
Multifamily Two-family	\$20.00/unit	
For each medical gas piping system serving one to five inlet(s)/outlet(s) for a specific gas	\$85.00	Issuance
For each additional medical gas inlet(s)/outlet(s)	\$5.00	Issuance

(3) Fee Schedule. Table 10 Section I is used to calculate the fees for One- and Two-Family Dwelling plumbing permits. Table 10 Section II is used to calculate the fees for non-residential, mixed-use and multi-family plumbing permits. Valuation is determined based on the prevailing fair market value of the materials, labor, and equipment needed to complete the work. The inspection fee is due at issuance.

Table 10 Section I—Plumbing Permit Fees—One- and Two-Family Dwellings

<u>Plumbing Fees For New One- and Two-Family Dwellings:</u> 8% of the building permit fee
<u>Plumbing Fees for Alterations/Additions</u> • Each new or moved plumbing fixture: \$20.00

<ul style="list-style-type: none"> • For re-piping domestic water lines within existing structures: \$20.00 per dwelling unit • Minimum Permit Fee \$40.00, maximum Permit Fee \$240.00 	
Other Fees:	
Additional plan review required by changes, additions or revisions to plans for which an initial review has been completed	\$79.00 per hour (minimum charge 1/2 hour)
Reinspection fees assessed under provisions of Section 21.74.030(b)	\$79.00 (per inspection)
Inspection for which no fee is specifically indicated	\$79.00 per hour (minimum charge 1/2 hour)
Inspections outside of normal business hours	\$118.50 per hour (minimum charge two hours)

Table 10 Section II –Plumbing Permit Fees – Non-residential, Mixed-use and Multi-family

Total Valuation	Fee
Up to \$1,000	\$40.00
\$1,001 to \$100,000	\$40.00 for the first \$1,000 plus \$6.72 for each additional \$1,000 or fraction thereof to and including \$100,000
\$100,001 and above	\$705.28 for the first \$100,000 plus \$5.94 for each additional \$1,000 or fraction thereof

(4) Plan Review Fee. When plans and/or specifications describing the plumbing installation are reviewed by the building official, the fee is sixty-five percent of the fee calculated for the plumbing permit based on such plans and/or specifications. The plan review fee is due at submittal and is in addition to the permit fee.

Section 3. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 4. This ordinance shall be in force and effect on March 7, 2011, after its passage by the the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this 18th day of January, 2011.

Signed in authentication thereof this 18th day of January, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. 4289

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING CHAPTER 21.74 OF THE KIRKLAND MUNICIPAL CODE RELATED TO DEVELOPMENT FEES.

SECTION 1. Amends Kirkland Municipal Code Subsection 21.74.020(c)(7) related to fees for sign permits.

SECTION 2. Amends Kirkland Municipal Code Subsection 21.74.030(f) relating to fees for plumbing permits.

SECTION 3. Provides a severability clause for the ordinance.

SECTION 4. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as March 7, 2011, after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 18th day of January, 2011.

I certify that the foregoing is a summary of Ordinance 4289 approved by the Kirkland City Council for summary publication.

City Clerk

**CITY OF KIRKLAND****Fire & Building Department**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tom Phillips, Building Services Manager
Kevin Nalder, Director of Fire and Building

Date: January 6, 2011

Subject: An Ordinance requiring completion of the exterior of a house under construction within two years

RECOMMENDATION

Council adopts an Ordinance requiring completion of the exterior of new single family homes and additions within two years of the building permit issuance.

BACKGROUND DISCUSSION

This ordinance will require the exterior of a new house or addition, under construction to be complete including roofing, siding, windows, exterior doors and applicable site and right-of-way improvements, within two years of the issuance of the building permit.

A building permit for a new house or residential addition is valid for two years, but if the work is not completed within the two year period the permit may be renewed or a new permit obtained to complete the work. This creates the potential for a house to be under construction for longer than the initial two year period. We have received two recent complaints regarding prolonged construction being an unreasonable burden to the neighborhood. In both these cases the neighbors stated there would not be a concern if the exterior of the house was complete.

This issue was discussed at the June 17th 2010 Public Safety Committee meeting during a presentation of the Kirkland Property Maintenance Code (KPMC) adoption. At that meeting the Committee members asked staff to prepare an Ordinance to address the issue. The original proposal was to regulate this activity in the KPMC but after further deliberation staff felt that it best fit in the permit expiration section of the Kirkland Municipal Code for two reasons. First, the KPMC is a maintenance code and generally does not address buildings under construction. Second, this new requirement is tied to the expiration date of the permit which is regulated under Chapter 21.06 of the Kirkland Municipal Code.

ORDINANCE 4290

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING CHAPTER 21.06 OF THE KIRKLAND MUNICIPAL CODE RELATED TO THE COMPLETION OF THE EXTERIOR OF NEW HOUSES AND ADDITIONS.

The City Council of the City of Kirkland do ordain as follows:

Section 1. Subsection 21.06.255(a) of the Kirkland Municipal Code is hereby amended to read as follows:

21.06.255 Permit expiration.

(a) Every building permit and its associated ancillary permits issued for an IRC permitted structure or for a tenant space within an existing building shall expire in two years from the date of issuance. Within two years of the issuance of the permit for an IRC structure, the outside must be complete including roofing, siding, windows, exterior doors and applicable site and right-of-way improvements.

Section 2. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 18th day of January, 2011.

Signed in authentication thereof this 18th day of January, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

**CITY OF KIRKLAND****Public Works Department****123 Fifth Avenue, Kirkland, WA 98033 425.587-3800****www.ci.kirkland.wa.us**

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ray Steiger, P.E., Interim Public Works Director

Date: January 6, 2011

Subject: Hotel Business loading zone ordinance

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance amending the Kirkland Municipal Code (KMC) to establish a new "Hotel Business Loading Zone."

BACKGROUND:

Currently KMC 12.45.230 authorizes the administration of parking infractions for a number of specific situations; included within this list is parking in a loading zone. Growth in the hotel business in Kirkland, specifically those offering valet parking as a part of their services, has identified a lack of clarity with respect to valet parking and conflict with the KMC as it is currently written; specifically as it relates to parking situated immediately adjacent to a hotel entrance.

The attached ordinance, developed with input from the Parking Advisory Board, and stakeholders including downtown hoteliers, is intended to modify the KMC to allow for improved operations for this unique segment of the commercial sector while at the same time preserving other valuable on-street public parking and commercial loading and unloading.

The ordinance creates a new "Hotel Business Loading Zone" that reserves space in the zone for hotel business related uses. The zone allows hotel business related vehicles and valet vehicles to be parked in the zone and moved in and out of the zone with no time limits other than the prohibition of overnight parking in the zone. The ordinance requires that vehicles left in the zone be identified as hotel business related through the use of clearly identifiable placards or other methods visible to parking enforcement. Vehicles in the zone without such identification will be subject to enforcement. However, hotel related vehicles outside of the zone will be subject to the same enforcement as any other vehicle.

A Hotel Business Loading Zone is established (and revoked) by either the Police Chief or the Public Works Director.

ORDINANCE 4291

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO HOTEL BUSINESS LOADING ZONES AND ADDING CHAPTER 12.50 TO THE KIRKLAND MUNICIPAL CODE.

The City Council of the City of Kirkland do ordain as follows:

Section 1. A new Chapter 12.50, "Hotel Business Loading Zones" is added to the Kirkland Municipal Code Chapter to read as follows:

12.50.010 Definitions.

For the purpose of this chapter:

(1) "Hotel business loading zone" means a designated location on the public right-of-way adjacent to a hotel entrance or exit reserved for use by vehicles loading and unloading hotel business related persons or commodities and for providing temporary hotel parking necessary to implement hotel valet parking services.

(2) "Overnight parking" means the parking of a vehicle in a hotel business loading zone for a period exceeding three hours a day at any time during the hours from ten p.m. to eight a.m. of the following day.

(3) "Person" means every natural person, firm, partnership, corporation, association or organization.

(4) To park (or stand) a vehicle. There is a prima facie presumption that the registered owner of a violator vehicle was the person who parked such vehicle.

(5) "Hotel valet parking service" means a hotel, or independent contractor, which provides a driver to operate a vehicle to and from a parking location so that the driver and passengers in the vehicle may unload and load at the hotel.

(6) "Vehicle" means every device capable of being moved upon a public highway and in, upon or by which any person, or property, shall or may be transported or drawn upon any public highway excepting devices moved by human power.

12.50.020 Hotel business loading zones regulated.

(a) Hotel business loading zones shall only be allowed along the city street adjacent to hotel entrances and exits and shall at all times be reserved for use by hotel business related vehicles, both commercial and noncommercial, in loading and unloading hotel business related persons or commodities and provision of hotel valet parking services.

(b) The hotel valet parking service shall record the vehicle license numbers of vehicles which are in the custody or control of the hotel valet parking service and shall identify such vehicles by placard or similar device visibly displayed in the window of the vehicle.

(c) Hotel business loading zones shall not be used for overnight parking.

(d) It is a civil infraction for any person to park or stand a vehicle as follows:

(1) In a hotel business loading zone for a purpose other than temporarily stopping to load and unload hotel business related persons or commodities;

(2) In a hotel business loading zone, unattended, unless a placard or other device clearly identifying the vehicle as hotel business related allowing for such parking, as required in this section, is visibly displayed in the window of the vehicle.

12.50.030 Hotel business loading zones to be designated and signed.

The chief of police or delegate or the director of public works or delegate is authorized to designate hotel business loading zones. Such designation shall be shown by signage and other appropriate indicators marking the limits of the hotel business loading zone.

Section 2. This Ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 18th day of January, 2011.

Signed in authentication thereof this 18th day of January, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney



CITY OF KIRKLAND
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
123 FIFTH AVENUE, KIRKLAND, WA 98033 425.587.3225
WWW.CI.KIRKLAND.WA.US

MEMORANDUM

Date: January 6, 2011

To: Kirkland City Council

From: Jeremy McMahan, Planning Supervisor
Eric Shields, Planning Director

Subject: Planning Commission Recommendation - Scoping For CBD Ground Floor Storefront Uses Zoning Code Amendments (File ZON10-00027)

Recommendation

Review the Planning Commission's recommended project scope (enclosed) and provide direction to the Commission and staff prior to scheduling of the Planning Commission public hearing. Options are presented below.

In addition, staff asks that the Council provide direction on whether staff should continue to administer ground floor use regulations with some flexibility when businesses combine retail and office uses (see discussion below).

Background

Issue The approved 2010 Planning Work Program includes a task to consider loosening of "end of block" retail requirements to address the challenges in finding retail tenants for some of these spaces. Based on correspondence from downtown property owners, the Council directed staff and the Planning Commission to broaden the work program to consider additional uses that might be allowed throughout the downtown.

- Broaden the 2010 Planning Work Program task to consider options beyond the "end of block" adjustments.
- Any amendments must be consistent with the Comprehensive Plan, no Plan amendments are to be considered at this time (see policy discussion below).
- Any amendments should be minor adjustments, for example, broadening the list of allowed service uses.
- Report back to Council on scope before the public hearing.

The Planning Commission met to discuss this potential code amendment on November 18, 2010. Their recommendation is enclosed and the Staff memo and meeting packet are available [by clicking here](#).

Flexibility Regarding the question of flexibility within the existing code, the Planning Commission indicated that they were generally comfortable with the flexibility administered by the Planning Department but indicated that the amount flexibility should not be expanded (with particular concern about the plastic surgeon/medspa use noted below). Flexibility has been applied related to the depth requirement and to permit hybrid uses (part retail and part office). Examples include:

- The optometrist selling glasses and frames in front with exam room and office in back.
- The plastic surgeon with the medical office oriented to Market Street (no ground floor restrictions) and the medspa use oriented to Central Way.
- The physical therapist with shoes, orthotics, and recreational uses in front and treatment rooms and administrative offices in back.

Each of these examples has come following extensive discussions with tenants and property owners about the application and intent of the code. There are also examples that have not been well received by many in the community. Notably the real estate office that sold blenders (approved - technically met letter of code if not intent) and the real estate office that sold used travel maps and books (not approved).

Options

Direct the Planning Commission to conduct a public hearing on one of the following project scopes:

1. Limited changes to applicable CBD 1 and 2 zones south of Second Avenue South to allow ground floor office uses (as recommended by the Planning Commission).
2. Changes to CBD 1, 2, 3 and 8 zones for some or all "end of block" areas identified by staff (diagram to right) to allow ground floor office uses.



3. Changes to all affected CBD zones to allow ground floor office uses in all areas.

Staff recommends Option 2. Some of these areas have not been successful retail location even in the best of economic times so reconsidering the suitability of the zoning requirements is appropriate. Limiting the scope of the hearing to Option 1 constrains the Planning Commission and City Council to consideration of code amendments for a

small geographic area. It would be preferable to give the community broader options to discuss before narrowing those options. Finally, based on the Downtown Plan (and Council's direction to not amend the Plan at this time); the Planning Commission discussions and the community discussion group hosted by staff in August, 2010; staff recommends that Option 3 not be considered further.

Cc: ZON10-00027



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MEMORANDUM

DATE: DECEMBER 21, 2010

TO: KIRKLAND CITY COUNCIL

**FROM: C. RAY ALLSHOUSE, CHAIR
KIRKLAND PLANNING COMMISSION**

**SUBJECT: PLANNING COMMISSION RECOMMENDATION - SCOPING FOR CBD
GROUND FLOOR STOREFRONT USES ZONING CODE AMENDMENTS
(FILE ZON10-00027)**

Recommendation

Review the Planning Commission's recommended project scope and provide direction to the Commission and staff prior to scheduling the Planning Commission public hearing.

The Planning Commission recommends that the scope of the amendments be limited to providing additional flexibility in ground floor storefront uses for CBD parcels on Lake Street South south of Second Avenue South. This proposed amendment would affect three parcels, none of which currently have ground floor retail uses.

Discussion

The Planning Commission has reviewed the Summary of Existing Conditions report prepared by staff (see Attachment 1) and the Downtown Plan chapter of the Comprehensive Plan (see Attachment 2). The Planning Commission is concerned that loosening the rules for storefront uses would have short term detrimental impacts on existing retailers and long term detrimental impacts on the desired pedestrian-oriented retail character of the downtown. The identified problem of leasing spaces is a market issue stemming from the recession. The market will resolve that issue as the economy recovers and lease rates adjust to market conditions. The City should not intervene in the market by lowering expectations, particularly since the demand for office space is also weak in this economy. The solution to creating a vibrant retail environment is not open up more spaces for office uses. If parts of downtown are uninteresting to pedestrians and shoppers, the solution is not to make more parts of the downtown uninteresting.

The Commission concluded that, with one exception, all of the areas where the Zoning Code currently requires active storefront uses have the potential to succeed under the

vision the community has outlined for downtown. The one area where the Commission agreed that active storefront uses should not be required is the area at the south edge of the CBD on Lake Street, south of Second Avenue South (e.g. - Chaffey building and Fish Café parking lot). This area is truly "end of block" with no retail to the south and no pedestrian crossing to facilitate retail circulation. In addition to retail uses, office and service uses should be considered in this area.

The Commission noted that staff has been flexible in working with property owners and tenants to allow hybrid retail/service/office uses that present a retail storefront to the street. In discussions with staff of specific examples, the Commission advised staff that the amount of flexibility shown should not be expanded.

Public Comment

Four individuals addressed the Commission on this topic prior to the study session. Correspondence and presentation materials submitted to the Commission are included as Attachment 3.

Attachments:

1. Existing Conditions Report
2. Downtown Plan
3. Public Comment

Cc: ZON10-00027

Kirkland Central Business District Ground Floor Storefront Uses Summary of Existing Conditions

November, 2010

Purpose:

The first section of this report provides a snapshot of the current condition of ground floor, storefront uses for those Central Business District (CBD) zones that require pedestrian-oriented uses along street frontages. This includes businesses in CBD 1 (1A and 1B are combined for purposes of this study), 2, 3, 7, and 8 and excludes CBD 4, 5 and 6. These five zones constitute the *study area*. CBD 5A (Parkplace) is also excluded because pedestrian-oriented use requirements are subject to the specifics of the approved Parkplace Master Plan.

The second section of the report provides a zone by zone analysis of both the ground floor storefront regulations that are in place and a more detailed analysis of existing uses in each zone. The data includes both the square footage of uses and the number of employees for each use. Additional detail is available in Attachment 1.

This report measures existing and pending occupancies of these storefront spaces but does not gauge the health of existing businesses.

Methodology:

The data contained in this summary was generated using the following methodology:

1. A report was run of existing valid business licenses in the CBD for businesses registered with the City of Kirkland as of August 6, 2010¹.
2. A review was made of pending and issued building permits in the CBD on file with the City of Kirkland as of August 12, 2010.
3. A field inventory was conducted on August 12-13, 2010. The inventory screened out all businesses and spaces that were not in the five CBD zones being studied, were not on the ground floor, and did not have street frontage. The resultant data includes what is being called ground floor, storefront uses.
4. Previous vacancies, new vacancies, and construction projects were inventoried and updated on November 8, 2010.

Businesses were then classified by the NAICS codes² to categorize the specific business activity. Compared to the Kirkland Zoning Code, the [NAICS codes](#) provide a more refined view of what a particular business does. For example, the Zoning Code definition of "retail" includes a broad range of activities, including services uses such as nail and hair salons. The NAICS codes classify retail and service uses distinctly and refine those broad categories into over 50 subcategories each.

Zoning Code Requirements:

Based on Comprehensive Plan policies and the community vision for the downtown, CBD zones within the study area require pedestrian-oriented uses on the ground floor with a specified building depth. Pedestrian-oriented uses include uses such as retail and restaurant (per Zoning

¹ Square footage and number of employees is self-reported by the business license applicant. NAICS Codes are assigned by the State

² North American Industry Classification System (NAICS, pronounced Nakes) was developed as the standard for use by Federal statistical agencies in classifying business establishments for the collection, analysis, and publication of statistical data related to the business economy of the U.S.

Code definitions) and exclude uses such as office and residential. The table below summarizes pedestrian-oriented use requirements for each of the 8 CBD zones. Within zones that require pedestrian-oriented uses, the requirement only applies along pedestrian-oriented streets. For example, within CBD 8 retail/restaurant uses are required along Central Way but not facing residential zones to the north. Additional detail on regulations is available in the zone by zone analysis in the second section of this report.

Ground Floor Storefront Requirements	
CBD 1A & 1B	Required with 20' min. depth, 30' average (10' min, 20' average for shorter buildings). No banks allowed on Park Lane or Lake Street.
CBD 2	Required with 30' depth.
CBD 3	Required with 30' depth.
CBD 4	Not required
CBD 5	Not required
CBD 5A (Parkplace)	Required pursuant to Touchstone's approved Master Plan.
CBD 6	Not required
CBD 7	Required with 30' depth.
CBD 8	Required with 30' depth along Central Way.

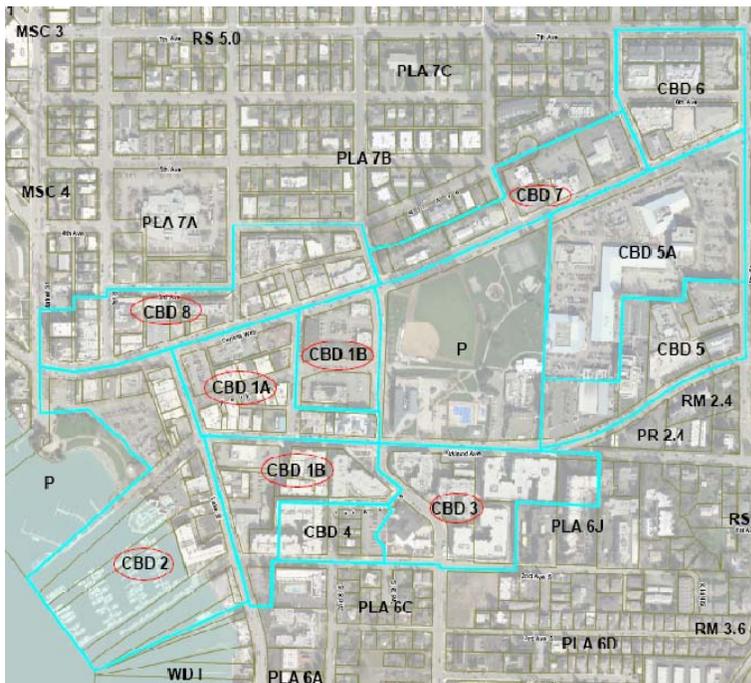


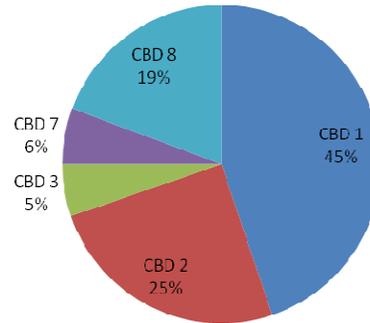
Figure 1 – CBD Zones: ○ – retail required

General Overview:

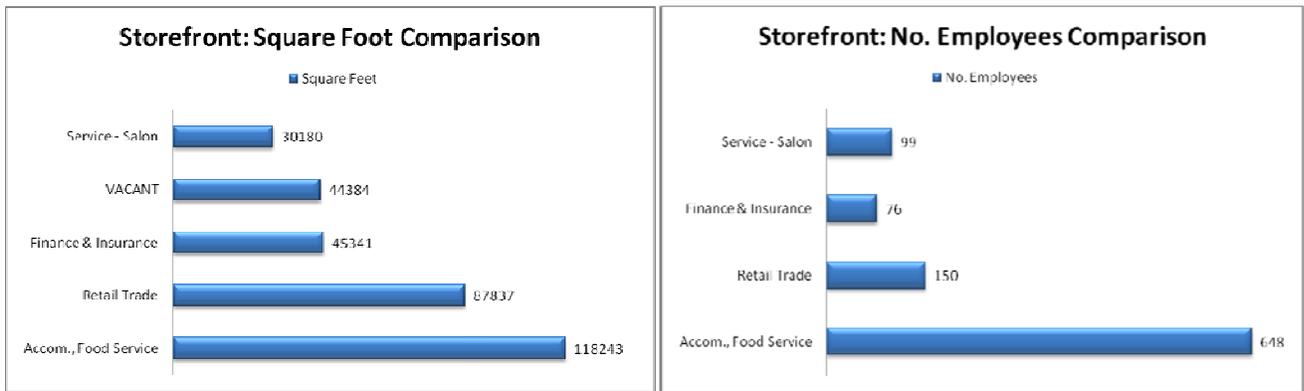
The five CBD zones studied contain 382,289 square feet of ground floor, storefront uses with 1,156 employees. By comparison, all eight CBD zones contain a total of 1,019,606 square feet of commercial uses with 2,510 employees.

Within the five CBD zones studied, CBD 1 has the most storefront space with 45% of the total. CBD 3 and 7 have the least, with 5%-6% each. Detailed mapping of storefront uses is included in Attachment 2.

Storefront Square Footage by Zone

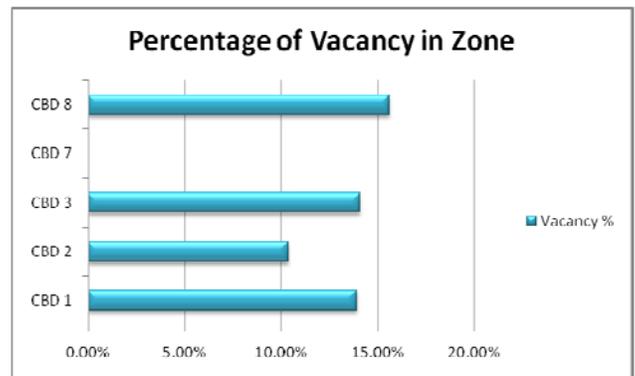


Within the five CBD zones studied, Accommodation and Food Service uses are the most significant as measured by total square footage and employment, followed by Retail Trade, then Finance and Insurance.



The vacancy rate for ground floor, storefront uses is at 12.6% of the total space. There has been an increase since the initial survey in August, largely due to 12,200 square feet of new ground floor, storefront space recently completed but not occupied in the Bank of America project.

The highest vacancy rate, measured as a percentage of the storefront space available in the zone, occurs in CBD 8. CBD 7, with its fewer and more auto-oriented properties, has no vacancies. CBD 1 went from a 7% to a 13.9% vacancy rate as new space came on line without leases in place. By way of comparison, Eastside retail vacancies in were at 6.74%³ at the end of the second quarter, 2010 (down from a high of 7.98% a year ago). Eastside office vacancies were at 15.11%⁴ for the second quarter.



³ Cushman Wakefield, August 2010

⁴ Colliers, June 2010

CBD 1A & 1B Zone

Code Requirements:

General Regulation #3:

The street level floor of all buildings shall be limited to one or more of the following uses: Retail; Restaurant or Tavern; Banking and Related Financial Services; and Entertainment, Cultural and/or Recreational Facility use. The required uses shall have a minimum depth of 20 feet and an average depth of at least 30 feet (as measured from the face of the building on the abutting right-of-way). Buildings proposed and built after April 1, 2009, and buildings that existed prior to April 1, 2009, which are at least 10 feet below the maximum height of structure, shall have a minimum depth of 10 feet and an average depth of at least 20 feet containing the required uses listed above.

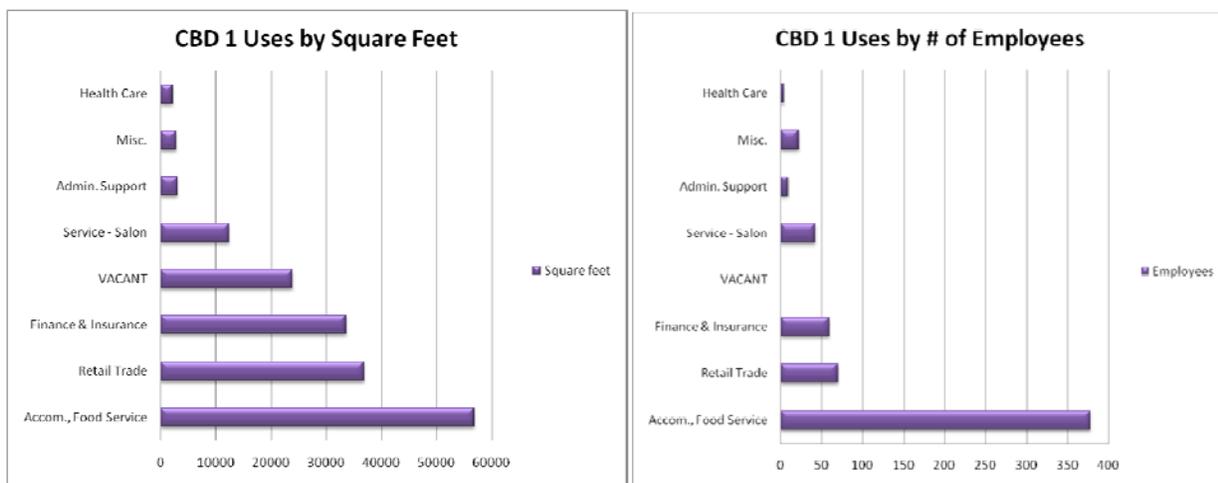
The Design Review Board (or Planning Director if not subject to D.R.) may approve a minor reduction in the depth requirements if the applicant demonstrates that the requirement is not feasible given the configuration of existing or proposed improvements and that the design of the retail frontage will maximize visual interest. Lobbies for residential, hotel, and office uses may be allowed within this space subject to applicable design guidelines.

Special Regulation for Banks and Financial Institutions:

Unless this use existed on the subject property prior to January 1, 2004, Banking and Financial Services may not be located within the 30-foot depth (as established by General Regulation 3) on the street level floor of a building fronting on Park Lane and Lake Street.

Existing Conditions:

CBD 1 has the highest amount of storefront space of the zones studied with 45% of the total. The most significant storefront use in CBD 1 is Accommodation and Food Service. This would include the Heathman (guest rooms were factored out of the square footage), restaurants, and bars. This is followed by Retail, then Finance and Insurance. There are four recently completed retail spaces in the Bank of America project and four vacancies in the zone. The most significant vacancy is the Antique Mall site at 10,000 square feet.



CBD 2 Zone

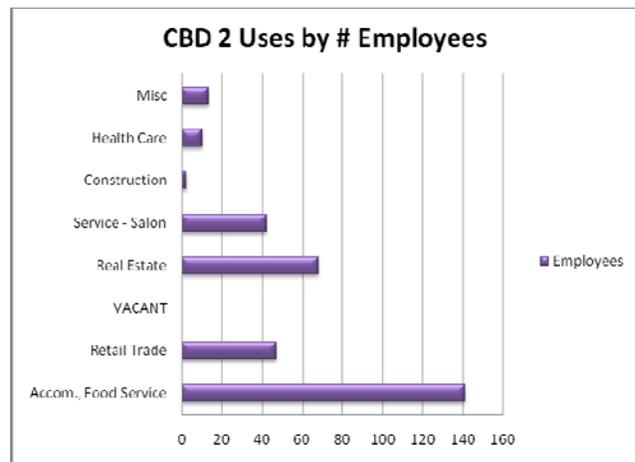
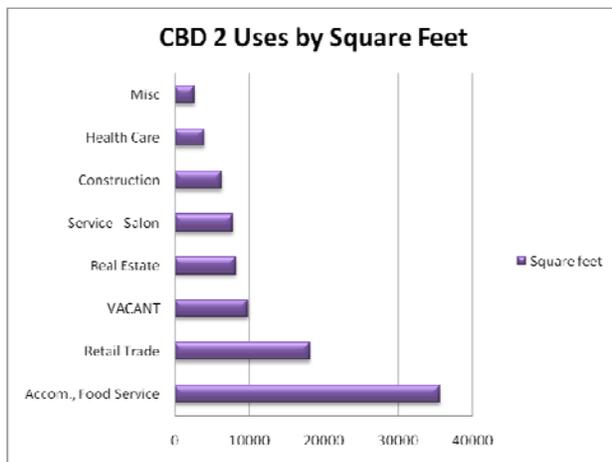
Code Requirements:

Special Regulation for Office & Residential Uses:

This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension.

Existing Conditions:

CBD 2 has the second highest amount of storefront space of the zones studied with 25%. As with CBD 1, the most significant storefront use in CBD 2 is Accommodation and Food Service. This is followed by Retail then vacant space. There are four vacancies, the most significant being the closed Café Harlequin space on Lake Street at 5,563 square feet.



CBD 3 Zone

Code Requirements:

Special Regulation for Office & Residential Uses:

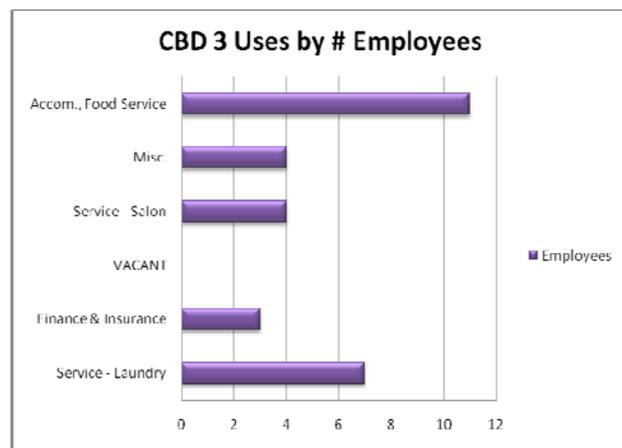
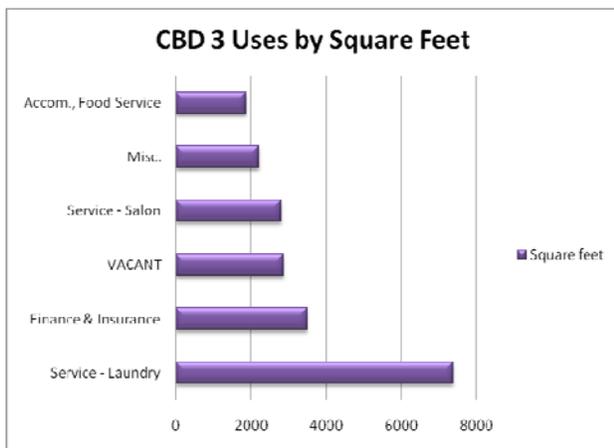
This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension. This special regulation shall not apply along portions of State Street and Second Avenue South not designated as pedestrian-oriented streets.

Special Regulation (Incentives) for pedestrian-oriented uses:

The required front yard for this use shall be zero feet for one story at street level. No parking may encroach into the required 20-foot front yard. If this use provides a zero-foot front yard, the lot coverage for the entire property shall be 100 percent.

Existing Conditions:

CBD 3 has 5% of the storefront space in the zones studied. The largest use in CBD 3 is Fox Cleaners (Service-Laundry) followed by Finance and Insurance and vacant space. There are no Retail uses by NAICS code in this zone.



CBD 7 Zone

Code Requirements:

Special Regulation for Office & Residential Uses:

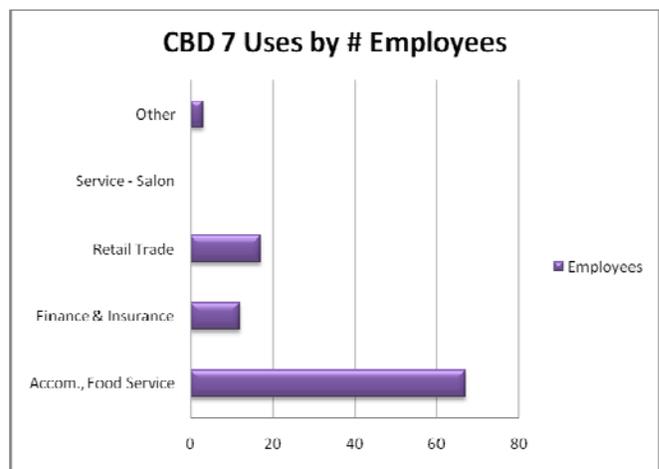
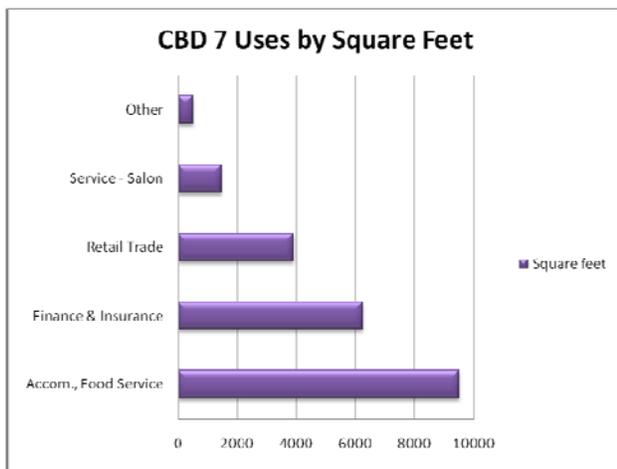
This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension. This special regulation shall not apply along portions of State Street and Second Avenue South not designated as pedestrian-oriented streets.

Special Regulation (Incentives) for pedestrian-oriented uses:

The required front yard for this use shall be zero feet for one story at street level. No parking may encroach into the required 20-foot front yard. If this use provides a zero-foot front yard, the lot coverage for the entire property shall be 100 percent.

Existing Conditions:

CBD has 6% of the storefront space in the zones studied. Accommodation and Food Service is the largest use in this zone (Crab Cracker and Wendy’s), followed by Finance and Insurance, then Retail.



CBD 8 Zone

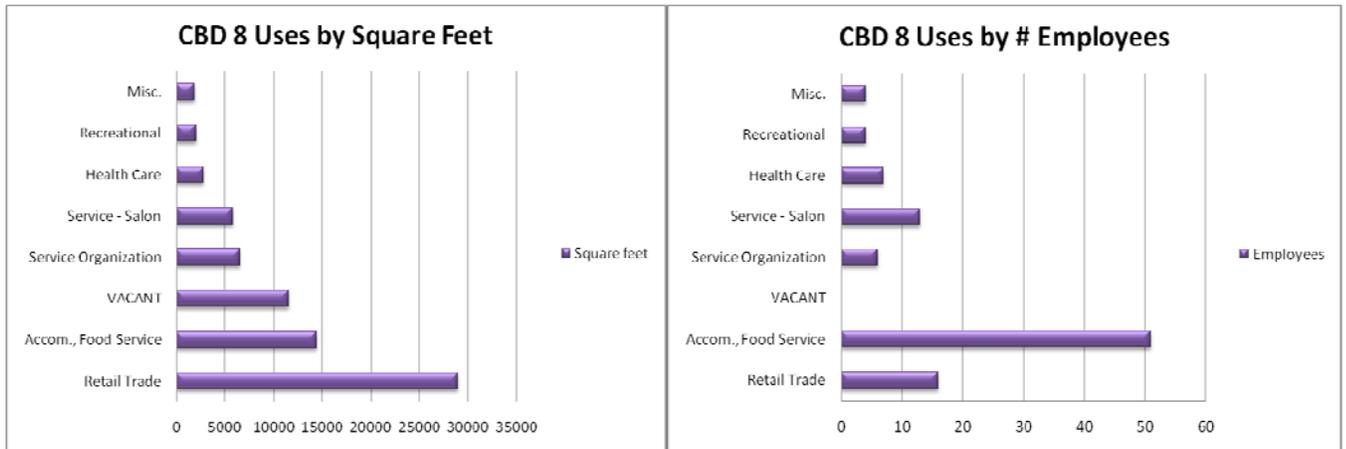
Code Requirements:

Special Regulation for Office & Residential Uses:

This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension.

Existing Conditions:

CBD 8 has 19% of the storefront space of the zones studied. Retail is the most significant use in this zone, followed by Accommodation and Food Services, then vacant space. The recent closure of First Mutual Bank increased the vacancy rate from the August inventory.



CBD Ground Floor Storefront Businesses

Data Date: 11-08-2010

Data from business licenses & building permits

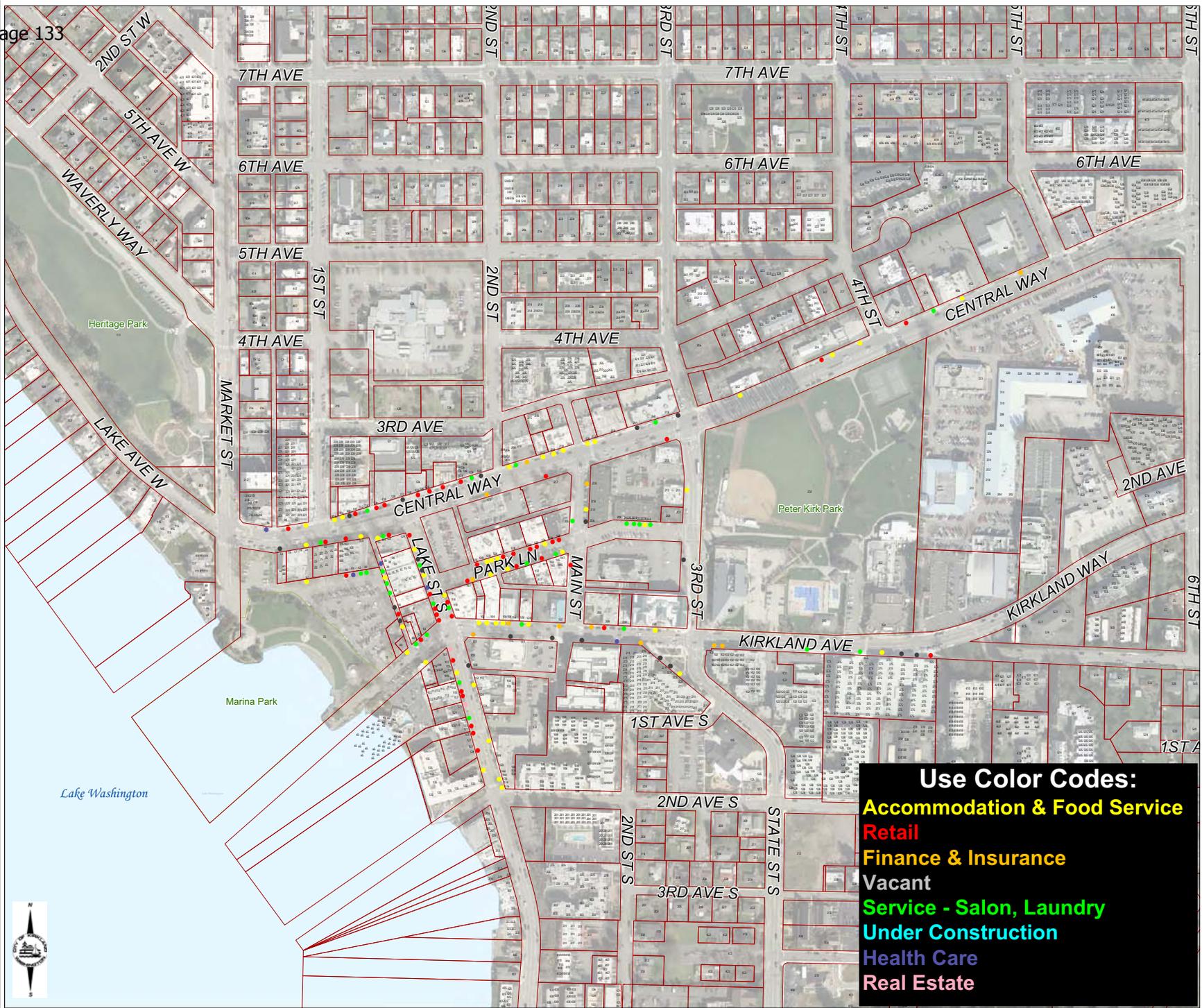
DBA	Address1	Parcel	Zoning	NAICS Code	Naics Title	Sq.Ft.	Employees	Reported Activity
THE FRENCH BAKERY	219 KIRKLAND AVE	124400-0100	CBD 1	311811	Manufacturing	1056	4	BAKERY AND CAFÉ
OJOY AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	424990	Wholesale Trade	10	1	ARTIST
HALEY'S COTTAGE	123 PARK LANE	124450-0230	CBD 1	442299	Retail Trade	1500	2	RETAIL
MARKET ON CENTRAL/SUBWAY #1647	255 CENTRAL WAY	124450-0435	CBD 1	445120	Retail Trade	3727	10	CONVENIENCE STORE AND SUBWAY SANDWICH STORE
SWEET CAKES LLC	128 PARK LANE	124450-0230	CBD 1	445291	Retail Trade	1345	3	RETAIL BAKERY, BAKE AND SELL PASTRIES, CAKES
CHAMPAGNE TASTE	147 PARK LN	124450-0210	CBD 1	448120	Retail Trade	1300	2	SELL CONSIGNMENT CLOTHING
ABSOLUTELY FABULOUS CONSIGNMENT	138 PARK LANE	124450-0100	CBD 1	448140	Retail Trade	1400	1	CONSIGNMENT CLOTHING
MU SHOE	140 PARK LANE	124450-0175	CBD 1	448210	Retail Trade	1140	4	RETAIL WOMEN'S SHOES AND ACCESSORIES
LAKE STREET DIAMOND COMPANY LLC	106 LAKE STREET	124450-0175	CBD 1	448310	Retail Trade	800	2	RETAIL JEWELRY STORE
PATTY GEORGAS	130 PARK LANE	124450-0115	CBD 1	448310	Retail Trade		1	EXHIBIT SALES OF FINE ART
KIRKLAND BICYCLE LLC	208 KIRKLAND AVE	124450-0270	CBD 1	451110	Retail Trade	4100	7	BICYCLE SALES, SERVICE AND RENTALS
EASTSIDE TRAINS, INC.	217 CENTRAL WY	124450-0066	CBD 1	451120	Retail Trade	8000	9	RETAIL HOBBY STORE
PAISLEY CUPBOARD, INC.	141 PARK LANE	124450-0220	CBD 1	453220	Retail Trade	2000	3	RETAIL STORE - GIFTS FOR HOME AND GARDEN
RAGAMOFFYN'S, INC.	132 PARK LANE	124450-0130	CBD 1	453310	Retail Trade	900	3	CLOTHING CONSIGNMENT
ARLON ROSENOFF ART	130 PARK LANE	124450-0115	CBD 1	453920	Retail Trade	30	1	ARTIST
DARLENE GENTRY LUCAS	130 PARK LANE	124450-0115	CBD 1	453920	Retail Trade	4	1	EXHIBIT AND SELL FINE ART
G. ROSS NICOLL	C/O PARKLANE GALLERY	124450-0115	CBD 1	453920	Retail Trade	30	1	ARTIST
HILDA BORDIANU AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	453920	Retail Trade	4	1	ARTIST
HOWARD/MANDVILLE GALLERY	120 PARK LANE	124450-0145	CBD 1	453920	Retail Trade	4000	3	ART GALLERY
LAKESHORE GALLERY	107 PARK LANE	124450-0178	CBD 1	453920	Retail Trade	1700	3	ART GALLERY, FINE ART & CRAFT
MIN ZHONG AT PARK LANE GALLERY	130 PARK LN	124450-0115	CBD 1	453920	Retail Trade	4	1	ARTIST
NADIA KASKO AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	453920	Retail Trade	4	1	ARTIST
PARK LANE GALLERY, INC.	130 PARK LANE	124450-0115	CBD 1	453920	Retail Trade	1300	1	RETAIL SALES OF ARTWORKS
HENK DAWSON AT PARKLANE GALLERY	130 PARK LANE	124450-0115	CBD 1	453998	Retail Trade	4	1	ART SALES
ROY BRUNO AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	453998	Retail Trade	4	1	EXHIBIT SALE OF FINE ART
SIMPLICITY DECOR	126 PARK LANE	124450-0145	CBD 1	453998	Retail Trade	2800	3	RETAILER OF HOME FURNITURE AND ACCESSORIES
THE MINUS SHOP	114 LAKE ST	124450-0175	CBD 1	453998	Retail Trade	758	1	RETAIL SALES OF HEALTHCARE PRODUCTS
THOMAS J. TRAEGER AT PARK LANE	GALLERY	124450-0115	CBD 1	453998	Retail Trade	5	1	ARTIST
BARBARA WYATT AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	454390	Retail Trade	4	1	ARTIST
SIMPLY SONJA	130 PARK LANE	124450-0115	CBD 1	454390	Retail Trade		1	PHOTOGRAPHY GALLERY OR FARMERS MARKET
TOSHIKO HASEGAWA AT PARK LANE	130 PARK LANE	124450-0115	CBD 1	454390	Retail Trade	10	1	PAINTING PICTURES
UNION BANK	132 KIRKLAND AVE	124450-0190	CBD 1	522110	Finance & Insurance	3576	7	COMMERCIAL BANKING
U.S. BANK OF WASHINGTON	177 CENTRAL WAY	124450-0035	CBD 1	522110	Finance & Insurance	3770	12	BANK
BANK OF AMERICA #353-0060103	101 KIRKLAND AVE	082505-9011	CBD 1	522110	Finance & Insurance	5972	9	BANK
BANNER BANK	202 KIRKLAND AVENUE	124450-0270	CBD 1	522120	Finance & Insurance	5000	5	BANK
STERLING SAVINGS BANK	230 MAIN ST	124450-0435	CBD 1	522120	Finance & Insurance	5291	7	MORTGAGE COMPANY - SUBSIDIARY OR STERLING SAVINGS BANK
WASHINGTON FEDERAL SAVINGS	116 KIRKLAND AVENUE	124450-0180	CBD 1	522120	Finance & Insurance	5660	8	SAVINGS AND LOAN
JP MORGAN CHASE BANK	215 KIRKLAND AVE	124400-0100	CBD 1	522310	Finance & Insurance	3095	9	BANK
MCLEOD INSURANCE, INC.	111 PARK LANE	124450-0176	CBD 1	524210	Finance & Insurance	1200	2	INDEPENDENT INSURANCE AGENCY
DUANE HANSEN AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	541921	Professional Services	4	1	EXHIBIT AND SALES OF FINE ART
GRFTCHEN CROSSLEY PHOTOGRAPHY	130 PARK I N	124450-0115	CBD 1	541921	Professional Services	100	1	PHOTOGRAPHING ART WORK AND PEOPLE
MCDANIEL SERVICES	130 PARKLANE	124450-0115	CBD 1	541921	Professional Services	10	1	PHOTOGRAPHER
GARY HAMBURGH PHOTOGRAPHY	130 PARK LANE	124450-0115	CBD 1	541922	Professional Services	8	1	SALE OF FINE ART
UPS STORE #1576	218 MAIN ST	124450-0435	CBD 1	561431	Admin. Support	1260	5	MAILING, PACKAGING, SHIPPING SERVICE, ETC.
MCLEOD GROUP INC	118 LAKE ST S	017600-0005	CBD 1	561499	Admin. Support	100	3	SPECIAL INTEREST AUTOS, ART, COLLECTIBLES, AUTO MOBILA
STUDIO BE YOGA	223 KIRKLAND AVE	124400-0100	CBD 1	611620	Admin. Support	1600	1	YOGA INSTRUCTION
LAKE WASHINGTON PHYSICAL THERAPY	209 KIRKLAND AVE	124450-0270	CBD 1	621340	Health Care	2170	4	PHYSICAL THERAPY
ANGELA HOSKINS AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	711510	Arts	4	1	EXHIBIT AND SALES OF FINE ART
ESPERANZA GRUNDY	130 PARK LANE	124450-0115	CBD 1	711510	Arts	4	1	ARTIST
PHYLLIS RAY AT PARK LANE GALLERY	130 PARK LANE	124450-0115	CBD 1	711510	Arts	40	1	EXHIBIT AND RETAIL OF FINE ART
R. MARLENE JENSEN	130 PARK LANE	124450-0115	CBD 1	711510	Arts	10	1	ARTIST

DBA	Address1	Parcel	Zoning	NAICS Code	Naics Title	Sq.Ft.	Employees	Reported Activity
SUE ROBERTSON, ARTIST	C/O PARK LANE GALLERY	124450-0115	CBD 1	711510	Arts	30	1	ARTIST PARTICIPATING IN COOPERATIVE GALLERY
SUSANNE WERNER AT PARK	LANE GALLERY	124450-0115	CBD 1	711510	Arts	10	1	ARTIST
Yael ZAHAVY MITTELMAN AT PARK LANE	130 PARK LANE	124450-0115	CBD 1	711510	Arts	4	1	EXHIBIT AND SALES OF FINE ART
THE HEATHMAN HOTEL, PANTERRA SPA, MILAGRO CANTINA	TRELLIS RESTAURANT	124450-0300	CBD 1	722110	Accom., Food Service	14480	107	HOTEL, RESTAURANT, SPA
CACTUS RESTAURANT	148 LAKE ST S	017600-0030	CBD 1	722110	Accom., Food Service	7500	40	RESTAURANT
CAFÉ ROCOCO	121 PARK LN	124450-0230	CBD 1	722110	Accom., Food Service	3243	39	RESTAURANT
GEORGE'S PLACE	136 PARK LN	125540-0115	CBD 1	722110	Accom., Food Service	2448	5	CAFÉ
HECTOR'S RESTAURANT LLC	108 KIRKLAND AVE	124450-0176	CBD 1	722110	Accom., Food Service	3000	14	RESTAURANT
MI MEXICO RESTAURANT	112 LAKE ST S	017600-0005	CBD 1	722110	Accom., Food Service	4500	46	RESTAURANT
RISTORANTE PARADISO, INC.	115 PARK LANE	124450-0176	CBD 1	722110	Accom., Food Service	1100	15	RESTAURANT
TACO DEL MAR	120 PARK LANE	124450-0145	CBD 1	722110	Accom., Food Service	2000	18	RESTAURANT
TOKYO GRILL	210 MAIN STREET	124450-0435	CBD 1	722110	Accom., Food Service	1440	5	RESTAURANT
ZEEKS PIZZA OF KIRKLAND	238 PARK LANE	124450-0435	CBD 1	722110	Accom., Food Service	1150	4	RESTAURANT
I LUV TERIYAKI	124 PARK LANE	124450-0145	CBD 1	722110	Accom., Food Service	3200	24	PIZZA RESTAURANT
LAI-THAI RESTAURANT	104 KIRKLAND AVE	124450-0176	CBD 1	722211	Accom., Food Service	1533	4	RESTAURANT
PAPA JOHN'S	120 PARK LANE	124450-0145	CBD 1	722211	Accom., Food Service	2000	4	THAI RESTAURANT
PHO TAI	211 3RD ST	124450-0435	CBD 1	722211	Accom., Food Service	1464	17	FAST FOOD PIZZA
THIN PAN THAI BISTRO & BAR	147 PARK LN	124450-0210	CBD 1	722211	Accom., Food Service	1378	3	RESTAURANT
CAFE HAPPY	170 LAKE ST S	017600-0030	CBD 1	722211	Accom., Food Service	1318	8	RESTAURANT
STARBUCKS COFFEE #11384	102 KIRKLAND AVE	124450-0177	CBD 1	722212	Accom., Food Service	200	2	CHINESE VEGETARIAN DELI
BEN & JERRY'S	116 LAKE ST S	124450-0175	CBD 1	722213	Accom., Food Service	1572	15	RETAIL CAFE
CENTRAL TAVERN	176 LAKE ST S	017600-0030	CBD 1	722330	Accom., Food Service	615	3	ICE CREAM STORE
TIKI'S BAR AND GRILL	124 KIRKLAND AVE	124450-0190	CBD 1	722410	Accom., Food Service	1080	2	TAVERN
LAKE STREET TAILOR	106 KIRKLAND AVE	124450-0177	CBD 1	722410	Accom., Food Service	1600	3	BAR AND RESTAURANT
SEVEN TAILORS	110 LAKE STREET	124450-0175	CBD 1	811490	Repair, Maint.	700	2	TAILORING, ALTERATION, DRESSMAKING
BEAUTY CONCEPTS BY CHERYL	205 MAIN STREET	124450-0100	CBD 1	811490	Repair, Maint.	814	1	CUSTOM TAILORING AND ALTERATIONS
BELLA SIRENA	145 PARK LN	124450-0210	CBD 1	812112	Service - Beauty Salon	30	1	COSMETOLOGIST
BOMBALI CUTTERS	218 KIRKLAND AVE	124450-0300	CBD 1	812112	Service - Beauty Salon	1982	8	BEAUTY SALON
DONNA L HOLCOMB	122 KIRKLAND AVENUE	124450-0255	CBD 1	812112	Service - Beauty Salon	416	9	HAIR SALON
HAIR MASTERS #6814	145 PARK LN	124450-0210	CBD 1	812112	Service - Beauty Salon	20	1	HAIR DRESSER
MONICA HUDAK AT SIMPLICITY SALON	228 PARK LANE	124450-0435	CBD 1	812112	Service - Beauty Salon	1200	5	BEAUTY SALON SERVICES & RETAIL SALES
MORGAN FREEMAN, LLC	145 PARK LANE	124450-0210	CBD 1	812112	Service - Beauty Salon	30	1	COSMETOLOGIST
SIMPLICITY SALON, LLC	145 PARK LN	124450-0210	CBD 1	812112	Service - Beauty Salon	20	1	COSMETOLOGIST
SALON SAIDA	145 PARK LANE	124450-0210	CBD 1	812112	Service - Beauty Salon	1350	1	HAIR SALON
TORI D. U'REN	223 KIRKLAND AVE	124400-0040	CBD 1	812112	Service - Beauty Salon	1288	2	HAIR SALON
DEBRA BILYEU AT SIMPLICITY	145 PARK LANE	124450-0210	CBD 1	812112	Service - Beauty Salon	20	1	HAIRDRESSER
NAIL & YOU	145 PARK LN	124450-0210	CBD 1	812113	Service - Nail Salon	20	1	MANICURIST
FOOTOPIA MASSAGE	232 PARK LANE	124450-0435	CBD 1	812113	Service - Nail Salon	980	2	NAIL SERVICES
MOSS BAY CLEANERS	129 PARK LN	124450-0230	CBD 1	812199	Service - Other Pers.	1665	1	FOOT MASSAGE
COURTNEY CARLISLE LLC	244 PARK LANE	124450-0435	CBD 1	812320	Service - Laundry	1400	2	DRY CLEANERS
ROCKSTAR TAN BAR	145 PARK LANE	124450-0210	CBD 1	812990	Service - Other Pers.	30	1	COSMETOLOGIST
VACANT	216 PARK LANE	124450-0435	CBD 1	812990	Service - Other Pers.	1880	5	TANNING SALON
VACANT	203 KIRKLAND AVE	124450-0270	CBD 1	VACANT	VACANT	4173		FKA BOA TEMP SPACE
VACANT	108 LAKE ST S	082505-9011	CBD 1	VACANT	VACANT	1300		NEW SPACE
VACANT	115 KIRKLAND AVE	082505-9011	CBD 1	VACANT	VACANT	2342		NEW SPACE
VACANT	129 KIRKLAND AVE	082505-9011	CBD 1	VACANT	VACANT	2587		NEW SPACE
VACANT	223 KIRKLAND AVE	124400-0100	CBD 1	VACANT	VACANT	940		FKA SCHNOO YOGURT
VACANT	219 KIRKLAND AVE	124400-0100	CBD 1	VACANT	VACANT	800		FKA TERRA BITE
VACANT	151 3RD ST	124450-0330	CBD 1	VACANT	VACANT	10000		FKA ANTIQUE MART
VACANT	206 MAIN ST	124450-0435	CBD 1	VACANT	VACANT	1700		FKA QUARTERS
CHAFFEY CORPORATION	205 LAKE STREET S.	082505-9087	CBD 2	236118	Construction	5500	1	ASSETS
KIRKLAND PAINTING COMPANY	15 CENTRAL WAY	062505-9042	CBD 2	238320	Construction	800	1	SCHOOL, RETAIL - PAINT CONTRACTOR
BELLA BAMBINI	1 LAKE ST	052505-9040	CBD 2	442110	Retail Trade	600	1	BABY AND CHILDREN'S CLOTHING BOUTIQUE
BELLA TESORI	3 LAKE ST	052505-9040	CBD 2	442110	Retail Trade	1100	2	HOME DECOR AND FURNISHINGS

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ZOKA	129 CENTRAL WAY	052505-9047	CBD 2	445299	Retail Trade	1600	8	COFFEE AND LIGHT FOOD
THE GRAPE CHOICE	9 LAKESHORE PLAZA	052505-9040	CBD 2	445310	Retail Trade	2700	3	RETAIL WINE AND BEER
REBEKAHS	117 LAKE ST S	082505-9104	CBD 2	448120	Retail Trade	700	2	CONSIGNMENT RETAIL
ROMY	125 LAKE ST S	082505-9129	CBD 2	448120	Retail Trade	1000	4	RETAIL WOMEN'S APPAREL, FOOTWEAR, ACCESSORIES
SEDUCE BOUTIQUE	5 LAKE STREET	052505-9040	CBD 2	448140	Retail Trade	1400	1	RETAIL MEN AND WOMEN'S CLOTHING
VIA LAGO	129 LAKE ST S	082505-9129	CBD 2	448150	Retail Trade	1100	2	WOMEN'S RETAIL
BIKINI BEACH	92 KIRKLAND AVENUE	052505-9055	CBD 2	448190	Retail Trade	800	3	RETAIL CLOTHING
ROMAX SHOES	123 LAKE ST S	082505-9196	CBD 2	448210	Retail Trade	1031	3	RETAIL - EURO COMFORT SHOES
EARTHLIGHT	46 LAKESHORE PLAZA	062505-9023	CBD 2	448310	Retail Trade	410	1	RETAIL ROCKS
TOBACCO PATCH	125 CENTRAL WY	062505-9023	CBD 2	453991	Retail Trade	684	4	CIGARS, TOBACCO, CIGARETTES, PIPES, SMOKING ACCESSORIES
EPICUREAN EDGE	107 CENTRAL WAY	052505-9047	CBD 2	453998	Retail Trade	1000	3	RETAIL SALES OF CUTLERY AND RELATED ACCESSORIES
HERBAN WELLNESS LLC	103 LAKE ST S	082505-9115	CBD 2	453998	Retail Trade	1160	1	RETAIL HERB/NUTRITION PRODUCTS
LINDA LU'S CONSIGNMENT BOUTIQUE	9 LAKE ST	052505-9051	CBD 2	453998	Retail Trade	2000	5	CONSIGNMENT STORE
WAX ON SPA	25 CENTRAL WAY	062505-9029	CBD 2	453998	Retail Trade	800	4	WAX AND SPA SERVICES
ARGOSY LP	70 KIRKLAND AVE	082505-9213	CBD 2	483212	Transportation	110	6	TICKET BOOTH FOR CRUISES - TOUR AND PRIVATE
ASSET REALTY/ELITE REAL ESTATE	121 LAKE ST	082505-9164	CBD 2	531210	Real Estate	1800	5	REAL ESTATE SALES
HALLMARK REALTY CORPORATION	101 LAKE STREET S	082505-9115	CBD 2	531390	Real Estate	6400	63	REAL ESTATE SALES AND INVESTMENT
H&R BLOCK	19 CENTRAL WAY	062505-9020	CBD 2	541213	Professional Services	1100	6	TAX PREPARATION
A TOUCH OF CLASS	111 LAKE ST. S.	082505-9104	CBD 2	611511	Admin. Support	500	3	MEN'S HAIRCUTTING
MARINA PARK CHIROPRACTIC	30 LAKESHORE PLAZA	408000-0000	CBD 2	621310	Health Care	1200	2	CHIROPRACTIC CLINIC
DERMA VITA ACNE & SKIN CARE	11 LAKE ST	052505-9040	CBD 2	621399	Health Care	2000	7	SKIN CARE
SALON REMEEK	44 LAKESHORE PLAZA	062505-9023	CBD 2	621399	Health Care	800	1	COSMOTOLOGIST
21 CENTRAL	21 CENTRAL WAY	062505-9020	CBD 2	722110	Accom., Food Service	2000		RESTAURANT
ANTHONY'S RESTAURANTS	135 LAKE STREET	082505-9154	CBD 2	722110	Accom., Food Service	6800	40	RESTAURANT
HANUMAN THAI CAFE	115 CENTRAL WAY	052505-9047	CBD 2	722110	Accom., Food Service	782	5	RESTAURANT
LAKE STREET GRILL	15 LAKE STREET S	408000-0000	CBD 2	722110	Accom., Food Service	5500	8	BAR AND RESTAURANT
OLIVE YOU	89 KIRKLAND AVE	082505-9099	CBD 2	722110	Accom., Food Service	3100	18	RESTAURANT
THE SLIP	80 KIRKLAND AVENUE	082505-9212	CBD 2	722110	Accom., Food Service	575	15	GENERAL RESTAURANT
WILDE ROVER IRISH PUB & RESTAURANT	111 CENTRAL WAY	062505-9023	CBD 2	722110	Accom., Food Service	7800	24	RESTAURANT
AMICI PIZZERIA	7 LAKESHORE PLAZA	052505-9056	CBD 2	722110	Accom., Food Service	1772	0	RESTAURANT
CEFIORE	111 LAKE ST	408000-0010	CBD 2	722213	Accom., Food Service	720	3	FROZEN YOGURT SHOP
COFFEE & CONE	1 LAKESHORE PLAZA	052505-9040	CBD 2	722310	Accom., Food Service	800	2	ICE CREAM AND COFFEE SALES
THE SHARK KLUB	52 LAKESHORE PLAZA	062505-9020	CBD 2	722410	Accom., Food Service	4400	20	UPSCALE TAVERN AND BILLARD CLUB
VO VINA	15 LAKE STREET	408000-0000	CBD 2	722410	Accom., Food Service	1390	6	VODKA, WINE, MARTINI BAR
88 KIRKLAND SALON	88 KIRKLAND AVENUE	052505-9056	CBD 2	812112	Service - Beauty Salon	900	8	HAIR SALON
ALISON ZACA AT DESIGNER SALON	15 LAKE ST	408000-0000	CBD 2	812112	Service - Beauty Salon	30	1	HAIRDRESSER
FARAW TAHERI AT HAIR FACTOR & SPA	121 CENTRAL WAY	052505-9047	CBD 2	812112	Service - Beauty Salon	30	1	COSMETOLOGIST
HAIR FACTOR AND SPA BY KEN	121 CENTRAL WAY	052505-9047	CBD 2	812112	Service - Beauty Salon	750	1	HAIR SALON
JESSICA CHILDS AT DESIGNERS	15 LAKE ST S	408000-0000	CBD 2	812112	Service - Beauty Salon	1	1	HAIR SALON
KIRKLAND SKINCARE	30 LAKESHORE PLZA	408000-0000	CBD 2	812112	Service - Beauty Salon	400	1	ELECTROLOGIST
MARINA PARK SALON	40 LAKESHORE PLAZA	062505-9023	CBD 2	812112	Service - Beauty Salon	640	1	HAIR SALON
SALON GROTTTO	123 LAKE ST	082505-9196	CBD 2	812112	Service - Beauty Salon	501	1	SKIN CARE TREATMENTS
STUDIO 150	123 LAKE ST S	082505-9196	CBD 2	812112	Service - Beauty Salon	717	5	HAIR SALON
THE SHOP #1	94 KIRKLAND AVE	052505-9055	CBD 2	812112	Service - Beauty Salon	550	8	HAIR SALON
TRENDZ NAIL BAR LLC	7 LAKE ST S	052505-9040	CBD 2	812112	Service - Beauty Salon	414	2	NAIL SALON, MANICURES, PEDICURES, FACIAL WAXING
BAYSIDE NAIL & SPA	25 CENTRAL WAY	062505-9029	CBD 2	812113	Service - Nail Salon	996	2	FULL SERVICE NAIL SALON AND ESTHETICIAN SERVICES
TOP TEN NAILS	15 LAKE ST	408000-0000	CBD 2	812113	Service - Nail Salon	1245	2	NAIL SALON
KIRKLAND TATTOO	42 LAKESHORE PLAZA	062505-9023	CBD 2	812990	Service - Other Pers.	520	1	TATTOO ART
BARKZ	115 LAKE ST S	082505-9104	CBD 2	812990	Service - Other Pers.	1030	4	RETAIL PRODUCTS FOR DOGS & THEIR OWNERS/ DAY PLAY AREA
GOLDEN TOUCH FOOT MASSAGE	15 LAKE ST	408000-0000	CBD 2	812990	Service - Other Pers.	800	4	FOOT MASSAGE
MERMAID HAIR EXTENSIONS	14 LAKESHORE PLAZA	408000-0000	CBD 2	812990	Service - Other Pers.	1000	3	HAIR EXTENSIONS
CHEZ CHIC	123 LAKE ST S	082505-9129	CBD 2	999990	Other	720	1	APPAREL BOUTIQUE - MEN'S WOMEN'S CLOTHING
HENNA CREATIONS CORP	103 LAKE STREET S	082505-9115	CBD 2	999990	Other	50	1	HENNA TATOOS AND BODY ART
VACANT	15 LAKE STREET	408000-0000	CBD 2	VACANT	VACANT	1300		FKA SUREEL

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VACANT	13 CENTRAL WAY	162505-9042	CBD 2	VACANT	VACANT	1000	0	
VACANT	107 LAKE STREET	408000-0000	CBD 2	VACANT	VACANT	5563	0	FKA CAFÉ HARLEQUIN
VACANT	10 LAKESHORE PLAZA	052505-9051	CBD 2	VACANT	VACANT	2000	0	FKA BRIDAL GARDEN
GENWORTH FINANCIAL	100 STATE STREET S	681787-0000	CBD 3	522320	Finance & Insurance	300	2	FINANCIAL PRODUCTS AND SERVICES
U.S. CAPITAL STRATEGIES, INC.	100 STATE STREET S	681787-0010	CBD 3	524210	Finance & Insurance	3200	1	FINANCIAL INVESTMENTS
KIRKLAND WILLS & TRUSTS	100 STATE ST S	681787-0000	CBD 3	541110	Professional Services	150	2	LAW PRACTICE (ESTATE PLANNING)
BUCHACHER BUSINESS SYSTEMS CONS.	100 STATE ST S	681787-0010	CBD 3	541219	Professional Services	154	1	ACCOUNTING AND CONSULTING
ANJAZ ST JAMES ESPRESSO	355 KIRKLAND AVE	098340-0000	CBD 3	722213	Accom., Food Service	1850	11	COFFEE SHOP
SORELLA SALON AND SPA	345 KIRKLAND AVE	098340-0000	CBD 3	812112	Service - Beauty Salon	2800	4	SALON & SPA SERVICES
FOX CLEANERS	339 KIRKLAND AVE	082505-9242	CBD 3	812320	Service - Laundry	7400	7	DRY CLEANERS
UNITED PARTNERS KIRKLAND LLC	395 KIRKLAND AVE	098340-0000	CBD 3	999990	Other	1600	1	RETAIL SALES OF MARTIAL ARTS SUPPLIES AND SERVICES
VACANT	365 KIRKLAND AVE	098340-0000	CBD 3	VACANT	VACANT	1572		
VACANT	385 KIRKLAND AVE	098340-0000	CBD 3	VACANT	VACANT	1288		
MOSS BAY SHELL INC	406 CENTRAL WAY	390010-1585	CBD 7	447110	Retail Trade	2000	5	GAS STATION AND RETAIL STORE/MECHANICAL SHOP
WHITE SWAN CAR WAH	324 CENTRAL WAY	390010-1275	CBD 7	447190	Retail Trade	1900	12	CAR WASH AND SERVICE STATION
WELLS FARGO BANK	460 CENTRAL WAY	390010-1460	CBD 7	522110	Finance & Insurance	5000	11	BANK
WELLS FARGO INVESTMENTS LLC	460 CENTRAL WAY	390010-1460	CBD 7	523999	Finance & Insurance	1250	1	SECURITIES BROKER DEALER
FRANCO'S CRAB CRACKER	452 CENTRAL WAY	390010-1510	CBD 7	722211	Accom., Food Service	6433	40	RESTAURANT
WENDY'S OLD FASHIONED HAMBURGERS	312 CENTRAL WAY	390010-1330	CBD 7	722211	Accom., Food Service	3000	23	RESTAURANT
THE COFFEE CROSSING	324 CENTRAL WAY	390010-1275	CBD 7	722213	Accom., Food Service	88	4	DRIVE THRU AND WALK-UP COFFEE STAND
SEATOP NAILS	424 CENTRAL WAY	390010-1575	CBD 7	812112	Service - Beauty Salon	1470		
TACOS EL GUERO	324 CENTRAL WAY	390010-1275	CBD 7	999990	Other	500	3	MOBILE TACOS
DESIGN WITHIN REACH INC	126 CENTRAL WAY	388580-8680	CBD 8	442110	Retail Trade	2015	2	STUDIO SHOWROOM FOR FURNITURE
CHALET CADEAU CHRISTMAS	116 CENTRAL WAY	388580-8670	CBD 8	442299	Retail Trade	2555	1	HOME DECOR, FURNISHINGS, ACCESSORIES, GIFTS
SUR LA TABLE	90 CENTRAL WAY	388580-8745	CBD 8	442299	Retail Trade	5481	12	GOURMET KITCHEN/COOKING EQUIPMENT, COOKING CLASSES
KOAP HOME	120 CENTRAL WAY	388580-8670	CBD 8	442299	Retail Trade	2555	1	HOME DECOR, FURNISHINGS, ACCESSORIES, GIFTS
REMEDIES PHARMACY	140 CENTRAL WAY	514880-0000	CBD 8	446110	Retail Pharmacy	2600		PHARMACY
IN FOCUS OPTICAL INC	134 CENTRAL WAY	514880-0000	CBD 8	446130	Retail Trade	2000	2	RETAIL OF EYEWEAR
PROMESSE	128 CENTRAL WAY	388580-8680	CBD 8	448120	Retail Trade	1200	1	RETAIL, SPECIALIZING IN APPAREL, HANDBAGS AND SHOES
BEADWORLD	110 CENTRAL WAY	388580-8720	CBD 8	448150	Retail Trade	1500	3	RETAIL-SELLING BEADS AND JEWELRY SUPPLIES
CHALET CADEAU CHRISTMAS	116 CENTRAL WAY	388580-8670	CBD 8	453220	Retail Trade	1800	1	CHRISTMAS GIFTS AND DECOR
CHALET CADEAU INC	132 CENTRAL WAY	388580-8642	CBD 8	453220	Retail Trade	4873	3	RETAIL GIFTS, COLLECTIBLES, HOME DECOR
VIRIDIS SALON	118 CENTRAL WAY	388580-8670	CBD 8	453998	Retail Trade	2400	6	HAIR SALON
JEFF SAND INSURANCE AND	202 CENTRAL WAY	390010-1026	CBD 8	524210	Finance & Insurance	1070	2	INSURANCE, BANKING & MUTUAL FUND PRODUCTS
SCRUFF TO FLUFF	222 CENTRAL WAY	390010-1055	CBD 8	561990	Admin. Support	800	1	DOG GROOMING
AYSEL K. SANDERSON MD PS	16 CENTRAL WAY	864414-0010	CBD 8	621111	Health Care	2500	5	MEDISPA SERVICES, RETAIL, SKINCARE, SURGERY
WASHINGTON PACIFIC EYE ASSOCIATES	134 CENTRAL WAY	514880-0000	CBD 8	621320	Health Care	300	2	OPTICIAN SERVICES
X GYM	126 CENTRAL WAY	388580-8680	CBD 8	713940	Recreational	2000	4	ONE ON ONE PERSONAL EXERCISE TRAINING
STEAMERS	228 CENTRAL WAY	390010-1096	CBD 8	722110	Accom., Food Service	1867	6	FAST SERVICE FISH AND CHIPS
LYNN'S BISTRO RESTAURANT	214 CENTRAL WAY	390010-1055	CBD 8	722110	Accom., Food Service	1700	4	RESTAURANT
RAGA CUISINE INDIA	212 CENTRAL WAY	390010-1050	CBD 8	722110	Accom., Food Service	2000	4	RESTAURANT
TIME OUT	218 CENTRAL WAY	390010-1055	CBD 8	722110	Accom., Food Service	3500	5	SPORTS BAR SERVING FOOD & BEVERAGES; TELEVISION SPORTS
WINGDOME	232 CENTRAL WAY	390010-1096	CBD 8	722110	Accom., Food Service	1100	10	RESTAURANT
JIMMY JOHN'S	92 CENTRAL WAY	388580-8745	CBD 8	722212	Accom., Food Service	1600	10	GOURMET SANDWICH SHOP
CAFFE LADRO	104 CENTRAL WAY	388580-8721	CBD 8	722213	Accom., Food Service	965	8	ESPRESSO BAR WITH INDOOR SEATING
SANTORINI GREEK GRILL	106 CENTRAL WAY	388580-8720	CBD 8	722310	Accom., Food Service	900	3	DELI MARKET
HAUTE DOG GIRL	200 CENTRAL WAY	390010-1026	CBD 8	722330	Accom., Food Service	780	1	HOT DOGS, SANDWICHES AND SHAVED ICE
KATHY EVANS BEAUTY STUDIO	138 CENTRAL WAY	514880-0000	CBD 8	812112	Service - Beauty Salon	847	2	HAIR AND MAKEUP SERVICES
LINDA RAE KATHY EVANS BEAUTY STUDIO	138 CENTRAL AVE	514880-0000	CBD 8	812112	Service - Beauty Salon	20	1	HAIRSTYLIST
LOTUS SALON & SPA LLC	268 CENTRAL WAY	390010-1125	CBD 8	812112	Service - Beauty Salon	2000	3	SPA AND SALON
SOUL EASE SPA, LLC	218 MAIN STREET	388580-8720	CBD 8	812112	Service - Beauty Salon	1900	4	SPA AND YOGA SALON
SR NAILS	206 CENTRAL WAY	390010-1026	CBD 8	812113	Service - Nail Salon	514	1	NAIL SALON
ALICIA BAUTISTA AT SR NAILS	206 CENTRAL WAY	390010-1026	CBD 8	812990	Service - Other Pers.	515	1	MANICURIST
LASHES BEAUTIFUL	114 CENTRAL WAY	388580-8720	CBD 8	812990	Service - Other Pers.		1	APPLICATION OF EYELASH EXTENSIONS

DBA	Address1	Parcel	Zoning	NAICS Code	Naics Title	Sq.Ft.	Employees	Reported Activity
KIRKLAND EAGLES	258 CENTRAL WAY	390010-1105	CBD 8	813410	Service Organization	6500	6	PRIVATE FRATERNAL CLUB
VACANT	278 CENTRAL WAY	390010-1125	CBD 8	VACANT	VACANT	3835		FKA FIRST MUTUAL BANK
VACANT	264 CENTRAL WAY	390010-1125	CBD 8	VACANT	VACANT	1750		FKA AMAZON FRESH
VACANT	108 CENTRAL WAY	388580-8720	CBD 8	VACANT	VACANT	4037		FKA IMAGES OF NATURE
VACANT	122 CENTRAL WAY	388580-8670	CBD 8	VACANT	VACANT	1900		FKA UBRDO CYCLE
						382289	1156	



Use Color Codes:
Accommodation & Food Service
Retail
Finance & Insurance
Vacant
Service - Salon, Laundry
Under Construction
Health Care
Real Estate



Downtown Properties

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MTP Maps/Downtown/City Planning

Moss Bay Neighborhood

XV.D. MOSS BAY NEIGHBORHOOD

Note: The Moss Bay Neighborhood Plan had its last major update in 1987. Therefore, references in this chapter to goals, policies, or specific pages in other chapters may be inaccurate if the other chapters have since been updated.¹

1. INTRODUCTION

In terms of land use, the Moss Bay Neighborhood is Kirkland's most complex area. The area contains a wide variety of land uses, including Downtown retail businesses, a freeway interchange, industrial activities, offices, well established single-family areas, large-scale multifamily development, a baseball facility, a post office, and a railroad.

Moss Bay Neighborhood boundaries are illustrated in Figure MB-1.

While the neighborhood is dominated by the commercial activities associated with Kirkland's downtown, there are considerable opportunities for residential development. A major policy emphasis for the Moss Bay Neighborhood is to encourage commercial activities in the Downtown, and to expand "close-in" housing opportunities by encouraging medium- to high-density residential uses in the perimeter of the Downtown (Figure MB-1). A mix of residential densities exists in the remainder of the Moss Bay Neighborhood, generally stepping down with increased distance from commercial activities.

2. NATURAL ENVIRONMENT

The functional integrity of watercourses should be maintained or improved.

Open streams exist within the eastern portion of the Moss Bay Neighborhood. These streams should be

1. The name of this neighborhood was changed from Central to Moss Bay in December 2001.

maintained or restored, when feasible, in a natural condition and should allow for natural drainage.

Flood insurance is required in identified flood hazard zones.

Portions of the Downtown area and lands to the east have been designated as flood hazard zones by the Federal Insurance Administration. Federal law requires that flood insurance be obtained before any federally insured lending institution may approve a loan for development within an identified flood hazard zone.

Possible drainage problems exist in the eastern portion of Moss Bay Neighborhood.

In the eastern portion of the Moss Bay Neighborhood, the water table is at, or very near, the surface. In this area, the topsoil is wet and soggy and there could be drainage problems associated with development. Future proposals for development in this area must take these hydrologic conditions into consideration.

Potentially unstable slopes are discussed. Slope stability analysis should be required, and development should be regulated accordingly.

Potentially unstable slopes exist in portions of the Moss Bay Neighborhood. Due to the possibility of landslides, excessive erosion, or other problems associated with development on slopes, a slope stability analysis should be required prior to development on these potentially unstable slopes. The type, design, and/or density of land use should be restricted where landslide or drainage problems are likely to occur. Existing vegetation in these areas should be preserved to the greatest extent feasible to help stabilize the slope and maintain drainage patterns.

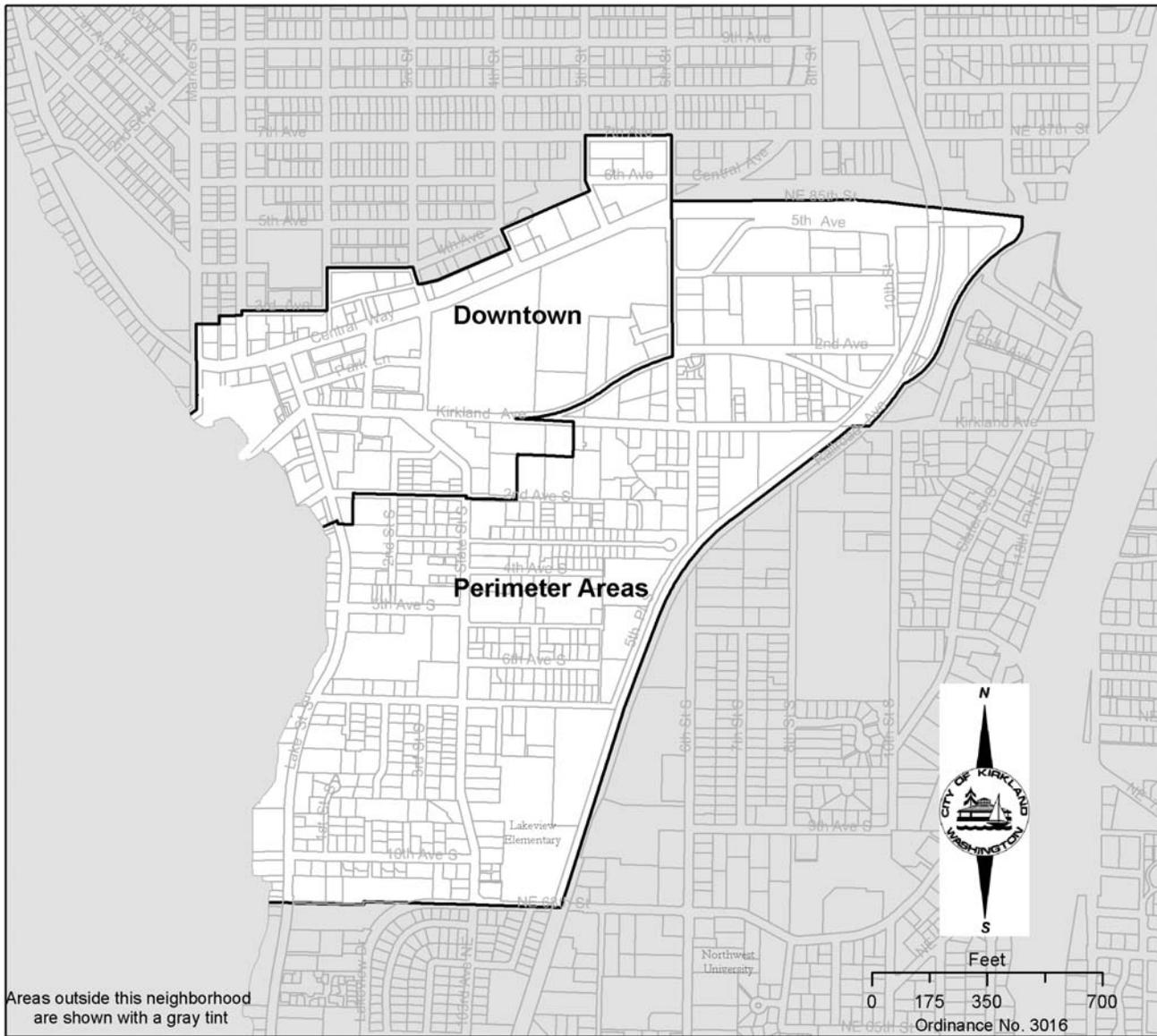


Figure MB-1: Moss Bay Area Boundaries

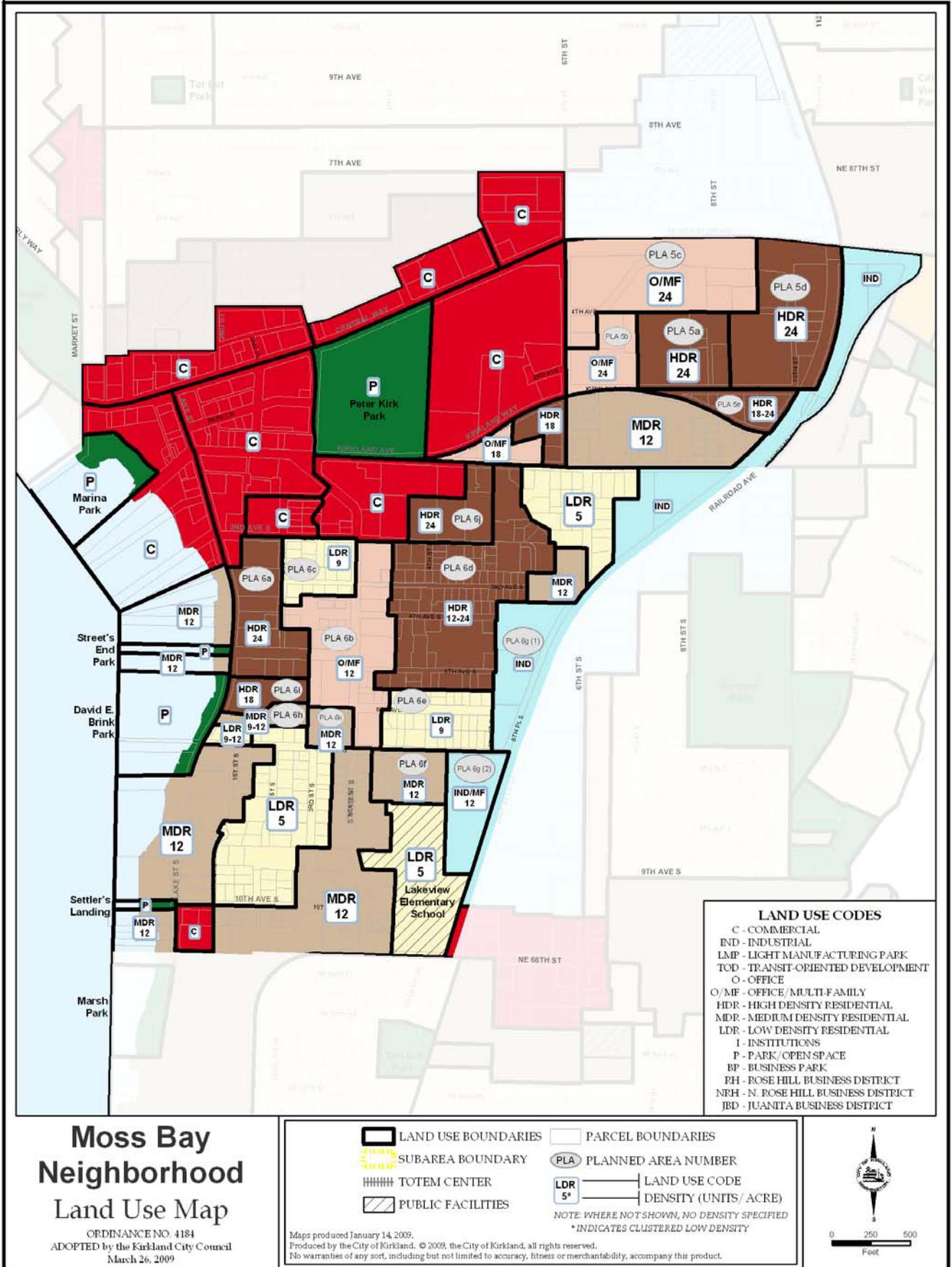


Figure MB-2: Moss Bay Area Land Use

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3. DOWNTOWN PLAN

A. VISION STATEMENT

Downtown Kirkland provides a strong sense of community identity for all of Kirkland. This identity is derived from Downtown's physical setting along the lakefront, its distinctive topography, and the human scale of existing development. This identity is reinforced in the minds of Kirklanders by Downtown's historic role as the cultural and civic heart of the community.

Future growth and development of the Downtown must recognize its unique identity, complement ongoing civic activities, clarify Downtown's natural physical setting, enhance the open space network, and add pedestrian amenities. These qualities will be encouraged by attracting economic development that emphasizes diversity and quality within a hometown setting of human scale.

B. LAND USE

A critical mass of retail uses and services is essential to the economic vitality of the Downtown area.

The Downtown area is appropriate for a wide variety of permitted uses. The area's economic vitality and identity as a commercial center will depend upon its ability to establish and retain a critical mass of retail uses and services, primarily located west of 3rd Street. If this objective is not reached, it relegates the Downtown to a weaker and narrower commercial focus (i.e., restaurants and offices only) and lessens the opportunities and reasons for Kirklanders to frequent the Downtown.

The enhancement of the area for retail and service businesses will best be served by concentrating such uses in the pedestrian core and shoreline districts and by encouraging a substantial increase in the amount of housing and office floor area either within or adjacent to the core. In implementing this land use concept as a part of Downtown's vision, care must be

taken to respect and enhance the existing features, patterns, and opportunities discussed in the following plan sections on urban design, public facilities, and circulation.

Land use districts in the Downtown area are identified in Figure MB-3.

Figure MB-3 identifies five land use districts within the Downtown area. The districts are structured according to natural constraints such as topographical change, the appropriateness of pedestrian and/or automobile-oriented uses within the district, and linkages with nearby residential neighborhoods and other commercial activity centers.

CORE AREA

Pedestrian activity in the core area is to be enhanced.

The core area should be enhanced as the pedestrian heart of Downtown Kirkland. Land uses should be oriented to the pedestrian, both in terms of design and activity type. Appropriate uses include retail, restaurant, office, residential, cultural, and recreational.

Restaurants, delicatessens, and specialty retail shops, including fine apparel, gift shops, art galleries, import shops, and the like constitute the use mix and image contemplated in the Vision for Downtown. These uses provide visual interest and stimulate foot traffic and thereby provide opportunities for leisure time strolling along Downtown walkways for Kirklanders and visitors alike.

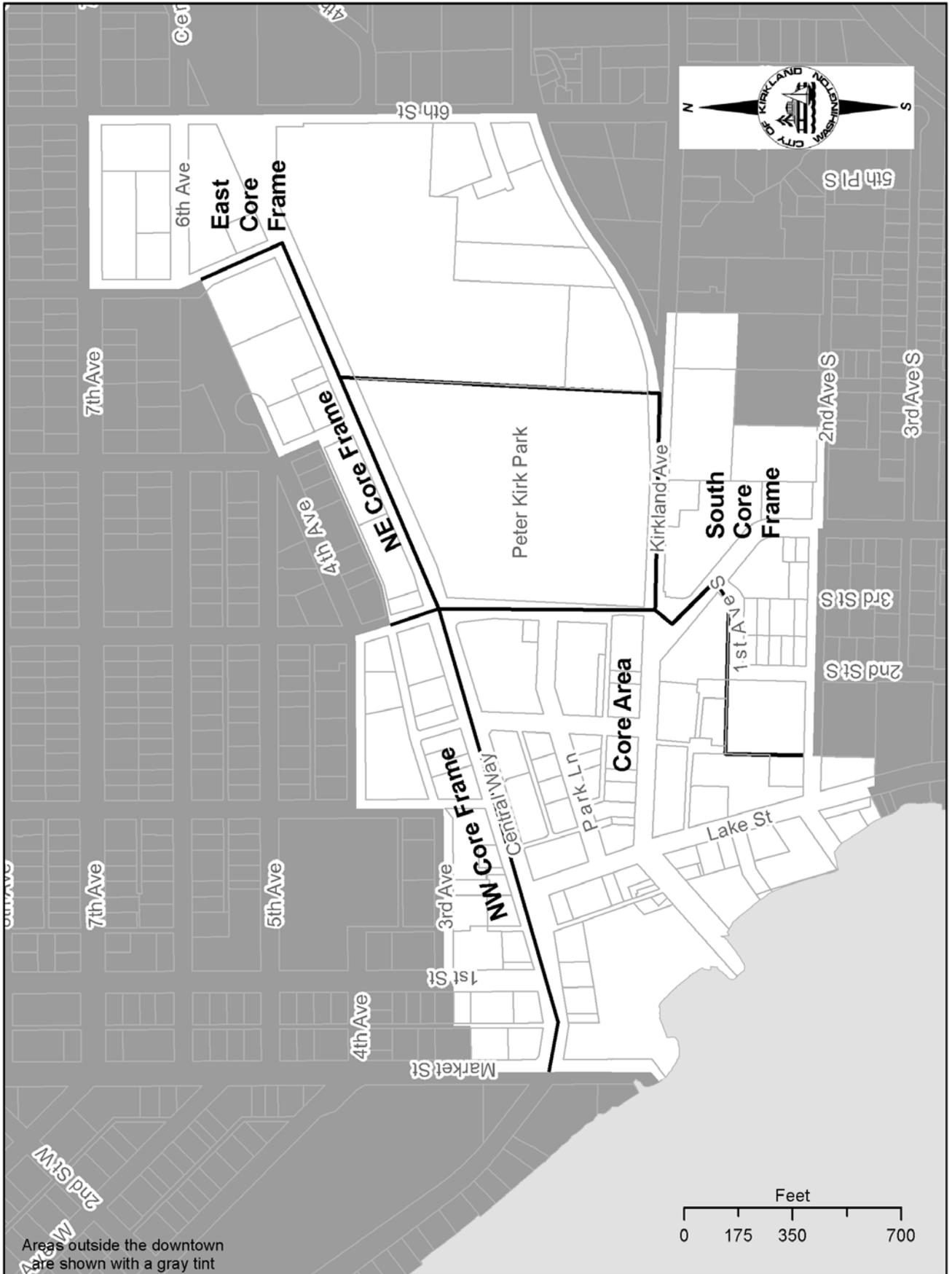


Figure MB-3: Downtown Land Use Districts

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Drive-through facilities and ground-floor offices are prohibited.

The desired pedestrian character and vitality of the core area requires the relatively intensive use of land and continuous compact retail frontage. Therefore, automobile drive-through facilities should be prohibited. Similarly, office uses should not be allowed to locate on the ground level. These uses generally lack visual interest, generate little foot traffic, and diminish prime ground floor opportunities for the retail uses that are crucial to the ambiance and economic success of the core area.

The attractiveness of the core area for pedestrian activity should be maintained and enhanced. Public and private efforts toward beautification of the area should be promoted. Mitigation measures should be undertaken where land uses may threaten the quality of the pedestrian environment. For example, in areas where take-out eating facilities are permitted, a litter surcharge on business licenses should be considered as a means to pay for additional trash receptacles or cleaning crews.

The creation and enhancement of public open spaces is discussed.

Public open spaces are an important component of the pedestrian environment. They provide focal points for outdoor activity, provide refuge from automobiles, and stimulate foot traffic which in turn helps the retail trade. The establishment and use of public spaces should be promoted. Surface parking lots should be eliminated in favor of structured parking. In the interim, their role as one form of open area in the Downtown should be improved with landscaped buffers adjacent to rights-of-way and between properties. Landscaping should also be installed where rear sides of buildings and service areas are exposed to pedestrians.

A high-priority policy objective should be for developers to include only enough parking stalls in their projects within the core area to meet the immediate need and to locate the majority of their

parking in the core frame. This approach would reserve the majority of core land area for pedestrian movement and uses and yet recognize that the adjacent core frame is within a very short walk.

The City should generally avoid vacating alleys and streets in the core area. The existing network of street and alleys provides a fine-grained texture to the blocks which allows service access and pedestrian shortcuts. The small blocks also preclude consolidation of properties which might allow larger developments with less pedestrian scale. Vacations may be considered when they will not result in increased building mass and there is a substantial public benefit. Examples of public benefit might include superior pedestrian or vehicular linkages, or superior public open space.

NORTHWEST CORE FRAME

Office and office/multifamily mixed-use projects are appropriate in the Northwest Core Frame.

The Northwest Core Frame includes the area south of City Hall and north of the core area. This area should develop with office, or office/multifamily mixed-use projects, whose occupants will help to support the commercial establishments contained in the core. Retail and restaurant uses are desirable; provided, that they have primary access from Central Way.

This area presents an excellent opportunity for the development of perimeter parking for the core area and is so shown in the Downtown Master Plan (Figure MB-4). Developers should be encouraged to include surplus public parking in their projects, or to incorporate private parking “transferred” from projects in the core or funded by the fee-in-lieu or other municipal source. While pedestrian pathways are not as critical in this area as they are in the core, drive-through facilities should nevertheless be encouraged to locate elsewhere, to the east of 3rd Street.

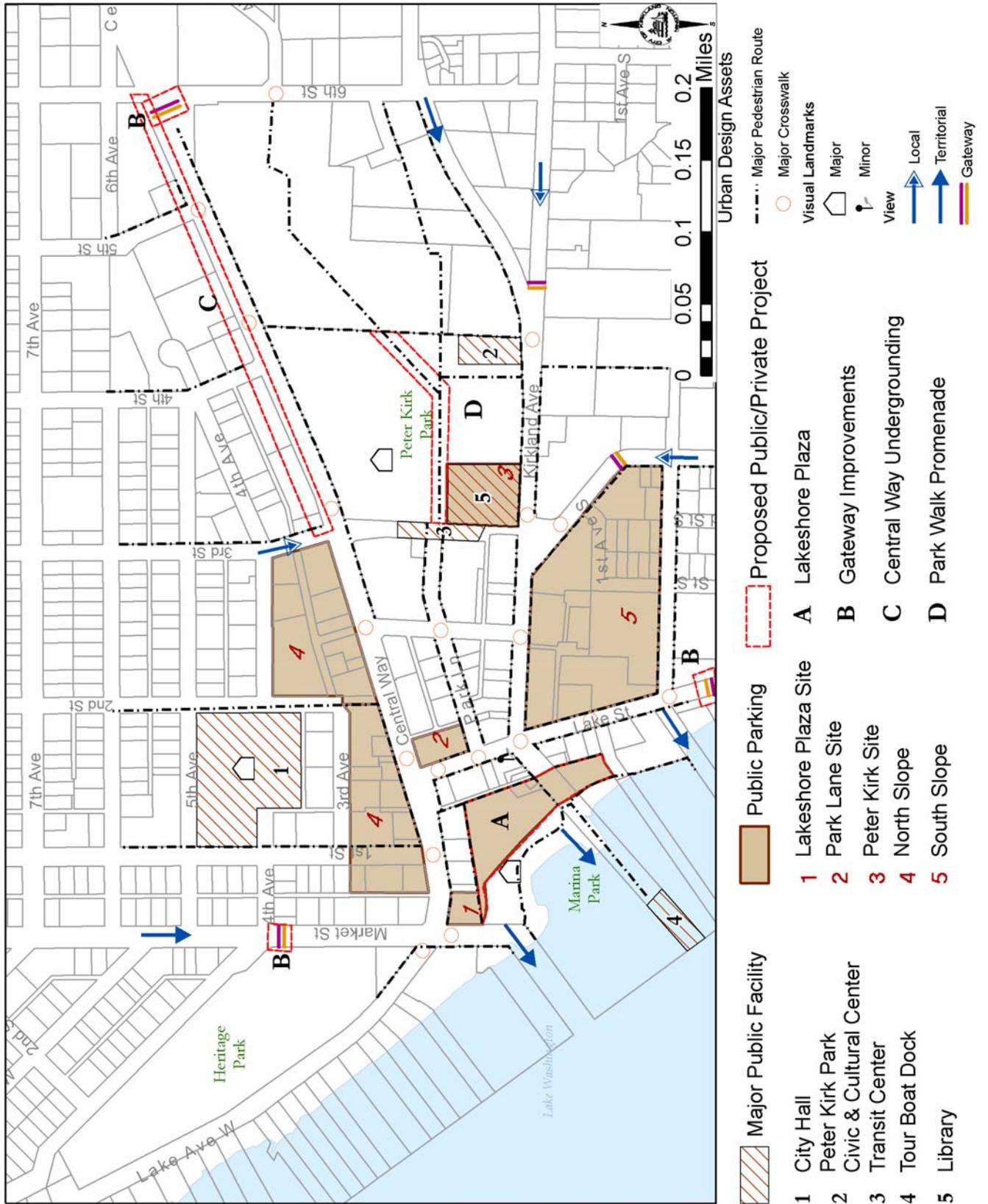


Figure MB-4: Downtown Master Plan

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NORTHEAST CORE FRAME

A broad range of commercial uses should be encouraged in the Northeast Core Frame.

The Northeast Core Frame currently contains the bulk of the Downtown area's automobile-oriented uses. Redevelopment or new development in this area should be encouraged to represent a broader range of commercial uses.

Future development should set the bulk of structures back from the street while providing low, one-story retail shops at the edge of the sidewalk. Development should also underground utilities, and incorporate parking lot landscaping and a reduction in lot coverage in site design. This will present an open, green face to Central Way and, in conjunction with Peter Kirk Park on the south side of the street, create a tree-lined boulevard effect as one approaches the core area from the east.

EAST CORE FRAME

Development in the East Core Frame should be in large, intensively developed mixed-use projects.

The East Core Frame is located east of Peter Kirk Park, extending from Kirkland Way northerly to 7th Avenue. The area includes the Kirkland Parkplace shopping center as well as several large office buildings and large residential complexes. South of Central Way, the area is largely commercial and provides significant opportunities for redevelopment. Because this area provides the best opportunities in the Downtown for creating a strong employment base, redevelopment for office use should be emphasized. Within the Parkplace Center site, however, retail uses should be a significant component of a mixed-use complex.

Limited residential use should be allowed as a complementary use.

The north side of Central Way, within the East Core Frame, has been redeveloped to nearly its full potential with high density residential uses.

SOUTH CORE FRAME

Retail, office, and office/multifamily mixed-use projects are suitable for the South Core Frame.

The South Core Frame immediately abuts the southern boundary of the core area. This area is suitable for retail, office, and office/multifamily mixed-use projects.

Public parking may be provided in the South Core Frame.

The South Core Frame, like the Northwest Core Frame, presents an excellent opportunity for the development of close-in public parking. Developers should be allowed to include surplus public parking in their projects in this area or to accommodate private parking transferred from the core or funded by fee-in-lieu or other municipal source.

The western half of the South Core Frame should develop more intensively than the eastern half of this area, due to its proximity to the Downtown core. The vacation of 1st Avenue South, west of 2nd Street South, and 1st Street South should be considered as a means of concentrating more intensive development to the west.

Mitigation measures to reduce impacts on single-family residences may be required.

As this area lies just north of an established single-family neighborhood, mitigation measures may be required to minimize the impacts of any new nonresidential development on these single-family homes. These measures may include the restriction of vehicle access to projects within the South Core Frame to nonresidential streets. Public improvements, such

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as physical barriers to restrict traffic flow in these areas, may be considered. The architectural massing of projects in this area should be modulated both horizontally and vertically to reduce their visual bulk and to reflect the topography which presently exists.

C. URBAN DESIGN

The urban design of Downtown Kirkland consists of many disparate elements which, together, define its identity and “sense of place.” This document provides policy guidelines for the design of private development and a master plan for the development of the public framework of streets, pedestrian pathways, public facilities, parks, public buildings, and other public improvements (see Figure MB-4).

The following discussion is organized into three sections:

- A. Downtown Design Guidelines and Design Review;
- B. Building Height and Design Districts; and
- C. The Image of the City: Urban Design Assets.

DOWNTOWN DESIGN GUIDELINES AND DESIGN REVIEW

Mechanics of Design Review are described.

The booklet entitled “Design Guidelines for Pedestrian-Oriented Business Districts,” which is adopted in Chapter 3.30 of the Kirkland Municipal Code, contains policy guidelines and concepts for private development in Downtown Kirkland. The booklet includes an explanation of the mechanics of the Design Review process to be used for all new development and major renovations in the Downtown area. The booklet entitled “Master Plan and Design Guidelines for Kirkland Parkplace” contains guidelines for the master planned development of the Kirkland Parkplace site (Design District 5A). Discretion to deny or condition a design proposal is based on specific Design Guidelines or a

master plan adopted by the City Council and administered by the Design Review Board and Planning Department. Design Review enables the City to apply the Guidelines in a consistent, predictable, and effective manner.

The Guidelines are intended to balance the desired diversity of project architecture with the equally desired overall coherence of the Downtown’s visual and historic character. This is to be achieved by injecting into each project’s creative design process a recognition and respect of design principles and methods which incorporate new development into Downtown’s overall pattern. The Guidelines would be applied to any specific site in conjunction with the policy guidance provided by the Downtown Master Plan and the following text regarding Design Districts.

The Design Review Process enables the City to require new development to implement the policy guidance contained in the Guidelines, the Master Plan for Downtown, and to protect and enhance the area’s urban design assets. A more complete description of how Design Review should operate is found in the Zoning Code.

BUILDING HEIGHT AND DESIGN DISTRICTS

Figure MB-5 identifies eight height and design districts within Downtown Kirkland. The boundaries of these districts are determined primarily by the topographical characteristics of the land and the area’s proximity to other noncommercial uses.

Design District 1

Maximum building height in Design District 1 is between two and five stories, depending on location and use.

This district is bordered by Lake Street, Central Way, 3rd Street, and generally 1st Avenue South. When combined with District 2, this area corresponds to the core area as shown in Figure MB-3.

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The maximum building height in this area should be between two and five stories with no minimum setback from property lines. Stories above the second story should be set back from the street. To preserve the existing human scale of this area, development over two stories requires review and approval by the Design Review Board based on the priorities set forth in this plan.

Buildings should be limited to two stories along all of Lake Street South to reflect the scale of development in Design District 2. Along Park Lane west of Main Street, Third Street, and along Kirkland Avenue, a maximum height of two stories along street frontages will protect the existing human scale and pedestrian orientation. Buildings up to three stories in height may be appropriate along Central Way to reflect the scale of development in Design District 8 and as an intermediate height where adequately set back from the street. A continuous three-story street wall should be avoided by incorporating vertical and horizontal modulations into the design of buildings.

The portions of Design District 1 designated as 1A in Figure MB-5 should be limited to a maximum height of three stories. As an incentive to encourage residential use of upper floors and to strengthen the retail fabric of the Core Area, a fourth story of height may be allowed. This additional story may be considered by the Design Review Board for projects where at least two of the upper stories are residential, the total height is not more than four feet taller than the height that would result from an office project with two stories of office over ground floor retail, stories above the second story are set back significantly from the street and the building form is stepped back at the third and fourth stories to mitigate the additional building mass, and the project provides superior retail space at the street level. Rooftop appurtenances and related screening should not exceed the total allowed height, and should be integrated into the height and design of any peaked roofs or parapets.

The portions of Design District 1 designated as 1B in Figure MB-5 provide the best opportunities for new development that could contribute to the pedestrian fabric of the Downtown. Much of the existing

development in these areas consists of older auto-oriented uses defined by surface parking lots and poor pedestrian orientation. To provide incentive for redevelopment and because these larger sites have more flexibility to accommodate additional height, a mix of two to four stories in height is appropriate. East of Main Street, development should combine modulations in building heights with modulations of facade widths to break large buildings into the appearance of multiple smaller buildings. South of Kirkland Avenue, building forms should step up from the north and west with the tallest portions at the base of the hillside to help moderate the mass of large buildings on top of the bluff. Buildings over two stories in height should generally reduce the building mass above the second story.

As with Design District 1A, an additional story of height may be appropriate in 1B to encourage residential use of the upper floors and to strengthen the retail fabric in the Core Area. This additional story may be considered by the Design Review Board for projects where at least three of the upper stories are residential, the total height is not more than one foot taller than the height that would result from an office project with three stories of office over ground floor retail, stories above the second story are set back significantly from the street and the building form is stepped back at the third, fourth, and fifth stories to mitigate the additional building mass, and the project provides superior retail space at the street level. Rooftop appurtenances and related screening should not exceed the total allowed height, and should be integrated into the height and design of any peaked roofs or parapets.

Design considerations of particular importance in this area are those related to pedestrian scale and orientation. Building design at the street wall should contribute to a lively, attractive, and safe pedestrian streetscape. This should be achieved by the judicious placement of windows, multiple entrances, canopies, awnings, courtyards, arcades, and other pedestrian amenities. Service areas, surface parking, and blank facades should be located away from the street frontage.

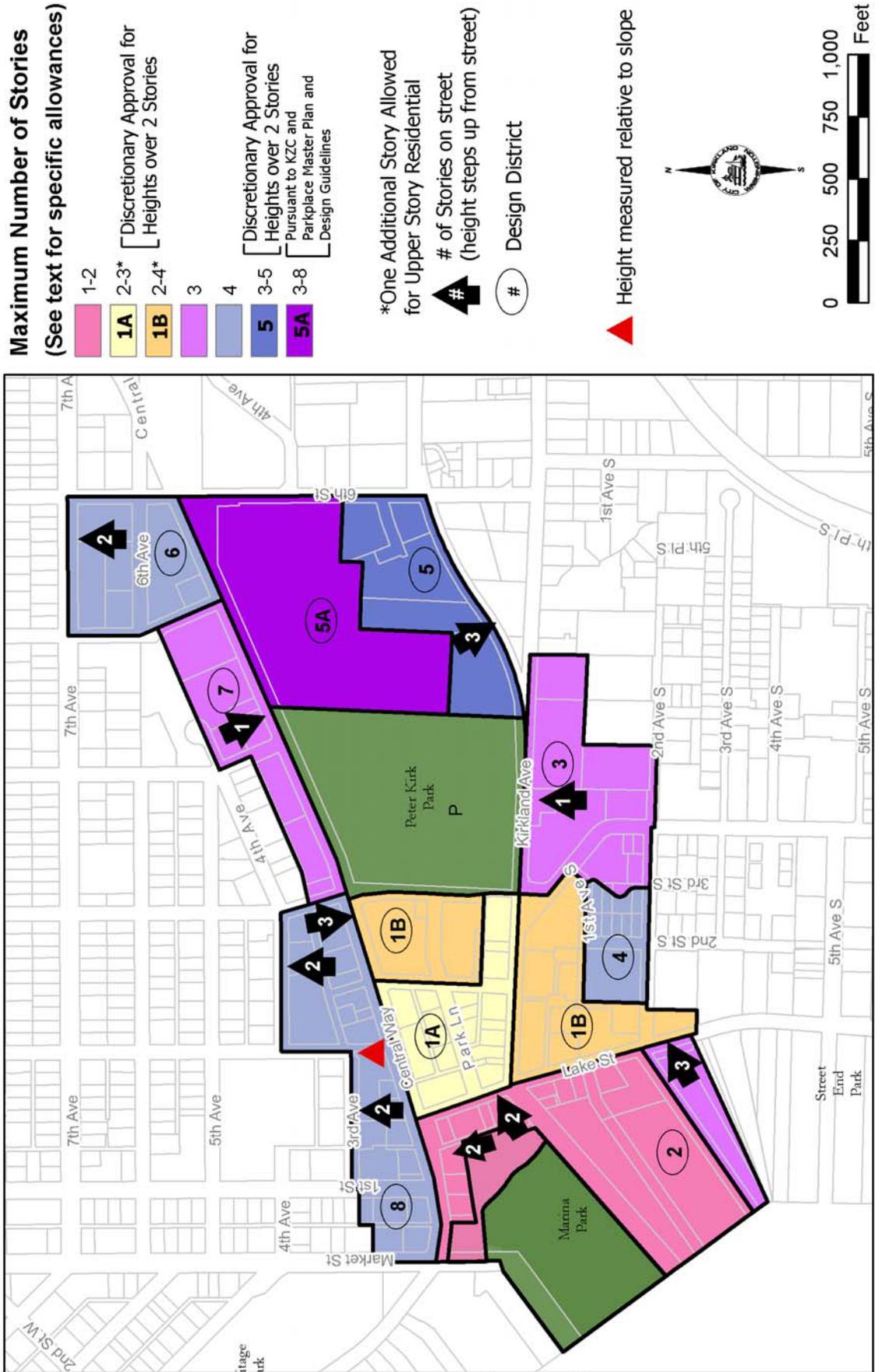


Figure MB-5: Downtown Height and Design Districts

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Design District 2

One to three stories in building height above Central Way or Lake Street are appropriate in Design District 2, depending on location.

This area is bordered by the shoreline, Central Way, Lake Street, and 3rd Avenue South. **This area serves as the link between Downtown and the lake and helps define the traditional pedestrian-oriented retail environment.** In addition, the existing low development allows public views of the Lake from many vantages around the Downtown and allows evening sun into the Downtown core. To emphasize this link and the traditional role, building heights in this area should remain low. Two stories above the street are appropriate along Central Way and south of Kirkland Avenue. Along Lake Street South between Kirkland Avenue and Central Way, buildings should be limited to one story above the street. Two stories in height may be allowed in this area where the impacts of the additional height are offset by substantial public benefits, such as through-block public pedestrian access or view corridors. Buildings over one story in this area should be reviewed by the Design Review Board for both design and public benefit considerations. These benefits could also be provided with the development of the Lakeshore Plaza project identified in the Downtown Master Plan (see Figure MB-4). Building occurring in conjunction with that project or thereafter should be reviewed in relation to the new context to determine whether two stories are appropriate. South of Second Avenue South, buildings up to three stories above Lake Street South are appropriate. Buildings over two stories should be reviewed by the Design Review Board to ensure an effective transition along the street and properties to the south.

As in District 1, pedestrian orientation is an equally important design consideration in District 2. In addition, improvements related to the visual or physical linkage between building in this area and the lake to the west should be incorporated in building design.

The public parking lot located near Marina Park at the base of Market Street is well suited for a parking structure of several levels, due to its topography. Incentives should be developed to encourage the use of this site for additional public parking.

Design Districts 3 and 7

Maximum building height is three stories in Design Districts 3 and 7.

These districts are east of 3rd Street, north of Central Way, and south of Peter Kirk Park. Maximum building height should be three stories, with a minimum front yard setback of 20 feet and maximum lot coverage of 80 percent. **Lower portions of projects with a pedestrian orientation should be allowed to encroach into the setbacks to stimulate pedestrian activity and links to eastern portions of the Downtown.** Street trees and ground cover are appropriate along Kirkland Avenue and Central Way. By keeping structures in this area relatively low-rise and set back from the street, views from upland residences can be preserved and the openness around Peter Kirk Park enhanced.

In Design District 3, the restriction of access points to nonresidential streets may be necessary in order to prevent a negative impact of development in this area on the single-family enclave which exists to the south.

Design District 4

Maximum building height to be four stories.

This district is located south of 1st Avenue South, east of 1st Street South. Land in this area is appropriate for developments of four stories in height.

The method for calculating building height should be modified for this area as described in the discussion of height calculation for structures in District 8. The

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opportunity to take advantage of substantial grade changes with terraced building forms also exists in the western half of District 4.

Vehicular circulation will be an important consideration in project design in this area. The restriction of access points to nonresidential streets in order to prevent a negative impact of development in this area on the single-family enclave which exists to the south may be necessary.

Design District 5

Building heights of two to five stories are appropriate in Design District 5.

This district lies at the east side of Downtown between Design District 5A and Kirkland Way. Maximum building height should be between three and five stories. The existing mix of building heights and arrangement of structures within the district preserves a sense of openness within the district and around the perimeter. Placement, size, and orientation of new structures in this district should be carefully considered to preserve this sense of openness. Buildings over two stories in height should be reviewed by the Design Review Board for consistency with applicable policies and criteria. Within the district, massing should generally be lower toward the perimeter and step up toward the center. Portions of buildings facing Kirkland Way and Peter Kirk Park should be limited to between two and three stories, with taller portions of the building stepped back significantly. Buildings over three stories in height should generally reduce building mass above the third story.

Buildings fronting Peter Kirk Park and the Performance Center should be well modulated, both vertically and horizontally, to ease the transition to this important public space. Buildings should not turn their backs onto the park with service access or blank walls. Landscaping and pedestrian linkages should be used to create an effective transition.

Design considerations related to vehicular and pedestrian access, landscaping, and open space are particularly important in this area. Within the district, a north-south vehicular access between Central Way and Kirkland Way should be preserved and enhanced with pedestrian improvements.

Design District 5A

Building heights of three to eight stories are appropriate in Design District 5A.

This district lies at the east side of Downtown between Central Way and Design District 5 and is commonly known as Parkplace. This property is distinguished from the remainder of Design District 5 by the following factors: it is a large parcel under common ownership; it is topographically distinct based on previous excavation to a level that is generally lower than Central Way and abutting properties to the south and east; it has frontage on Central Way; and it contains a mix of uses not found on other office or residential only properties in District 5. Design considerations related to vehicular and pedestrian access, landscaping, and open space are particularly important in this area. Within the district a north-south vehicular access between Central Way and Kirkland Way should be preserved and enhanced with pedestrian improvements.

Redevelopment of this area should be governed by the Kirkland Parkplace Master Plan and Design Guidelines as set forth in the Kirkland Municipal Code. Heights of up to eight stories are appropriate as an incentive to create a network of public open spaces around which is organized a dynamic retail destination. **Development under the Master Plan and Design Guidelines should guide the transformation of this district from an auto-oriented center surrounded by surface parking into a pedestrian-oriented center integrated into the community by placing parking underground; activating the streets with retail uses;** and creating generous pedestrian paths, public spaces and gathering places. Pedestrian connections to adjoining streets, Peter Kirk Park, and adjoining developments should be incorporated to facilitate the integration of the district into the neighborhood.

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Residential development could be designed to integrate into both the office/retail character of the zone and the active urban nature of Peter Kirk Park. Special attention to building design, size, and location should be provided at three key locations: at the intersection of Central Way and Sixth Street to define and enhance this important downtown gateway; along Central Way to respond to the context along the north side of the street; and facing Peter Kirk Park to provide a transition in scale to Downtown's central greenspace.

Because of the intensity of land use in 5A, the design of the buildings and site should incorporate aggressive sustainability measures, including low impact development measures, deconstruction, green buildings, and transportation demand management.

Design District 6

Maximum building heights of two to four stories are appropriate for Design District 6.

This large block of land located between 5th Street and 6th Street, north of Central Way, and south of 7th Avenue, is identified as a major opportunity site for redevelopment elsewhere in this document. Figure MB-6 contains a schematic diagram of design and circulation considerations that should be incorporated in the redevelopment of this district. Development of this district should be relatively intensive and should be physically integrated through pedestrian access routes, design considerations, and intensive landscaping.

Safe, convenient, and attractive pedestrian connections across the district should be provided. This path should be designed under a covered enclosure or arcade along the storefronts in this area. Visual interest and pedestrian scale of these storefronts will contribute to the appeal of this walkway to the pedestrian. A connection of this pathway to Central Way should be made, with a continuation of the overhead enclosure to unify this pedestrian route.

Design considerations related to vehicular and pedestrian access, landscaping, and open space are particularly important in this area. The intersection of 6th Street and Central Way is a prominent gateway to the Downtown. New development in this area should have a positive impact on the image of Kirkland and should be designed to enhance this entry.

A substantial building setback or mitigating design such as the site configuration on the south side of Central Way is necessary in order to preserve openness at this important gateway site. The northeast and southeast corners of this block should be set aside and landscaped to provide public open spaces or miniparks at these gateways. Side-yard setbacks, however, should be minimal to reduce the appearance of a building surrounded by a parking area.

The northern portion of this district should be developed in uses that are residential both in function and scale. Access to this portion of the site may be either from 7th Avenue or from one of the adjacent side streets. Some of the significant trees along 7th Avenue should be incorporated into the site design as a means of softening the apparent mass of any new structures and to provide additional elements of continuity facing the single-family residences along 7th Avenue. In addition, building mass should step down toward 7th Avenue and design consideration should be given to the massing and form of single-family homes to the north.

Design District 8

Building heights of two to four stories are appropriate, depending on location.

This district is located north of Central Way and south of 4th Avenue, between Market Street and 3rd Street. Maximum building height should be three stories abutting Central Way and two stories at 3rd and 4th Avenues. Structures which do not abut either of these streets should be allowed to rise up to four stories.

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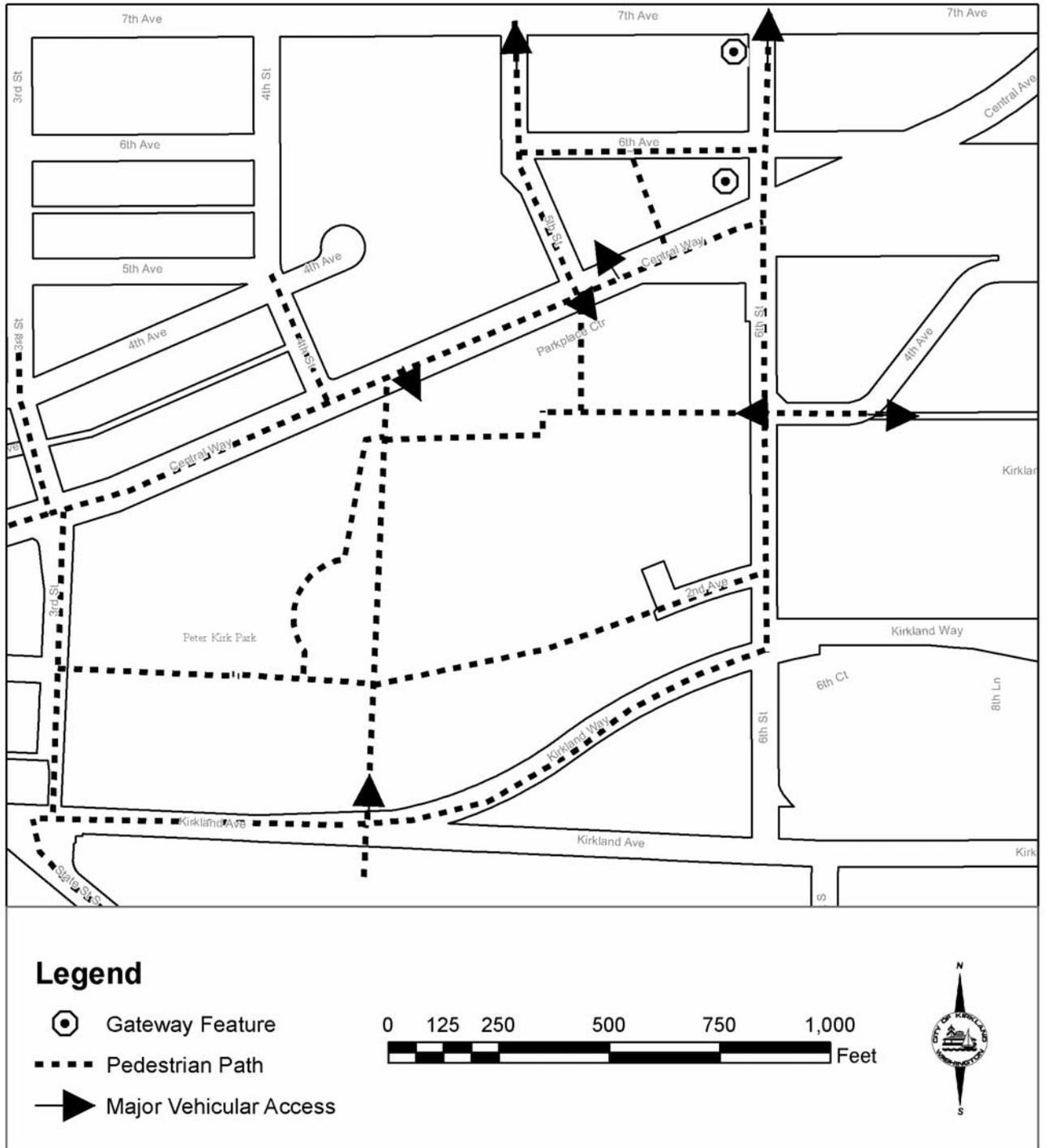


Figure MB-6: Design Districts 5 and 6 - Circulation and Gateways

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Building height calculation should require terracing of building forms on sloped sites.

Where dramatic elevation changes exist in this district, an innovative method of calculating height is appropriate. In order to encourage the terracing of building forms on the hillside, building height should be calculated relative to the ground elevation above which the individual planes of the structure lie. Additional bulk controls should apply to restrict the height within 100 feet of noncommercial neighborhoods to the same height allowed in the adjacent zone. Heights on the north side should step down to ease the transition to the core area and moderate the mass on top of the hillside.

Vehicular circulation to nonresidential portions of projects within this area should not occur on primarily residential streets. In addition, design elements should be incorporated into developments in this area which provide a transition to the residential area to the north.

THE IMAGE OF THE CITY: URBAN DESIGN ASSETS

Many of Downtown's urban design assets are mapped on the Master Plan (Figure MB-4) or are discussed explicitly in the text of the Height and Design Districts or the Downtown Design Guidelines. The following text should read as an explanation and amplification of references made in those two parts of the Downtown Plan.

Visual Landmarks

Lake Washington is a major landmark in Downtown Kirkland.

The most vivid landmark in Downtown Kirkland is Lake Washington. The lake provides a sense of openness and orientation and is a prominent feature from two of the three main approaches to the Downtown. Many residents and visitors to Kirkland form their impressions of the community from these important vantage points. The preservation and

enhancement of views from the eastern (NE 85th Street) and northern (Market Street) approaches is a high-priority policy objective.

Despite the prominence from these vantage points, the core area is not well oriented to capitalize on its waterfront setting. The existing activity centers of the retail core and the lake are separated by large surface parking lots. The City and property owners around Marina Park should aggressively pursue opportunities to correct this deficiency by structuring the existing surface parking below a public plaza. This open space amenity could redefine the Downtown and become the focal point of the community.

Other outstanding visual landmarks include the large green expanse of Peter Kirk Park, which provides an open space relief to the densely developed Downtown core to the west. The Peter Kirk Park civic and cultural facilities (Library, Municipal Garage, Peter Kirk Pool, Kirkland Performance Center, Peter Kirk Community Center, Teen Union Building) located at the south edge of Peter Kirk Park, as well as the METRO transit center at the western boundary of the park, are also well-known local landmarks.

The City Hall facility provides an important visual and civic landmark on the northern slope above the Downtown. Marina Park and the pavilion structure situated there are also symbolic reference points of community, recreational, and cultural activities.

There are a number of features in and nearby the Downtown area with historic significance which add to its visual character and historic flavor. These landmarks include the historic buildings on Market Street and the old ferry clock on Lake Street at Kirkland Avenue. These structures should be recognized for their community and historic value, and their preservation and enhancement should have a high priority. In contrast to the bland architecture of many of the buildings in the Downtown constructed since the 1940s, some of the older structures help define the character of the Downtown. The City will consider preserving this character through a process of inventorying these structures and adopting historic protection

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regulations. New regulations could range from protecting the character of designated historic buildings to protecting the actual structure. Some form of preservation would provide continuity between the Downtown vision and its unique past.

Public Views

Important Downtown views are from the northern, southern, and eastern gateways.

A number of dramatic views exist in the Downtown and its immediate vicinity due to the hills, the valley, and the sloping land areas which form the bowl-like topography characterizing the City's center. One of the views most often associated with Downtown Kirkland is from NE 85th Street just west of Interstate 405. From this vantage point, the hills north and south of the core area form a frame for a sweeping view of Lake Washington in the distance and the Olympic mountain range beyond.

Another striking view, identified in Figure MB-4, is from the Market Street entry into Downtown. This approach is met with a view of the lake, Marina Park and its pavilion, and the City's shoreline. This view could be enhanced with redevelopment of the GTE site, where the existing massive building substantially diminishes this broad territorial view.

Where the Kirkland Avenue and 2nd Avenue South rights-of-way cross Lake Street and continue to Lake Washington, an unobstructed view of open water is visible to pedestrians and people traveling in vehicles. These views are very valuable in maintaining the visual connection and perception of public accessibility to the lake. These views should be kept free of obstruction.

Gateways

Topographic changes define gateways into the Downtown area.

The gateways into Downtown Kirkland are very clear and convey a distinct sense of entry. Two of the Downtown's three major gateways make use of a

change in topography to provide a visual entry into the area.

At the eastern boundary of the Downtown area, Central Way drops toward the lake, and the core area comes clearly into view. This gateway could be enhanced by an entry sign, similar to one located farther up the hill to the east, or some other distinctive structure or landscaping feature.

A second major gateway is the Downtown's northern entrance where Market Street slopes gradually down toward Marina Park. The historic buildings at 7th Avenue begin to form the visual impression of Downtown's character and identity, and the landscaped median adds to the boulevard feeling of this entryway. Some type of sign or other feature could be incorporated into the improvements to the Waverly site.

At the Downtown's southern border, the curve of Lake Street at about 3rd Avenue South provides a very clear gateway into the commercial core. It is at this point that the transition from residential to retail uses is distinctly felt. Here, also, is an opportunity to enhance this sense of entry by creation of literal gateposts, signs, or landscape materials.

Pathways

An extensive network of pedestrian pathways covers the Downtown area.

The size and scale of Downtown Kirkland make walking a convenient and attractive activity. An extensive network of pedestrian pathways covers the Downtown area, linking residential, recreational, and commercial areas. Downtown Kirkland is a pedestrian precinct unlike virtually any other in the region. It is almost European in its scale and quality.

The core of the shopping district, with its compact land uses, is particularly conducive to pedestrian traffic. Both sides of Lake Street, Park Lane, and Kirkland Avenue are major pedestrian routes. Many

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residents and visitors also traverse the land west of Lake Street to view and participate in water-oriented activities available there.

The Downtown area's major east/west pedestrian route links the lake with Peter Kirk Park, the Kirkland Parkplace shopping center, and areas to the east. For the most part, this route is a visually clear pathway, with diversity and nearby destinations contributing to its appeal to the pedestrian. Enhancement and improved definition of this important east-west pedestrian corridor would help link Parkplace with the rest of the shopping district.

Minor pedestrian routes link the residential areas north of Central Way and south of Kirkland Avenue. These linkages need to be strengthened in order to accommodate the residential and office populations walking from the Norkirk Neighborhood and core frames, respectively. Additional improvements, such as brick paver crosswalks, pedestrian safety islands, and signalization, are methods to strengthen these north-south linkages.

Enhancement of Downtown pedestrian routes should be a high-priority objective.

Enhancement of the Downtown area's pedestrian routes should be a high-priority policy and design objective. For example, minor architectural features and attractive and informative signs should be used to identify public pathways. Public and private efforts to make pedestrian walkways more interesting, functional, convenient, and safe, should be strongly supported. Figure MB-4 highlights a number of projects proposed for this purpose. These projects are discussed in detail elsewhere in this text.

D. PUBLIC FACILITIES

OPEN SPACE/PARKS

Four major park sites are critical to the Downtown's feeling of openness and greenery. These parks weave a noncommercial leisure-time thread into the fabric of the area and provide a valuable amenity,

enhancing Downtown's appeal as a destination. Each of the major approaches to the Downtown is met with a park, with the Waverly site and Marina Park enhancing the northern entry, and Peter Kirk Park and Dave Brink Park augmenting the eastern and southern approaches. Physical improvements in and near these parks should strengthen their visual prominence and prevent view obstruction.

Marina Park and Peter Kirk Park in particular are well-used by families and recreational groups. Public facilities at these parks should continue to expand opportunities for residents, such as the installation of permanent street furniture and play equipment for children at Marina Park.

Pedestrian improvements should be made to improve connections between parks and nearby facilities.

Downtown projects which are not directly related to the parks should continue to locate adjacent to the parks, and in some cases, should share access or parking. Impacts from projects, such as the tour boat dock at Marina Park and the METRO transit center at Peter Kirk Park, should be minimized. Efforts to provide continuity between these facilities and the parks through the use of consistent walkway materials, landscaping, and other pedestrian amenities will help to reduce the appearance of a separation of uses at these locations.

The boat launch ramp which exists at Marina Park is an important amenity in the community. It should be retained until another more suitable location is found.

OTHER PUBLIC FACILITIES

City Hall and the Peter Kirk Park civic and cultural center add to the community atmosphere and civic presence in the Downtown area. The plan for Downtown developed in 1977 recommended that the City Hall facility be moved from its previous location in the core area to its present site overlooking the Downtown from the northern slope. In its new location, City Hall is close enough to Downtown to contribute workers to the retail and restaurant trade,

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as well as to provide a visually prominent and symbolic landmark when viewed from the Downtown.

Public efforts to assist the Downtown business district should be continued.

The City should help to foster economic vitality in the Downtown by working with the private sector and by encouraging independent efforts toward economic development by the private sector. Such assistance to the business community might include supporting efforts to establish local improvement or business improvement districts. This could take the form of seed money for preliminary studies and the dissemination of information.

Other public efforts to strengthen the Downtown business climate should include the continued promotion of public projects such as the tour boat dock, in addition to continued support for private projects such as the Lakeshore Plaza Boardwalk, which would help to implement public policy goals.

E. CIRCULATION

PEDESTRIAN

Pedestrian routes should have equal priority to vehicular routes in Downtown circulation.

Pedestrian amenities and routes should continue to be improved, and should be given equal priority with that of vehicular routes for circulation within the Downtown. Modifications to the street network and traffic patterns should not be allowed to disrupt Downtown pedestrian activity and circulation.

To be a truly successful walking environment, the core area of the Downtown must be safe, convenient, and pleasant for the pedestrian. Pedestrian safety would be increased greatly by reducing opportunities for conflicts with cars. The reprogramming of crosswalk signals to favor the pedestrian would discourage jaywalking and allow sufficient time for slower walkers to cross the street.

Convenience to the pedestrian will be enhanced by improving the directness and ease of pedestrian routes. “Shortcuts” between streets, or even between buildings, can link pedestrian routes over large distances where vehicles cannot circulate. Coordinated public directory signs and maps of walkways should be developed to clearly identify public pathways for the pedestrian.

A system of overhead coverings should be considered to improve the quality of pedestrian walkways year-round.

The pleasures of walking in the Downtown area would be enhanced by the installation of minor public improvements, such as street furniture (benches, planters, fountains, sculptures, special paving treatments), flower baskets, and coordinated banners and public art. The creation of a system of overhead coverings such as awnings, arcades, and marquees would provide protection to the pedestrian during inclement weather, allowing for pedestrian activity year-round. All of these features would add visual interest and vitality to the pedestrian environment.

Brick crosswalks have been installed at 3rd Street and Park Lane in conjunction with the METRO transit center facility. The expansion of the use of brick for crosswalks throughout the Downtown should be considered. In any case, additional restriping of crosswalks in the Downtown area should be actively pursued.

The establishment and improvement of pedestrian pathways between activity centers should be a high-priority policy objective. Major pedestrian routes within the Downtown area are identified in Figure MB-4. Major pathways include the extensive east-west “spine” or “Park Walk Promenade,” which links the lake with points east of 6th Street and the shoreline public access trail.

The Downtown Master Plan also identifies other important pedestrian routes which provide north-south pedestrian access. Improvements to these pathways should be promoted, particularly at the

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intersection of 6th Street and Central Way. Elevated crosswalks should be considered among the alternatives reviewed for pedestrian access across Central Way. Disadvantages to elevated crosswalks which should be considered are potential view blockage and the loss of on-street pedestrian traffic.

The portion of the Park Walk Promenade spanning Peter Kirk Park was installed by the City during renovation of the park facilities. The walk serves the Peter Kirk Park civic and cultural center, as well as commercial areas to the east and west. This walkway should be expanded upon when the remaining land south of Kirkland Parkplace develops.

Figure MB-4 illustrates pedestrian system improvements for the two major routes which are intended to serve several purposes. These projects would improve the safety, convenience, and attractiveness of foot traffic in the Downtown, provide shelter from the weather, and create a unifying element highlighting the presence of a pedestrian linkage.

A large public plaza should be constructed west of buildings on Lake Street to enhance the Downtown's lakefront setting (See Figure MB-4).

The Lakeshore Plaza shown on the Downtown Master Plan envisions a large public plaza constructed over structured parking. Ideally, the plaza would be developed through public/private partnerships to provide a seamless connection between the Downtown and the lake. The plaza would be at the same grade as Lake Street and would provide visual and pedestrian access from a series of at-grade pedestrian connections from Central Way and Lake Street.

The Park Walk Promenade identified on the Downtown Master Plan should consist of a series of minor structures placed at prominent locations along the walkway in order to clearly identify the pathway throughout its length, as well as to provide some protection during wet weather. The plexiglas and metal "space frames" used at Mercer Island's Luther Burbank Park and at the Seattle Center are possible

design options for protective structures. The concrete and metal gateway feature where Parkplace abuts Peter Kirk Park is a good model for visual markers along the east-west pedestrian spine.

VEHICULAR

Automobiles and public transit are the modes of transportation which move people in and out of the Downtown, and often between the core area and the frame. Within the Downtown, pedestrian circulation should be given equal priority with vehicular circulation. A primary circulation goal should be to emphasize pedestrian circulation within the Downtown, while facilitating vehicle access into and out of the Downtown.

Alternate traffic routes should be considered.

Lake Street should be designated to function as a major pedestrian pathway. The objectives for land use and pedestrian circulation should be seriously considered during any plans for traffic and roadway improvements on Lake Washington Boulevard. The goal to discourage commuter traffic on the boulevard should not be viewed independently from the need to retain vehicle access for tourists, shoppers, and employees to the Downtown.

State Street should continue to serve as a major vehicular route, bringing shoppers and workers into the Downtown area. Sixth Street should be developed to accommodate additional vehicles. Future plans for Lake Street and Lake Washington Boulevard may include the diversion of cars from the Downtown area, and 6th Street would provide the most appropriate north/south alternative route. The existence of commercial development on this street renders it more appropriate than State Street to handle substantial commuter traffic.

The use of public transportation to the Downtown should be encouraged.

Third Street has been designed for the pedestrian and public transit user, with the METRO transit center

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located on this street. The use of public transportation as an alternative for people who work or shop in the Downtown should be encouraged. Increased use of this mode of transportation would help to reduce traffic congestion and parking problems in the core area.

The number of vehicular curb cuts in the Downtown area should be limited. Both traffic flow in the streets and pedestrian flow on the sidewalks are disrupted where driveways occur. In the core frame in particular, the placement of driveways should not encourage vehicles moving to and from commercial areas to travel through residential districts.

PARKING

The core area is a pedestrian-oriented district, and the maintenance and enhancement of this quality should be a high priority. Nevertheless, it should be recognized that pedestrians most often arrive in the core via an automobile which must be parked within easy walking distance of shops and services. To this end, as discussed elsewhere in this chapter, private projects which include a substantial amount of surplus parking stalls in their projects should be encouraged to locate these parking stalls in the core frame.

The Downtown area contains a variety of parking opportunities. Four public parking lots exist in the Downtown area: at the west side of Peter Kirk Park, the street-end of Market Street at Marina Park, in Lakeshore Plaza, and at the intersection of Central Way and Lake Street. These lots are shown on the Downtown Master Plan (Figure MB-4).

Public parking to be a permitted use on private properties north and south of the core area.

Other sites that would be appropriate for public parking include the north and south slope of the Downtown as shown in Figure MB-4. Public parking in these areas would help to serve core-area businesses, while not detracting from the dense pattern of development critical to the pedestrian environment there.

More intensive development of existing parking areas should be considered as a way to provide more close-in public parking. Certain sites, such as the Market Street-End lot and the Peter Kirk lot, would adapt well to structured parking due to the topography in the immediate vicinity of these lots. Structuring parking below Lakeshore Plaza could make more efficient use of the available space and result in a dramatic increase in the number of stalls available.

The fee-in-lieu of parking alternative allows developers in the core area to contribute to a fund instead of providing required parking on site. The City's authority to spend the monies in this fund should be expanded to include the use of the funds on private property in conjunction with parking facilities being provided by private developers.

Another option for off-site parking should be considered which would allow developers to provide the parking required for their projects elsewhere in the core area or core frame. This alternative should include the construction of parking stalls in conjunction with another developer, if it can be shown that the alternative parking location will be clearly available to the public and is easily accessible to the core area.

The City's parking management and enforcement program should be maintained. The program should be evaluated periodically to assess its effectiveness, with revisions made when necessary.

Jeremy McMahan

From: ROBBROWN1@aol.com
Sent: Tuesday, November 16, 2010 10:39 PM
To: Jeremy McMahan
Subject: to: the Kirkland Planning Commission

Follow Up Flag: Follow up
Flag Status: Flagged

To: The Kirkland Planning Commission:

Re: November 18th discussion of downtown ground floor approved uses

I would like to express both my support *and* my concern for the details of the proposed changes to the zoning rules for ground floor uses in downtown Kirkland.

1) the positive - **The concept being discussed of allowing loosening of the retail use requirement for peripheral locations / end of core locations is perfectly legitimate.** Retail success in the downtown core requires significant foot traffic. That foot traffic does not occur at the end corners of downtown.

The specific locations noted in the meeting packet are well thought-out and well-chosen. The perfect example of the validity of this proposal is the Chaffey parking lot which, when eventually built-out, will require ground-floor retail yet only will only require one small pad. Nothing will have a valid chance of survival when located essentially on an island. **I urge you to support this part of the proposal.**

2) the negative - **The loosening of requirements for any other locations will be detrimental to the future of downtown retail.** Retail success in like locations, whether they be downtown cores or shopping malls, requires density of other retail. Foot traffic only works if there are attractions that keep pulling that pedestrian along the route. These attractions require window appeal, they require constant interest. Humans have no patience for simply hoping there is something of interest after a 20, 20, or 50 foot break in their stroll.

Watch what happens on sidewalks, watch what happens in malls. If there are banks, if there is construction, if there is a row of vacancies, if there is an office on the street, the foot traffic moves to the other side of the street or to the other side of the mall in search of visual stimulation.

Foot traffic is a science. Human nature makes pedestrian traffic turn right. Foot traffic must be dragged along by bright lights, attractive displays, unique experiences. Blank walls, covered windows, non-retail uses stop that traffic.

That brings me to the downside of loosening the regulations in the core area. Current zoning does not allow the Lake Washington Physical Therapy location in the Merrill Gardens building. If current tenants are not even required to follow zoning as it is, why would we make things worse by loosening the existing requirements. Nearly one third of the window of the LWPT location is NOT retail. Not only that, but there is no 30 foot depth of retail, let along 20 foot average depth of retail. **This use should never have been approved for this location. It is however a perfect use for end of core, peripheral locations with no foot traffic patterns to protect.**

Current vacancies match vacancies throughout the retail world, they are not unique to Kirkland, they are not a product of a lack of shopping interest in Kirkland. They are simply a symptom of the current economic downturn. There are already small signs of recovery, there are already signs of entrepreneurs returning to the establishment of new businesses. The vast majority of current vacancies are in new buildings with "superior retail", those with significantly higher rental rates. Temporary over-supply of high-priced retail locations does not require the city to allow change of use approval. Let the market catch up with the supply and all will be well.

Responding to short term challenges by loosening retail requirements in the retail core will have negative effects on downtown Kirkland for years to come.

*** The above comment about breaks in attractions that pull pedestrians along a street route is of critical importance in eventually bringing more foot traffic to the north side of Central near the Lake Street intersection. The parking lot at Lake and Central is a critical flaw in the pedestrian flow of downtown Kirkland. One need only to do a cursory inspection of pedestrian activity along Lake Street and you will see virtually no one walking along the eastern side of Lake Street bordering the parking lot.

This site needs retail storefronts in order to pull foot traffic to the northern border of downtown. Return to my comment about foot traffic turning right when entering a shopping area.....what happens when pedestrians walk west on Park Lane? - they very rarely turn right as they face a full block of nothing but parking lot. They either turn left away from Central or they cross Lake Street, disrupting their circulation.

thank you for considering my thoughts and comments,

Rob Brown
108 2nd Ave S #105
Kirkland
206-226-5078

Jeremy McMahan

From: Paul Stewart
Sent: Monday, December 13, 2010 9:45 AM
To: Andrew Held; Byron Katsuyama; C. Ray Allshouse - Home; C. Ray Allshouse - Work; George Pressley; Glenn Peterson; Jay Arnold; Jon Pascal; Jon Pascal; Karen Tennyson; Mike Miller
Cc: Eric Shields; Jeremy McMahan; Ellen Miller-Wolfe
Subject: FW: Retail Space Conversion

Follow Up Flag: Follow up
Flag Status: Flagged

To: Planning Commission

Margaret Carnegie requested this message be sent to you. The City Council will be discussing this issue at their January 4th meeting.

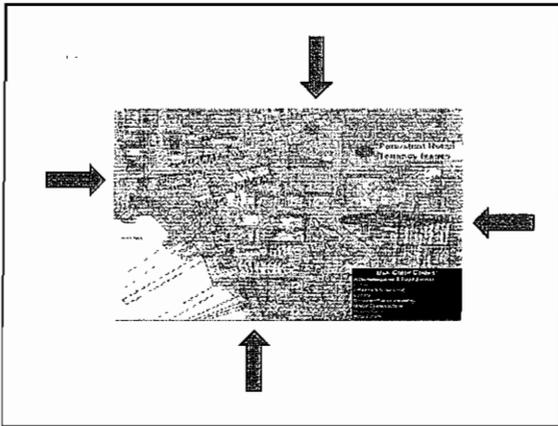
From: Margaret Carnegie [<mailto:carnegiema@frontier.com>]
Sent: Saturday, December 11, 2010 10:53 AM
To: planningcommission@ci.kirkland.wa.us
Subject: Retail Space Conversion

Planning Commission Members,

Regarding the issue of allowing downtown retail space to be converted to office space, I want to strongly state my disagreement. I believe the current rules should be honored. Even if the conversion could bring in more income on a short term basis, it is still unwise, in my opinion. If the desire exists to increase "shopping" in Downtown, the change would work against that goal. People are going to be attracted to shop in a place where retail shops are available, not where that space has been converted to offices. Thank you for your work and your attention to this issue.

Margaret Carnegie
11259 126th Ave. N.E.
Kirkland, WA 98033

Remarks by Bea Nahon, Moss Bay Resident
 To the Kirkland Planning Commission
 November 18, 2010
 Re: CBD Ground Floor Uses
 ZON10-00027



Why doesn't retail seek out these specific locations?

- Peripheral to the downtown core (these are not just end of block, these are all at the corners of downtown)
- Disconnected from the retail core by non-retail uses – pedestrian connectivity is severed and there's no sense of curiosity to search further. The eye carries the pedestrian elsewhere.

Message: We should learn from these examples and not spread the same result to other areas of the downtown core, i.e. the non-retail part of downtown "stops" at these corners so that the core has retail activity and life.

Past work on Kirkland downtown

- Comp Plan for the Moss Bay Neighborhood
- Comp Plan Framework Goal:
 - “Plan for a fair share of regional growth, consistent with State & Regional goals, to minimize low-density sprawl and direct growth to urban areas”
 - Moss Bay Neighborhood is specifically to be encouraged to have medium to high-density residential uses, especially in the core
- Leland Consulting
- Hovee Report 2009
- Downtown Advisory Committee
- Downtown Strategic Plan

**Downtown Strategic Plan
re: The Core Area ***

Page 9:
 “Land uses in the core area to be encouraged, promoted (and protected) should be:

- Retail uses on the ground floor of all buildings;
- Primarily housing or hotels on the upper floors; and
- Some office uses or live/work units on the upper floors”

* The Core Area is defined on Page 5 of the DSP as the area bounded by Lake Street, 3rd Street, Central and Kirkland Ave, as well as the north side of Central Way and the area south of Kirkland Ave

**Retail needs retail “clusters” to survive.
What does office need?**

- Office also benefits from other office uses, especially professional offices
- Strong successful professional offices do not benefit from ground floor: “presence”
 - Walk-in business is not desired
 - Street presence does not attract the desired clientele for established stable firms
 - Impulse patronage of professional office from pedestrians is slim to none

Office use on ground floor in an otherwise retail area is:

- Boring to pedestrians, a dead-end to retail traffic
- Closed on weekends and evenings
- Less interesting/ambience for visitors and residents and therefore less attractive (and less safe) and less likely to achieve our goals for high density in the core
- Invasive to privacy of office clients
- Expensive to retrofit
 - Walls including soundproofing
 - Ceilings and flooring
 - HVAC
 - Lighting
- Our existing retail floorplates don't allow for highly desired window offices (without very expensive and often ineffective retrofitting of window wells)

But would it at least help with the retail vacancy problems?

- Retail tenants will find downtown Kirkland even less attractive for leasing and renewals of leases if the owners can't be sure of surrounding retail "clusters" which they must have to survive
- Office-oriented businesses also demand free rent & large TI allowances. And then, many of them fail!
- Opening up retail spaces to office – besides being very expensive to retrofit – is not a panacea for Kirkland because we already have attractive office space available and vacant –

CB Richard Ellis 2010 MarketView (office space)

Category	Puget Sound	Downtown Seattle	Eastside	Kirkland
Q3 Vacancy	19.3%	20.0%	17.6%	25.1%
Q2 Vacancy	20.5%	21.3%	19.0%	28.9%
Q1 Vacancy	19.3%	20.23%	19.65%	30.57%
Square footage	95,933,265	42,386,861	30,143,124	1,465,805
Q3 net absorption	1,077,536	466,716	387,989	56,221
Q3 Class A average Full Service Asking rate	\$28.68 PSF/Yr	\$29.80 PSF/Yr	\$28.76 PSF/Yr	\$30.53 PSF/Yr

*The amounts for total square footage are occupied as well as vacant spaces
 *Puget Sound is south to Puyallup and north to Everett.
 *Downtown Seattle includes Lake Union, Danny Regrade and Lower Queen Anne.
 *Eastside includes Bellevue, Kirkland, Redmond and Bothell

Conclusions: Think long term!

- Loosening up and allowing certain compatible office uses on the corners of downtown may be OK, but we should go no further than the identified corners
- Loosening up the rest of downtown is not consistent with our Comp Plan, retail vitality and connectivity nor with the City's need for sales tax revenues. It will also reduce residential appeal and therefore compromise our goals for urban density in the core.
- Increased office tenancies will help Kirkland, but they should be on the perimeter or if in the core, then on upper story.
- We need to learn from what has happened with "retail light" and not make it worse by increased loosening.
- **Once changed, we can't go back**
- Downtown is hurting, but we are not alone. Adding office use will not cure the problem, and stepping on an ailing downtown's air hose is not the solution

MarketView Puget Sound Office

Third Quarter 2010

www.cbre.com/research

Quick Stats

	Current	Change from last	
		Yr.	Qtr.
Total Vacancy	19.3%	↑	↓
Direct Lease Rate	\$28.68	↑	↑
Net Absorption	1,077,536 SF	↑	↓
Completions	158,333 SF	↑	↑

The arrows indicate a trend and do not represent a positive or negative value for the underlying statistic (e.g. Net Absorption could be negative, but still represent a positive trend over the time period).

Hot Topics

- Investment activity increased with the sale of the office portion of The Bravern, City Center Plaza and Advanta—all trophy assets.
- Occupancy increased strongly as tenants such as Amazon.com and Digipen experienced growth.
- Class A rates remained stable at \$27.71 for direct and sublease blended, and \$28.86 for direct space—well off the peaks of \$31.58 and \$32.66 respectively at the end of 2008, but no longer falling dramatically.

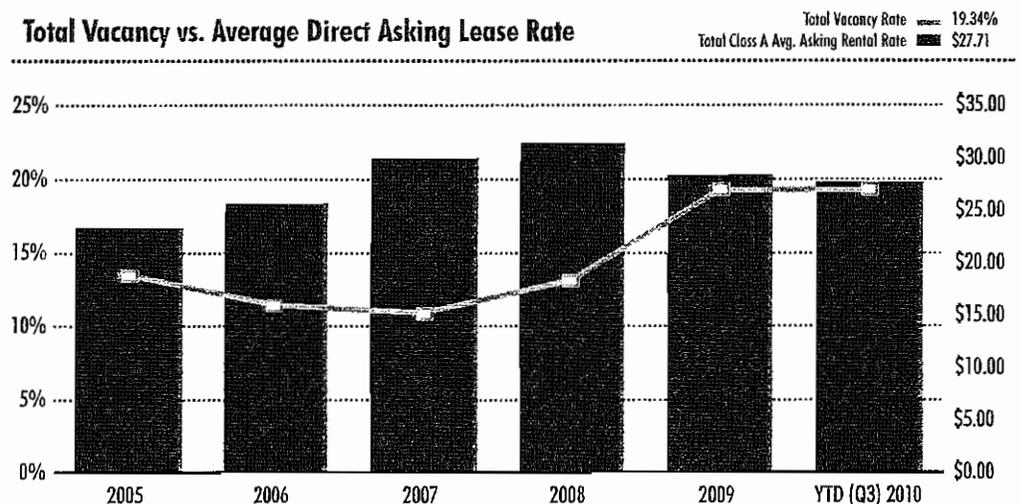
The Puget Sound office market's recovery is firmly underway as evidenced by just over one million square feet of positive absorption over the third quarter. Tenants on the Eastside grew by close to 388,000 SF while occupancy in downtown grew by 466,000 SF. Total vacancies dropped over 100 basis points in the overall Puget Sound market place with the Eastside and Southend accounting for a large share of the drop in vacancy at 130 basis points each. The market numbers have improved over the last two quarters and year-to-date absorption for the region totals a positive 702,000 SF.

The sale of fully-leased buildings with credit tenants was pervasive in the third quarter. Phoenix-based Cole Real Estate bought City Center Plaza in Bellevue CBD for \$310 million, or approximately \$532.00 PSF, from Beacon Capital Partners. The building is fully leased to Microsoft, reportedly until 2024. Schnitzer is shaking up its portfolio as well with the sale of Advanta Office Commons in Bellevue and Equinox Apartments in Seattle for a combined \$306 million. The price of Advanta Office Commons was estimated at \$240

million or \$400.00 PSF, while the Equinox apartment project sold for \$66 million or roughly \$316,940 per unit. Schnitzer has also sold two office towers and the parking garage at the Bravern in Bellevue. The sale consisted of 755,000 SF, fully leased to Microsoft for a total of \$410 million or roughly \$547.00 PSF.

Brokers agree that the market seems to be turning as big leases are being signed and companies are beginning to move or expand. The top Puget Sound expansions include the Federal Way School District, AT&T in Bothell, and T-Mobile in the I-90 corridor. In Seattle, leasing activity is brisk as Cobalt leased 100,000 SF at Union Station and the Institute for Systems Biology signed for a similar amount at the former Rosetta Building. Due to the upcoming moves, the supply of vacant space is going to keep up with tenant demand. Amazon.com is vacating various spaces to move to their new campus being built by Vulcan Real Estate, and the Bill & Melinda Gates Foundation is building their own campus and will likely move out of space in several buildings.

Total Vacancy vs. Average Direct Asking Lease Rate

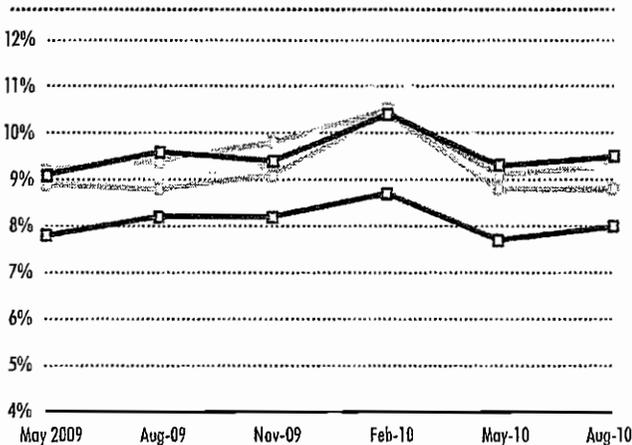


Market Statistics

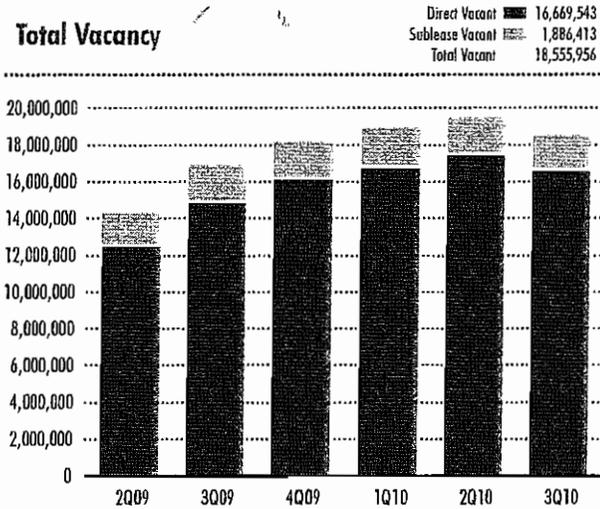
Submarket	Building SF	Total Vacancy %	Class A Avg. Asking Direct Lease Rate (Full Service PSF/Yr)	Class A Avg. Asking Total Lease Rate (Full Service PSF/Yr)	3Q Net Absorption	Last 4 Qtrs Net Absorption	Under Construction
Seattle CBD	20,296,695	19.9%	\$30.51	\$30.07	160,570	142,577	—
Waterfront	2,306,493	14.3%	\$27.08	\$24.90	(47,772)	(54,865)	—
Pioneer Square	3,935,789	27.7%	\$28.79	\$26.53	(38,208)	(231,075)	—
Denny/Regrade	6,935,851	26.3%	\$31.54	\$31.31	28,085	69,772	—
Lower Queen Anne	3,049,683	17.1%	\$33.03	\$32.93	5,514	(31,780)	—
Lake Union	4,538,518	10.2%	\$30.26	\$29.94	385,856	794,221	766,229
Canal	1,323,832	15.9%	\$26.82	\$26.14	(27,329)	(45,480)	—
Downtown Seattle	42,386,861	20.0%	\$30.52	\$29.80	466,716	643,370	766,229
North Seattle/Interbay	2,344,990	19.4%	\$24.11	\$22.39	52,629	(44,578)	—
Capitol Hill/E Seattle/Rainier	1,118,975	21.6%	\$23.83	\$21.80	5,080	16,539	—
South Seattle	1,442,851	28.2%	\$24.67	\$24.67	2,225	(20,719)	141,200
Seattle/Close-In	4,906,816	22.5%	\$24.44	\$23.39	59,934	(48,758)	141,200
Sea-Tac	891,108	21.1%	\$22.70	\$22.49	(8,440)	6,116	—
Tukwila	2,208,168	16.4%	\$20.38	\$20.33	9,802	25,162	57,800
Renton	3,122,922	12.6%	\$21.56	\$20.75	9,283	6,258	—
Kent	1,222,046	32.2%	\$21.28	\$21.29	(1,961)	(26,701)	—
Auburn	289,025	6.0%	\$19.50	\$19.50	0	950	—
Federal Way	2,102,953	39.1%	\$20.10	\$20.49	119,571	20,371	—
Southend	9,836,222	22.1%	\$21.04	\$20.89	128,255	32,156	57,800
Bellevue CBD	7,925,601	16.2%	\$31.86	\$30.61	117,581	(261,049)	—
I-405	2,909,251	17.5%	\$25.77	\$25.07	(34,958)	(26,342)	—
SR-520	2,571,507	19.6%	\$25.89	\$24.60	10,482	(60,464)	—
I-90	6,561,305	14.6%	\$30.39	\$28.86	67,879	114,166	165,320
Bel-Red Road	1,384,897	13.8%	\$29.22	\$27.11	(8,251)	(62,527)	—
Kirkland	1,465,805	25.1%	\$30.53	\$28.44	56,221	42,664	—
Redmond	4,247,895	22.6%	\$26.35	\$25.71	121,478	38,255	—
Bothell	3,076,863	17.7%	\$23.31	\$22.58	57,557	165,038	—
Eastside	30,143,124	17.6%	\$28.76	\$27.64	387,989	(50,259)	165,320
Lynn/Edm/Milk Terr	2,502,650	29.3%	\$25.00	\$24.31	21,844	(58,688)	—
Everett	1,656,735	10.5%	\$22.15	\$22.15	1,013	(22,226)	—
Northend	4,159,385	21.9%	\$24.76	\$24.13	22,857	(80,914)	—
Tacoma CBD	2,828,792	13.9%	\$23.38	\$23.40	27,409	15,807	—
Tacoma Suburban	1,153,241	7.8%	\$22.63	\$22.63	(6,837)	(4,329)	—
Fife	213,994	14.4%	\$23.00	\$24.48	(1,835)	(1,670)	—
Puyallup	304,830	13.7%	\$20.55	\$20.55	(6,952)	(14,127)	—
Tacoma/Fife	4,500,857	12.4%	\$22.78	\$23.30	11,785	(4,319)	—
Market Total	95,933,265	19.3%	\$28.68	\$27.71	1,077,536	491,276	1,130,549

Unemployment Rate

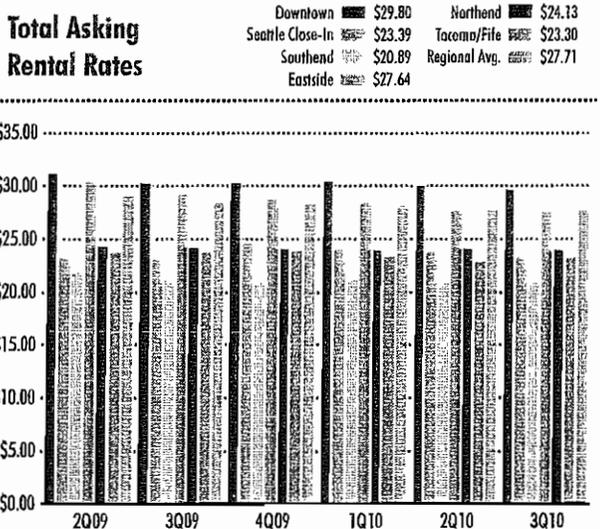
King Co. — 8.0% WA State — 8.8%
 Snohomish Co. — 9.3% US Avg. — 9.5%
 Pierce Co. — 9.2% (Not seasonally adjusted)



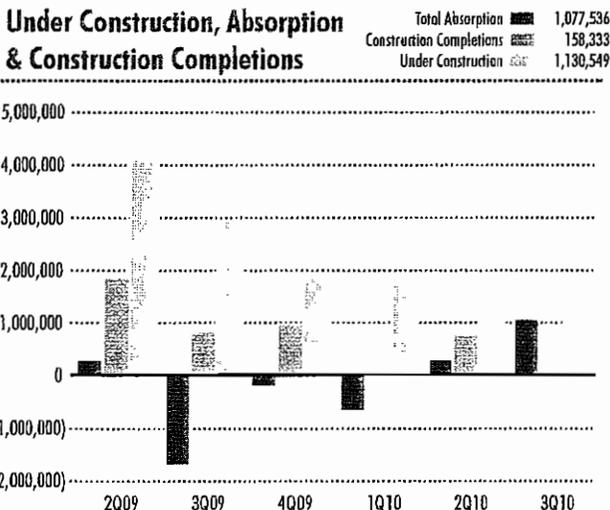
The Puget Sound region continues to be slightly out of step with the rest of the nation economically. The region entered the recession late and is exiting slightly after the United States as a whole, but the local upturn is more promising. The latest *Puget Sound Economic Forecaster* anticipates above average employment growth by late 2011; an average of 2.3% more jobs every year until the middle of the decade compared to the national forecast of 1.7%. Trade and technological change are key sectors that are ending the global recession and several industries in the Puget Sound area; aerospace, software, internet commerce and computer games, are significant contributors. These sectors will keep the region growing faster than the rest of the nation.



The Puget Sound experienced its first drop in vacancy since the start of 2008, finally falling below 20% to 19.3%. The new trend reflects the area's increase in market activity as well as the ongoing growth of Amazon.com into its new campus in South Lake Union. This quarter Amazon.com continued its expansion by moving into 205,000 SF at 2201 Westlake, and 158,333 SF Phase II at 500 Boren Avenue, from its former headquarters in Beacon Hill's Pacific Medical Center. The Seattle CBD submarket experienced 171,651 SF of positive absorption bringing the region's largest submarket down from 21.5% to 19.9% vacant. Eastside vacancies dropped from 19.0% to 17.6%, largely due to Digipen moving into 107,336 SF in Willows Commerce Park from a building on the Nintendo campus, and increases in market activity.



Third quarter Class A asking rates remained consistent at \$27.71 PSF, full service, nearly mirroring last quarter's asking rate of \$27.79 PSF. The rates in the major downtown areas of Seattle and Bellevue each decreased slightly to \$29.80 and \$30.61, respectively. The Bellevue CBD's premium over downtown Seattle narrowed to \$0.81 from \$1.09 as high vacancies continue to put pressure on asking rates. Across the board the region's submarkets experienced a slight rate decrease, except for the Tacoma CBD, which saw a rate increase of \$0.48 over the previous quarter. Over the past four quarters the region has maintained stable rates as rates have remained within \$0.50 of \$28.00 PSF, full service.



In contrast to last quarter's delivery of nearly 800,000 SF of additional space to the market, third quarter saw the second lowest level of construction completions since early 2008 adding only 158,333 SF. Coupled with an across the board increase in market activity, the Puget Sound region experienced an astounding 1,077,536 SF of positive absorption. The most recent phase of Amazon.com's move accounts for only 363,333 SF of this absorption, with the Seattle CBD contributing 171,651 SF and the Eastside adding another 419,232 SF of positive absorption. Construction continues on the remaining stages of Amazon.com's 1.7 million-SF campus as well as 900,000 SF in phase I of the future Bill & Melinda Gates Foundation's global headquarters, scheduled for completion in the spring of 2011.

MarketView Puget Sound Office**Local Offices****BROKERAGE**

Seattle
1420 Fifth Avenue
Suite 1700
Seattle, WA 98101
206.292.1600

701 Pike Street
Suite 2100
Seattle, WA 98101
206.223.0200

Bellevue
10885 NE Fourth Street
Suite 500
Bellevue, WA 98004
425.455.8500

Kent
20415 72nd Avenue South
Suite 210
Kent, WA 98032
253.872.9881

Tacoma
1145 Broadway Plaza
Suite 1000
Tacoma, WA 98402
253.572.6355

PROJECT MANAGEMENT

1420 Fifth Avenue
Suite 1700
Seattle, WA 98101
206.292.6086

ASSET SERVICES
Seattle
1420 Fifth Avenue
Suite 1700
Seattle, WA 98101
206.292.1600

Bellevue
110 110th Avenue NE
Suite 607
Bellevue, WA 98004
425.455.8500

Kent
20415 72nd Avenue South
Suite 210
Kent, WA 98032
253.872.9881

Canyon Park
22118 20th Street SE
Suite 138
Bothell, WA 98021
425.483.1166

Seattle Municipal Tower
700 Fifth Avenue
Suite 4040
Seattle, WA 98104
206.624.7005

VALUATION & ADVISORY SERVICES
1420 Fifth Avenue
Suite 440
Seattle, WA 98101
206.292.6122

CBRE CAPITAL MARKETS
1420 Fifth Avenue
Suite 1720
Seattle, WA 98101
206.830.6400

Office Submarket Map**MARKET AREA DESCRIPTIONS****Downtown Seattle**

Downtown Seattle consists of 42,386,861 SF (44%) of the office market GLA. It includes office buildings west of I-5 from the Ship Canal in Fremont to Royal Brougham near the stadiums.

Seattle Close-In

North Seattle consists of 4,906,816 SF (5%) of the office market GLA. It includes office buildings within the city limits of Seattle, Shoreline and Lake Forest Park, not included in the downtown submarket.

Southend

The Southend consists of 9,836,222 SF (10%) of the office market GLA. It comprises all of King County south of Lake Washington.

Tacoma/Fife

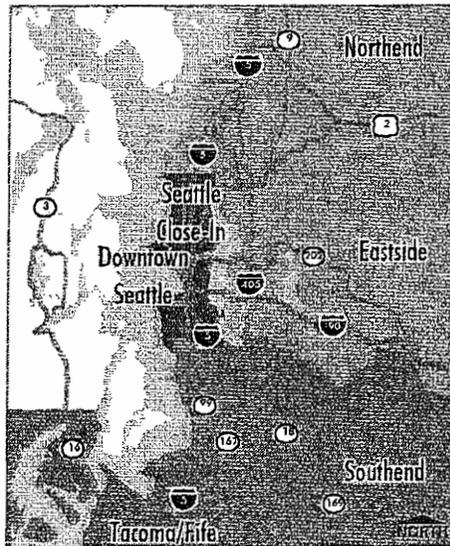
Tacoma/Fife consists of 4,500,857 SF (5%) of the office market GLA. It comprises Pierce County.

Eastside

The Eastside consists of 30,143,124 SF (31%) of the office market GLA. It comprises all King County markets directly east of Lake Washington, plus that portion of Bothell extending into Snohomish County.

Northend

The Northend consists of 4,159,385 SF (4%) of the office market GLA. It consists of Snohomish County except that portion of Bothell extending into Snohomish County.

**Market Coverage**

Includes all investor-owned, Class A, B, or C office buildings 10,000 SF and greater in size.

Building SF

The building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas.

Vacancy %

Vacant square feet, either direct or total (direct and sublease combined), divided by the building square footage.

Absorption

The change in occupied square feet from one period to the next. Total absorption counts vacant sublease space as not occupied, direct absorption counts vacant sublease space as occupied.

Average Asking Direct Lease Rate

The average gross asking lease rate for each building multiplied by the amount of direct vacant space, summed for all buildings in a submarket and then divided by the total amount of direct vacant space.

Full Service Lease

Lease type whereby the landlord pays all of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses. Increases in operating expenses after the first year of the lease may be passed to the tenant.

Class A Space

The most prestigious buildings competing for premier office users with rents above average for the area. These buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence.

For more information regarding the MarketView, please contact:

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Dear Kirkland City Council Members

In Ernie Veltons email below, he gives another perspective on Kirkland's retail zoning requirements, in addition to the email I recently sent you from Andy Loos. Ernie is a senior partner in JSH Properties and his company manages over 12 million sf of commercial space in Washington, 3 million of that is retail. JSH Properties manages a wide variety of commercial and residential buildings in downtown Kirkland.

The message here again is the need to consider loosening up the retail zoning requirements in the Kirkland's CBD. As I mentioned before, there are not many things the City can do to improve the vitality of the downtown area, but taking a hard look at our retail zoning requirements and making some minor changes would certainly help.

Thank you again for your time.

Joe Castleberry
Commercial Property Owner

Subject: Downtown Kirkland retail uses
Date: Thu, 25 Feb 2010 10:29:12 -0800
From: ErnieV@jshproperties.com
To: bob@sternoffinc.com
CC: joe.d.castleberry@hotmail.com

Bob,

Joe and I, and many others, have been discussing what ground floor uses are allowed in the Kirkland CBD. JSH manages and leases several properties in downtown Kirkland including the Homeport building, the Kirkwood building (Banner Bank), the Westwater apartments and related retail (Sur La Tab), Kirkland Square and others. Most of the associated retail spaces are relatively small and most are leased to Banks, food uses or mom & pop businesses.

We manage over 12 MM sf of commercial property in Washington State and are the leasing representatives for approximately 3 MM sf of retail space in Washington. I mention all this so you understand our perspective.

In short, retail owners state wide are hurting a bit. Occupancies are down in most markets and rents are down 10-30% depending upon the market. Kirkland retail and office rents are off 20%-30 from earlier highs. Kirkland is especially impacted by the weakness of many mom & pop tenants. As the retail world has changed, there are fewer traditional small, retail businesses. National businesses and the internet have reduced the types of businesses that can be successful small operators. Other than food uses, most small retail categories have contracted.

As you know, Kirkland has parking and traffic limitations that have often been discussed. These issues make it hard to draw national tenants that would help the City build critical retail mass.

As we've marketed retail space in Kirkland over the last several years, we have often had to turn away medical uses and quasi office uses. Vacant spaces don't help anyone; not the City, the Community, the other tenants nor the Landlords. From a Landlord's perspective many of the uses that the City forbids from ground floor space are often stable businesses that are good tenants.

The City could make Kirkland a more active, vibrant community by changing its zoning to allow more of these uses. While these businesses aren't the uses many Cities think of when they envision their downtown, they tend to be stable and their employees support the neighboring tenants. And, they are much better than vacant space. Also, many of these businesses are better suited as ground floor tenants in mixed use developments. A dentist, for instance, can live with parking behind or under his space much better than many other traditional retail uses.

Thanks for all your efforts on behalf of our Kirkland Community.

Best regards, Ernie



Ernie Velton
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May 3, 2010

To: Kirkland City Council
Mayor Joan McBride
Deputy Mayor Penny Sweet
Council Member Jessica Greenway
Council Member Dave Asher
Council Member Bob Sternhoff
Council Member Doreen Marchione
Council Member Amy Walen

RE: Downtown Retail Zoning

Dear Ms. McBride and Council:

I am representing a group of commercial property and business owners in downtown Kirkland in an effort to bring attention to the plight we face in the downtown core.

There has been an ongoing effort over the years to incentivize and encourage retail establishments in downtown Kirkland. The comprehensive plan envisions a diverse and active retail environment, but one that, we have not been able to achieve. Scores of meetings, consultants and well-intentioned City Councils, residents, staff and commercial property owners have all struggled to find the solutions to our under-performing downtown.

There is no simple solution to creating a vibrant downtown as we deal with a myriad of issues including our difficult access due to a street grid that has limited capacity, the lack of parking at peak times, our reliance upon “mom and pop” retail establishments (except banking) which are subject to high failure rates and our retail make-up which results in even our residents going to Redmond and Bellevue to shop and dine.

All of us want a mix of goods and services in our downtown core. Over the last couple of years there has been much discussion on the definition of “retail”. The Bank of America situation highlighted the ambiguity in the code and as a result the City adopted the new zoning code which narrowly defined retail uses for ground floor spaces in downtown Kirkland. The Kirkland Staff is currently drafting a plan that will further define acceptable retail uses in specific segments of downtown.

Several commercial property owners joined Joe Castleberry and me in meeting with the City Staff where we expressed our concerns about limiting retail uses in downtown Kirkland. We, as commercial property owners, have a bundle of rights that are being eroded in the face of difficult economic conditions. We contend that every new rule, mitigation fee and zoning restriction affects our ability to market and lease our properties and attract viable businesses to Kirkland.

We support a modification of the zoning code changes that were adopted last year. We would ask that the Staff include the following modification in their upcoming recommendations for downtown retail uses.

1. Retail uses for all areas of downtown except Park Lane shall include professional service and office uses. We visualize that these service businesses would have open window displays, inviting lobbies and not just blank wall facades. These service businesses would contribute to the environment that enables traditional retail to thrive. This change is what downtown Kirkland desperately needs. This provision would allow for physical therapists, chiropractors, dentists, architects and other professional office uses. We see no difference between these uses and a hair salon, nail salon or barber shop- all of which are permitted.
2. We would also ask that traffic mitigation or impact fees be reduced to enable prospective businesses to open in Kirkland. Our fees are currently a major impediment to new retailers. We understand that Kirkland Public Works is working on a project to change these fees to be a more shopping center or cluster oriented structure. If this study results in a substantial reduction in these impact fees, then we would applaud the effort. In 2007 Kirkland's road impact fee for general retail was 84 cents per square foot. In 2008 the impact fee increased to \$3.13 per square foot (an increase of 272%). The fee increased again in 2009 to \$3.49 per square foot (another increase of 11%). Restaurants were \$5.56 in 2007, \$19.78 in 2008 and \$22.04 in 2009 – a 400% increase in three years.

We don't believe these actions, restricting retail uses and increasing impact fees, are sending the message to prospective tenants that Kirkland is "open for business". Yes, with no Business and Occupation tax we hope to encourage business investment but the B&O tax is based upon revenue which is taxed once a business is operating. Impact fees are a capital cost which is much tougher for them to justify when opening a new location.

We contend that the addition of professional office uses in the downtown will do the following:

1. Fill currently vacant retail spaces with high-value tenants instead of vacant storefronts
2. These expanded office service uses will NOT add to the parking problem since they typically are not using parking during peak hours.
3. The expanded uses will add employees and clients to the daytime hours in downtown which is typically our slow period. And these employees and clients will support neighboring retail uses.
4. The expanded uses will also provide stable employment in the downtown at a time when office development is non-existent.

We'd all like to fill our downtown with cute shops and restaurants but that is not realistic. Our location and waterfront is a draw for the restaurants in our downtown but our infrastructure can only support so many of them. We can't accommodate an entire downtown of restaurants and cafes. Our local retail shops must compete with national

and regional retailers in dynamic area malls which include entertainment and a wide variety of shopping experiences. The market has clearly spoken to us about what can succeed in Kirkland.

We propose amending the staff report on ground-related retail uses to include professional service and office uses and also to request a substantial reduction in mitigation or impact fees.

We would welcome the opportunity to meet and discuss these issues at your convenience.

Thank you.

Andy Loos
Representing SRM Development for
Merrill Gardens at Kirkland
RD Merrill at 101 Kirkland Avenue