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# CITY OF KIRKLAND

## CITY COUNCIL



Amy Walen, Mayor • Penny Sweet, Deputy Mayor • Jay Arnold • Dave Asher  
Shelley Kloba • Doreen Marchione • Toby Nixon • 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.*

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### 2014 KIRKLAND CITY COUNCIL RETREAT I

Friday, February 21, 2014  
9:00 a.m. – 5:00 p.m.

Kirkland City Hall - Peter Kirk Room  
123 5<sup>th</sup> Avenue  
Kirkland, Washington

### AGENDA

- |  |                    |
|--|--------------------|
| 1. Call to Order   | 9:00 a.m.          |
| 2. Roll Call   |                    |
| 3. Agenda Overview and Housekeeping                        |                    |
| 4. Comprehensive Plan Update and<br>Draft Vision Statement | 9:20 – 10:45 a.m.  |
| 5. Break   | 10:45 – 11:00 a.m. |
| 6. Community Survey Update                                 | 11:00 – 12:00      |
| 7. Lunch   | 12:00 – 1:00 p.m.  |
| 8. Next Steps for City Hall                                | 1:00 – 2:00 p.m.   |
| 9. Public Meetings for City Council Committees             | 2:00 – 2:30 p.m.   |
| 10. Break  | 2:30 – 2:45 p.m.   |
| 11. City Council Topics of Interest                        | 2:45 – 5:00 p.m.   |
| 12. Adjournment  | 5:00 p.m.          |

Times provided are our best estimate.  
The order of items is subject to change during the Retreat.



**CITY OF KIRKLAND**  
Planning and Community Development Department  
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## MEMORANDUM

**Date:** February 6, 2014

**To:** Kurt Triplett, City Manager

**From:** Teresa Swan, Senior Planning  
Paul Stewart, AICP, Deputy Planning Director  
Eric Shields, AICP, Director

**Subject:** COMPREHENSIVE PLAN UPDATE, CAM13-00465, SUB-FILE #9

### I. RECOMMENDATION

Staff recommends that the City Council reviews the following and provides comments where noted:

- Data Collection: **Development Capacity Analysis, Draft Community Profile and ARCH Housing Needs Analysis.**
- Draft **Vision Statement** and new draft **Guiding Principles** (replacing the existing Vision Statement and Framework Goals). *Council to provide comments.*
- Review of the **Element Chapters** and Plan Update **Schedule.** *Council to provide any comments on issues for the Land Use Element and the Economic Development Element.*
- Summary of the **neighborhood plan meetings.**
- Preliminary land use topic areas to be part of a **growth alternative** concept addressed in the Environmental Impact Statement. *Council to provide comments.*

### II. DATA COLLECTION

In 2013, staff worked on the following data collection and analysis needed to be completed for the Comprehensive Plan Update.

#### **Development Capacity Analysis and Chart**

Over the past year, the Geographic Information Systems (GIS) and Planning Departments have been working on the development capacity analysis to determine if the City will meet its 20 year housing and employment growth targets allocated by the King County Countywide Planning Policies. The **Development Capacity Analysis report** (see Attachment 1) provides the methodology and data used to determine if Kirkland can meet its allocated growth targets. The analysis looked at the City's existing

planned land use and zoning, and current vacant and redevelopable properties. The results of the analysis are documented in the **Development Capacity Chart** (see Attachment 2) and include a breakdown by neighborhood. Based on the analysis and data, the City can meet its 20 year targets as adjusted for the planning period of 2013-2035 which are:

Housing Targets: 8,361 units

Employment Targets: 22,435 jobs

This means that the City does not need to change its Land Use Map/Zoning Map or development regulations in order to meet its housing and employment targets. However, there may be other reasons to look at land use changes, such as promoting growth adjacent to transit centers and transit corridors; encouraging more mixed use and pedestrian friendly development; or changes that complement the Cross Kirkland Corridor.

### **Community Profile and ARCH Housing Needs Analysis**

The GIS and Planning and Community Development Departments have prepared an update of the 2004 Community Profile. The new draft 2013 Kirkland Community Profile provides the best available baseline population, demographic, housing, employment, land use data and historical trends for Kirkland and, in many cases, compares to King County, Seattle and five other Eastside cities. Due to the length of the document, Staff has provided a link to the draft [Community Profile](#). Attachment 3 is a summary of the key findings in the Community Profile largely from the 2010 U.S. Census information. Some of the information is reflected in tables and text in the Introduction, Land Use, Housing and Economic Development Elements of the Comprehensive Plan update.

Over the next few months, Planning staff will add a section on existing transportation conditions, include some additional maps and make some minor revisions. Also, we will add information from the 2006-2011 Buildable Lands report for Kirkland that is now being prepared. The report summarizes the number of new dwelling units, total square footage of new non-residential space, number of new lots created through subdivisions and other information that tracks progress toward achieving the growth targets.

*A Regional Coalition for Housing* (ARCH) has provided the City with a memo describing the results of the housing needs assessment prepared for East King County and member Eastside cities. The purpose of the December 18, 2013 [Housing Analysis](#) is to provide consistent data and analysis to member cities to assist in the updates of local comprehensive plans. Section II of the assessment is specific to Kirkland and describes existing housing supply, housing demand and demographic information that will be useful in preparation for the update of the Housing Element. It may be of interest to the Council to have a briefing on the Housing Assessment from ARCH.

### **III. 2035 VISIONING CONVERSATIONS**

The Kirkland 2035 Visioning Conversations were held in October and November 2013 with Finn Hill Association holding their conversation in January 2014. Over 700 people attended the 19 visioning exercise events.

The community visioning events started with a **presentation** to provide background information and context on the Comprehensive Plan Update. A brief **visioning video**, narrated by City Manager Kurt Triplett followed. A Wordle exercise was done as a warm-up to the group discussions in which each participant wrote down one word that represented what they wanted Kirkland to be in the year 2035. Participants were then seated around tables with different **topic discussions** that included land use, economic development, transportation, housing, community character and environmental stewardship. The visioning questions addressed the Plan's key elements.

The most common words (shown in the largest font size) reflected in the cumulative **Wordle** through the Finn Hill neighborhood association meeting (see Attachment 4) are in the following order:

1. Green
2. Vibrant, Walkable Livable
3. Accessible and Sustainable
4. Friendly and Healthy
5. Connected, Progressive, Natural and Unique

Staff recorded all of the Kirkland 2035 Conversation comments made during the discussion groups and summarized them into main themes (see Attachment 5) by topic areas (land use, economic development, transportation, housing, community character and environmental stewardship) in the order of most common comments.

As discussed below, staff and the Planning Commission used the cumulative Wordle and the main themes as a basis for preparing a revised Vision Statement and new Guiding Principles.

### **IV. DRAFT VISION STATEMENT AND DRAFT NEW GUIDING PRINCIPLES**

*The Chair of the Planning Commission has been invited to present the Planning Commission's draft Vision Statement and draft new Guiding Principles. Other Planning Commissioners have also been invited to attend and respond to comments or questions.*

With completion of the community visioning phase, the Planning Commission was ready to move forward with review of the Comprehensive Plan Update. They began with review of the Vision Statement and Framework Goals Chapter that sets the foundation for the remaining Element Chapters of the Plan.

The existing [Vision Statement](#) is a two-page verbal description of Kirkland in the year 2022 that summarizes the desired characteristics for our community planning and

development efforts. The existing Vision Statement is also a descriptive narrative of the 17 [Framework Goals](#) that follow. The Framework Goals restate the goals and policies found in the general Element Chapters. They both reflect the same key planning themes and both are overly long.

The City Council asked staff to reduce the length of both the Zoning Code and Comprehensive Plan by consolidating information and looking for ways to be more succinct. Over the years both documents have continued to grow in length. Surveying other local city vision statements and overarching framework goals or principles as a comparison, the statements, framework goals and principles are brief.

### **Vision Statement**

On December 12, 2013, the Planning Commission reviewed the cumulative Wordle (see Attachment 4) and main themes (see Attachment 5) from the Kirkland 2035 Vision Conversations and gave staff direction to prepare a shortened **Vision Statement** based on the Kirkland 2035 Visioning Conversations. The objective was to create an easily readable, to the point, and clear Vision Statement.

On January 9, 2014, staff presented the Planning Commission with a shortened Vision Statement. The Planning Commission made some minor changes to staff's draft and agreed on the revised draft Vision Statement found below. If you compare the revised Vision Statement with the existing [Vision Statement](#), you will find generally similar themes with the exception of the new terms "green" and "sustainable." Another difference is that the new statement doesn't make a reference to Kirkland as a community with a "small town feel." Commission members felt the city is becoming more urban.

#### **Revised Draft Vision Statement**

*Our vision is for Kirkland to be the most livable city in America. Kirkland is a vibrant, attractive and desirable place to live, work and play. We honor our rich heritage while embracing the future. Safe, walkable, bikeable and friendly neighborhoods are connected to thriving business districts, employment centers, schools, parks and our scenic waterfront. Diverse and affordable housing is available throughout the city. Convenient transit service provides a viable alternative to driving. As a green community, we value our natural environment and strive to be a model sustainable city. Civic engagement, innovation and diversity are highly valued. We are respectful, fair, and inclusive.*

Attachment 6 is a **public comment email** on the Draft Vision Statement. Karen Story suggests that "most livable city" be changed to "one of the most livable cities." She also asks in what ways we are respectful, fair and inclusive (employment, housing, other?).

***\*Staff recommends that the City Council review the draft vision statement and provide guidance for desired revisions.***

### **Guiding Principles**

On December 12, 2013, the Planning Commission directed staff to delete and/or combine many of the existing **Framework Goals** and have them reflect the comments from the Kirkland 2035 Visioning Conversations. Several Planning Commissioners suggested that the Framework Goals be more visionary and action oriented.

On January 9, 2014, staff suggested that the Framework Goals be replaced with aspirational community principles reflective of the Kirkland 2035 Visioning Conversations. The existing 17 Framework Goals are a restatement of what is already addressed in the goals and policies found in the individual elements so these overarching goals could be replaced with more general guiding principles.

With one minor change to the staff draft, Planning Commission agreed on the nine Guiding Principles formulated around three main themes as found below:

**New Draft Guiding Principles  
(to replace Framework Goals)**

**I. Livable**

**Quality of life:** well-maintained neighborhoods, public safety, parks, open space and recreational facilities, lake access, community gathering places and activities, excellent schools, access to services, and healthy life choices.

**Diverse and Affordable:** residential neighborhoods and business districts for a variety of incomes, ages and life styles.

**Community Design:** High quality and attractive architectural design and landscaping, and preservation of historic buildings and sites.

**II. Sustainable**

**Ecological:** natural systems and built structures that protect habitats, create a healthy environment, and promote energy efficiency.

**Economic:** a vibrant economy offering choices in jobs, stores, services and entertainment.

**Social:** basic health and human services that fulfill the needs of all people without regard to income, age, race, gender or ability.

**III. Connected**

**Sense of Community:** community involvement in government, schools, civic events and social service programs that creates a sense of belonging through shared values.

**Accessible:** walkable and bikeable neighborhoods within short distance to nearby destinations used on a daily basis, an interconnected system of well-maintained and safe roads, bike and pedestrian paths across the entire city and convenient access to transit.

**Technology:** reliable, efficient and complete systems for residents and businesses to be connected, informed and involved.

***\*Staff recommends that City Council discuss the revised draft Vision Statement and new Guiding Principles to see if they agree with the new shortened approach, the themes addressed and specifics of the text.***

## V. REVIEW OF THE ELEMENT CHAPTERS

The Planning Commission has completed its review of the Vision Statement and Framework Goals Chapter and has now begun its review of the remaining Elements Chapter, starting with the Land Use Element. Following the Land Use Element, the Planning Commission will review the Economic Development, Housing and Natural Environment Elements and then move onto the other Element Chapters.

As part of its review of the 14 Element Chapters, the Planning Commission must consider the requirements of the [GMA Comprehensive Plan Update](#) for consistency with:

- The State Department of Commerce's [Comprehensive Checklist](#) for GMA statutory requirements adopted since 2003;
- Puget Sound Regional Council's [Vision 2040](#) and [Transportation 2040](#); and
- King County [Countywide Planning Policies](#)

The Planning Commission will also consider the comments from the 2035 Visioning Conversations and the neighborhood plan meetings, the [City Council Goals](#), Smart Growth Principles (see Attachment 7) and other planning principles. In addition, the latest annexation area will be considered in review of the existing policies and any new policies.

The approach for the Planning Commission's review of the Element Chapters in the Plan is to allocate three to four meetings over three months for each of the more complex elements that involve policy issues (Land Use, Transportation, Economic Development, and Housing) and two to three meetings over two months for the less complex elements (Natural Environment, Parks, Public Services, Utilities, and Human Services). Review of several elements would occur at the same time.

### **Land Use Element**

On [February 13, 2014](#), the staff presented a summary of the existing Land Use Element (see Attachment 8) and a list of key policy issues to the Planning Commission. The Planning Commission provided feedback that will allow staff to begin the updates. It should be noted that the updates to the Land Use Element will be an iterative process as the City progresses on the following parallel processes:

- Neighborhood Plan discussions
- Public input
- Industrial Lands Study
- EIS analysis of growth alternatives

### **Economic Development Element**

The Planning Commission is scheduled to discuss in Economic Development Element in March 2014. A summary of the element is provided in Attachment 9. To gain a sense of potential key issues or questions that should be studied with the Element Chapter, City planning and the economic development staff conducted the following outreach activities with the business community:

- Met with the City Council Planning and Economic Development Committee to brief them on the update process and discuss potential study issues.
- Attended the Kirkland Business Roundtable on January 22, 2014, to lead a panel discussion and instant polling exercise with attendees to respond to a series of questions related to the existing goals and policies in the element such as *What is the City's role in Economic Development?* Approximately 35 people attended the meeting. Here are the results of the [polling](#) including the questions from the Kirkland Business Roundtable.
- Met with the Kirkland Chamber of Commerce Policy Committee on February 3, 2014, to brief them on the existing element, discuss implementation strategies completed or in progress since the last major Comprehensive Plan Update in 2004 and facilitated a discussion on questions related to the element. The Committee will provide input on the existing element and ideas for potential changes.

Any potential changes to this element will be closely coordinated with the results of the Industrial Lands Study, Totem Lake Neighborhood Plan update, and the Land Use and Transportation Chapter Elements.

***\*Staff recommends that City Council provide staff with any issues that they want to be studied as part of the update of the Economic Development Element.***

### **Transportation Element**

The Transportation Commission, the Public Works Department and the City's consulting firm of Fehr and Peers are working on the Transportation Master Plan (TMP). Revisions to the Transportation Element will follow from the TMP. The Planning Commission will work closely with the Transportation Commission and the Public Works Department on the revisions to the Transportation Element. As a starting point, on February 13, 2014, the Public Works Department and the chair of the Transportation Commission presented the work done so far on the TMP to the Planning Commission.

## **VI. COMPREHENSIVE PLAN UPDATE SCHEDULE**

Staff has developed a general overall **timeline** (see Attachment 10) for the Plan Update that began in the summer of 2013 and will end in the late spring of 2015.

Below is the **schedule** for review the elements, amendments to the neighborhood plans and potential Zoning Code amendments in preparation of the Draft Plan (schedule is subject to change):

## 2014

Element Chapter	PC Review	CC	HCC	Trans C	Parks B
Vision/Framework Goals	Dec-Jan	Feb	Feb	Feb	March
Land Use (and Growth Alternatives/G.A.)	Feb-April	April	April	April	
Economic Development	April-June		June		
Natural Environment	April-June		June		
Housing	April-June		June		
Parks	June		July		July
Community Character	June-July		Aug		
Introduction	June-July		Aug		
General	June-July		Aug		
Human Services	July-Aug		Sept		
Public Services	Sept-Oct		Oct		
Utilities	Sept-Oct		Oct		
Transportation	Aug-Oct	Oct	Sept-Oct	Sept	
Capital Facilities	Sept-Oct	Oct	Oct	Sept	
Totem Lake Plan	Jan-Oct	Oct	N/A		
Neighborhood Plan edits	March-Oct	April check in	Aug-Sept		
Code Amendments	April-Oct		Sept-Oct		

Below is a **description of the overall process** for development and approval of the Plan Update:

- Staff prepares issue papers for each element.
- Planning Commission discusses the issues and then provides direction to staff.
- Staff prepares draft revisions to each element and Planning Commission provides comments.
- Staff prepares any applicable Zoning Code amendments for Planning Commission and Houghton Community Council review.
- Joint meeting with the Planning Commission and Transportation Commission on Transportation Element.
- Houghton Community Council reviews draft revisions from the Planning Commission.
- Check-ins with City Council on Vision Statement/Framework Goals, Land Use and Transportation Elements. EIS land use alternatives, neighborhood association issues and other policy issues.
- Staff prepares final drafts of each element based on City Council, Planning Commission and Houghton Community Council direction. This becomes the Draft Plan.
- Once the Draft Plan and Draft Environmental Impact Statement are issued, public comments are accepted on the documents. Planning Commission and Houghton Community Council hold hearings on the Draft Plan and the SEPA Official (Planning Director) holds hearing on the Draft EIS.
- Planning Commission and Houghton Community Council make recommendations on Draft Plan and applicable Zoning Code amendments.

- Final EIS is prepared that responds to comments on the Draft EIS and may include revisions to the Draft Plan.
- Planning Commission and Houghton Community Council review public comments addressed in Final EIS and make recommendations on Final Draft Plan to City Council.
- City Council considers Final Draft Plan and applicable Zoning Code amendments.

One task that may impact our ability to meet the above schedule is the update of **neighborhood plans**. We will need to consider carefully the extent and scope of any changes to the neighborhood plans that can be done with the Comprehensive Plan Update. The State GMA requires revisions to the neighborhood plans be consistent with goals and policies in the citywide elements. Also, availability of the Planning Commission's meeting schedule is another issue that could affect the schedule. In 2014, the Planning Commission will also be reviewing amendments on miscellaneous code amendments, CKC development regulations, parking standards and marijuana regulations.

The State deadline for completion of the Comprehensive Plan Update is **June 30, 2015**, which may be extended provided that a jurisdiction has made progress on the Plan Update.

## **VII. NEIGHBORHOOD PLAN MEETINGS**

The City held a series of four meetings in January and February 2014 with the community to discuss any concerns about the adopted neighborhood plans and for the annexation area, vision for their neighborhood and what they would like to see in a neighborhood plan. The format of the meetings included a staff presentation on what is a neighborhood plan and what is its relationship to the Element Chapters of the Plan and the development regulations, followed by break out groups to discuss each adopted neighborhood plan or future plan.

The following meetings were held:

- January 28: Houghton, Everest, Lakeview
- January 30: Moss Bay, Market, Norkirk and Highlands
- February 11: North and South Rose Hill, Bridle Trails and Totem Lake
- February 19: Juanita, Finn Hill and Kingsgate/Evergreen Hill

At the retreat, staff will report out how the meetings were received, the general nature of the comments and the number of people who attended.

Staff will review the comments over the next month and then categorize them as:

- Potential neighborhood plan amendment to be considered as part of Comprehensive Plan Update;
- Potential amendments to be considered for a future Planning work program, CIP project or other City project;
- Issues already addressed in the Plan, current development codes, CIP or City policy; and

- Amendments that are not feasible or desirable.

Both the City Council and the Planning Commission will have an opportunity to review the list of comments and how staff categorizes the comments from the neighborhood meetings and then provide direction to staff. Between mid-May and mid-June, staff will report back to the neighborhood associations.

### **VIII. GROWTH ALTERNATIVE IN ENVIRONMENTAL IMPACT STATEMENT**

An Environmental Impact Statement will be prepared for the Comprehensive Plan Update. The EIS will evaluate impacts of the Plan Update.

The current land use plan with existing zoning will serve as the baseline or “no action alternative”. The City will contract for professional consulting services to assist in the preparation of the EIS. Preliminarily, staff has identified four conceptual land use issues to be studied in the EIS as a **growth alternative** concept to the “no action alternative”:

1. Neighborhood Business Centers: Consider certain of these centers for more intensive development. Except those in the newly annexed areas, these centers are serviced by major bus routes that provide frequent all day service and have bike lanes and sidewalks nearby. Other than Juanita Village, these centers are currently developed with one story buildings and surface parking lots.
2. 6<sup>th</sup> Street LIT and Totem Lake: Consider a broader range of uses in certain identified areas to respond to current and future market trends. A consultant is currently preparing the Industrial Lands Study to consider policy issues for these areas (see discussion on the Totem Lake Business District Update later on the agenda). The study is attentively scheduled for review by the City Council on March 3, 2014. Once the City Council provides direction following the study, staff will refine the scope of this part of the growth alternative concept in the EIS (see Attachment 11 – maps of areas listed below):
  - Area 1 – 6<sup>th</sup> Street LIT (Light Industrial Technology zoned area east and west of Cross Kirkland Corridor/CKC)
  - Area 2 – Totem Lake’s Parmac area (TL 10B-TL 10E)
  - Area 3 – -Totem Lake’s TL 7 and TL 9A
    - a. TL7 – north of NE 124<sup>th</sup> Street and south of CKC
    - b. TL 7 – east of 132<sup>nd</sup> Place NE and north of CKC
    - c. TL 9A
  - d. Cross Kirkland Corridor: Look at the properties along the corridor to determine if any changes should be made to the permitted uses, intensities and densities to encourage uses that support and promote use of the corridor.

- e. Near transit stations and along transit corridors: Consider increases in intensities and densities that support transit ridership.

These four topic issues could make up the growth alternative studied in the EIS. The environmental impacts of potential changes to these four study areas need to be assessed if amendments are proposed. The Plan Update EIS would be an appropriate and timely environmental document to assess those impacts. Scoping will be done to identify potential issues to be addressed with the EIS.

***\*Staff recommends that City Council discuss the potential topics for a growth alternative concept to be studied in the EIS and provide comments to staff.***

Attachment 1: Development Capacity Analysis

Attachment 2: Development Capacity Chart

Attachment 3: Community Profile Summary

Attachment 4: Cumulative Wordle from the 2035 Visioning Conversation

Attachment 5: Main Themes from the Kirkland 2035 Visioning Conversations

Attachment 6: Karen Story email dated 2/2/2014 concerning the Draft Vision Statement

Attachment 7: Smart Growth Principles

Attachment 8: Summary of Land Use Element

Attachment 9: Summary of Economic Development Element

Attachment 10: Comprehensive Plan Update Timeline

Attachment 11: Study area maps



## CITY OF KIRKLAND

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### Development Capacity Analysis 02/06/2014

Under the Growth Management Act, Kirkland is required to plan for 20 year housing and employment growth targets allocated by the King County Countywide Planning Policies. The City must document that the Comprehensive Plan and development regulations allow the targets to be met. This development capacity analysis, prepared by the City's Geographic Information System (GIS) and Planning Departments, provides the methodology and data used to determine that Kirkland can meet its allocated growth targets.

#### Growth Targets

Kirkland has been assigned housing and employment growth targets through the King County Countywide Planning Policies (CPP's). The Growth Management Act requires the City to plan to accommodate the targets. The assigned targets per the CPP's are for the period 2006-2031. Since a significant portion of that period has passed and since the 20 year planning period of the Comprehensive Plan extends beyond 2031 to 2035, the assigned targets have been adjusted to reflect the period 2013- 2035. The adjustment involved extending the targets for three years by an amount equal to the average growth rate represented by the targets and subtracting the growth that already occurred between 2006 and 2012. The resulting targets are:

Housing Target: 8,361 units  
 Employment Target: 22,435 jobs

#### Summary of Analysis

The land capacity analysis documented by the Development Capacity Chart (see Attachment 2) shows that the City has more than enough capacity to accommodate the growth targets:

Housing Capacity: 9,516 housing units  
 Employment Capacity: 22,944 jobs

Furthermore, using an alternative methodology developed by King County for designated Urban Centers, additional capacity was calculated for the Totem Lake Neighborhood. This resulted in the following city-wide capacity:

Housing Capacity: 15,831 housing units  
 Employment Capacity: 51,758 jobs

## Methodology

The capacity analysis was prepared as a computer program using the City's Geographic Information System and was based largely on King County Assessor's data (updated where errors were found). Following is a summary of the inputs used in the analysis:

- Certain parcels were entirely eliminated from consideration, for example:
  - Parks and public lands;
  - Access and utility tracts;
  - Churches;
  - Condominium developments, regardless of density;
  - Parcels less than 2500 SF;
  - Parcels with a width < 25 ft.
  - Parcels completely contained in wetlands and stream buffers; and
  - Developed waterfront parcels
  
- Remaining parcels were divided into three categories:
  - Vacant – parcels with no existing development;
  
  - Redevelopable – parcels that are developed at less than the full zoned potential and which are considered likely to redevelop.
    - In mixed use zones, redevelopability is determined by the value of improvements relative to the value of the land. Parcels are categorized as redevelopable if the assessed improvement value is <50% of land value. For example, a parcel with a land value of \$1,000,000 would be considered to be redevelopable only if the improvement value is less than \$500,000. However, for the Totem Lake zones, an alternative methodology, developed by King County for Urban Centers, was also used. In this alternative, property is considered redevelopable if the intensity of existing development is less than or equal to 25% of the development intensity allowed by the zoning. As noted previously, this alternative yields a far greater capacity.
    - Single family parcels were redeveloped regardless of improvement value if the parcel is large enough to be subdivided into three or more lots. Properties large enough to be divided into two lots were only redeveloped if the improvement value is <50% of land value.
    - Multi-family parcels were only redeveloped if existing density is  $\leq$  60% of the zoned density, regardless of improvement and land value. Properties with condominiums were not redeveloped regardless of density;
  
  - Developed – currently developed and not likely to redevelop.
  
- For each zoning district, a likely level of development was established based on zoning regulations and recent development history. The development levels are expressed in floor area ratios (for nonresidential uses), units/acre (for multifamily and some single family residential) and minimum lot sizes (for other single family). For redevelopable parcels, the existing development was subtracted from the total new development to determine the net new development;

- Density was reduced on all parcels with mapped environmentally sensitive areas and buffers;
- For single family zones, lands with slopes >25% were eliminated before calculating the potential for subdivision;
- Prior to calculating the capacity for each parcel, the parcel size was reduced to account for estimated average right of way dedications and land acquisition for parks or other public facilities: 5% for single family parcels, 2% for all others.
- To account for the likelihood that not all potentially redevelopable land will be made available for redevelopment due to "market factors", the number of vacant parcels was reduced by 5% and the number of redevelopable parcels was reduced by 10%.
- Employees were calculated as follows:
  - For office and commercial (retail) uses, employees were calculated assuming: 4 employees/ 1000 SF for office uses, and 2 employees/ 1000 SF for commercial uses. No parcels were developed with industrial uses since office uses are the typical form of new development in industrial zones.
  - For institutional uses (Evergreen Health, Lake Washington Institute of Technology and Northwest University), employees were determined based on conversations with the institutions.
  - For home based businesses, employees were calculated based on the current number of employees reported in home occupation business license applications as a ratio to existing housing units.

### **Allocating Growth to Transportation Analysis Zones**

After calculating capacity, it was necessary to allocate growth to Transportation Analysis Zones (TAZs). TAZs are small geographical areas best suited to analyzing traffic. Since capacity is calculated at the parcel level, it is a simple matter to aggregate capacity from parcels to TAZs. However, rather than assume that development in 2035 will occur at capacity levels, for planning purposes it is assumed that growth will occur at target levels. Therefore, in distributing growth to TAZs it was also necessary to adjust the capacity figures to target levels. The process used included the following steps:

- The capacity figures used were those derived from the more conservative methodology common to all neighborhoods, rather than the special methodology for Totem Lake;
- The capacity figures were reduced by 5% to account for presumed vacancies. This resulted in 704 more dwelling units and 585 fewer jobs than the targets;
- The 704 excess dwelling units were removed to TAZs proportionately to TAZ capacity;
- The entire 585 jobs shortage was added to TAZs in Totem Lake since the special capacity methodology for Totem Lake showed excess capacity there.

City of Kirkland Development Capacity (01/14/2014)

Neighborhoods	COMERCIAL (SqFt)	OFFICE (SqFt)	INDUSTRIAL (SqFt)	INSTITUTION (New Employee)	RESIDENTIAL SF DU	RESIDENTIAL MF DU	MRKT COMERCIAL	MRKT OFFICE	MRKT INDUSTRIAL	MRKT SF	MRKT MF	New Employee	Employee with 5% Vacancy	New Units (SF)	New Units (MF)	New HH (Total)	HH with 5% Vacancy
Bridle Trails	-5,369	0	0		120	171	-4,832	0	0	108	153	7	6	108	153	261	247
Central Houghton	2,604	3,907	0	43	108	22	2,473	3,516	0	103	21	70	68	97	21	118	112
Everest	2,388	367,785	-136,038		23	213	2,150	331,743	-122,434	21	191	1,137	1,080	21	191	212	201
Finn Hill	1,963	31,747	0		866	132	1,865	29,067	0	785	120	181	171	785	120	905	859
Highlands	0	0	0		52	20	0	0	0	46	18	4	3	46	18	64	60
Kingsgate	36,660	-6,025	0		385	568	32,994	-5,423	0	349	511	103	97	349	511	860	817
Lakeview	138,831	245,897	0		18	786	125,615	221,419	0	15	731	1,187	1,127	15	731	746	720
Market	310	44,285	0		34	44	279	40,035	0	29	39	164	155	29	39	68	64
Moss Bay	300,231	1,604,732	-28,532		1	1,405	300,656	1,580,272	-25,679	1	1,264	6,964	6,615	1	1,264	1,265	1201
Norkirk	-11,026	212,029	-24,061		75	-23	-9,923	190,042	21,655	68	-21	710	674	68	-21	47	44
North Juanita	26,241	124,912	-10,628		127	547	23,616	112,421	-9,565	114	491	521	494	114	491	605	574
North Rose Hill	36,899	603,174	-48,740	110	281	385	33,209	544,029	-43,866	253	346	2,318	2,207	253	346	599	569
South Juanita	523	79,444	0		192	429	497	71,786	0	172	407	327	310	172	407	579	559
South Rose Hill	458	173,653	0		151	167	412	156,287	0	135	150	644	611	135	150	285	270
Totem Lake	577,578	1,709,597	-40,138	1,112	0	3,185	551,772	1,562,354	-33,479	0	2,902	8,607	8,232	0	2,902	2,902	2768
<b>Total</b>	<b>1,108,291</b>	<b>5,195,137</b>	<b>-288,137</b>	<b>1,265</b>	<b>2,433</b>	<b>8,051</b>	<b>1,060,783</b>	<b>4,837,549</b>	<b>-213,368</b>	<b>2,199</b>	<b>7,323</b>	<b>22,944</b>	<b>21,850</b>	<b>2,193</b>	<b>7,323</b>	<b>9,516</b>	<b>9065</b>

	Housing Units	Employment
Kirkland Growth Targets:	8,361	22,435

Totem Lake Alternative\*

Totem Lake (Alt)	830,202	9,852,833	-948,405	1,112	0	10,202	779,133	8,891,266	-850,919	0	9,217	37,421	35,605	0	9,217	9,217	8767
<b>Total (Alt)</b>	<b>1,360,915</b>	<b>13,338,373</b>	<b>-1,196,404</b>	<b>1,265</b>	<b>2,433</b>	<b>15,068</b>	<b>1,288,144</b>	<b>12,166,461</b>	<b>-1,030,808</b>	<b>2,199</b>	<b>13,638</b>	<b>51,758</b>	<b>49,223</b>	<b>2,193</b>	<b>13,638</b>	<b>15,831</b>	<b>15,064</b>

\*In consideration of Totem Lake's designation as an Urban Center, in this alternative version, TLBD parcels are classified as redevelopable if the amount of existing development is less than 25% of the maximum permitted development.



**Kirkland At A Glance**

- **Incorporated:** 1905
- **City government:** City council/city manager; 544 permanent staff (December 2013)
- **Area:** 17.81 square miles (June, 2011)
- **Population:** 81,730 (April, 2013)
- **Rank:** thirteenth largest municipality in Washington State; sixth largest in King County (2013)
- **Miles of streets, highways:** approximately 300 miles (includes private streets and some driveways)
- **Elevation range:** ~15' to ~535' above sea level
- **Real property parcels:** approximately 24,200
- **Neighborhoods:** Fifteen, represented by thirteen neighborhood associations
- **Single family zoning:** 53% of city (2013)
- **Multifamily housing zoning:** 9% of city (2013)
- **Commercial/office/industrial/institutional zoning:** 10% (2013)
- **Parks/open space:** 8% of city (2013)
- **Right of way:** 20% of city (2013)

**Demographics**

- **Population growth:** 1,354 (1920); 8,451 (1960); 48,787 (2010); 81,730 (2013)
- **Minority population:** 10,095 (2010); 21% of total population
- **Median age:** 37.5 (2010)
- **Junior and senior population:** 9,155 less than age 18; 5,299 65 and older (2010)
- **Households:** 22,445 total; 12,014 family, 10,431 non-family (2010)
- **Average household size:** 2.15 (2010)
- **Median household income:** \$87,005 (2010-2012 average)
- **Households below poverty level:** 1,262; 6% of total (2010)

**Economy**

- **Property assessed valuation:** \$4.9 billion (2000); \$11 billion (2010); \$13.9 billion (2013)
- **Largest employer:** Evergreen Healthcare; 2,603 employees (2013)
- **Total employment:** 30,942 (2010)
- **Employment target:** 22,435 jobs (2013 - 2035) (CPP'S)
- **Future employment forecasts:** 47,363 jobs (2020); 58,721 jobs (2030) (PSRC)
- **Employment growth capacity:** 22,944 additional (2035)
- **Employee distribution:** Average 2,100 jobs/neighborhood; Totem Lake Neighborhood 12,000 jobs; Highlands Neighborhood 100 jobs
- **Kirkland residents who work in Kirkland:** 28,573 (2010)
- **Number of business licenses:** 4,688 (May, 2013)
- **Home business licenses:** 1,972 (May, 2013)
- **City government revenues:** \$97.7 million (2012)
- **Sales tax generated:** \$14.8 million (2012)
- **City permit valuation:** \$41 million (2011)
- **Office vacancy rate:** 8.2% (2012)

- **Housing units:** 37,221 (2013)
- **Housing unit growth:** 51% increase from 1990 to 2013
- **Housing growth targets:** 8,361 (2013 - 2035) (CPP'S)
- **Housing unit growth capacity:** 9,516 additional
- **Housing unit types:** 21,068 single family, 16,067 multifamily (2013)
- **Median rent:** \$1,345 (2010)
- **Rental vacancy rate:** 3.6% (2010)
- **Average home price:** \$403,313 (2012)
- **Household occupation:** owner-occupied 12,813; renter-occupied 9,632 (2010)
- **Rental expenditure:** 25% of renters spend more than 30% of income on housing
- **Mortgage expenditure:** 30% of owners spend more than 35% of income on housing
- **Households in poverty:** 457 family households and 805 other households (2010)
- **Residential density (range by neighborhood):** Moss Bay Neighborhood 25 units/acre (highest); Bridle Trails Neighborhood 2.6 units/acre (lowest)

## Resources

- City of Kirkland (WA). 2013. 2005. 2004 *Community Profile*.
- State of Washington Office of Financial Management (Forecasting Division). 2013. *2013 Population Trends*.
- Puget Sound Regional Council. 2013. *Regional Centers Monitoring Report*.
- Puget Sound Regional Council. 2009. *VISION 2040*.
- <http://www.census.gov/hhes/www/income/data/historical/dollars.html>
- [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)
- A Regional Coalition For Housing. 2011. *Housing 101: East King County*.

For a copy of the full 2013 *Community Profile* go to: <http://www.kirklandwa.gov/communityProfile2013>.





## VISIONING THEMES FOR KIRKLAND 2035 CONVERSATIONS

Thru 1/15/14

### Land Use

#### • General

- Plan land use around **transit**, light rail, mass transit and transportation centers & consider traffic impacts when planning (14)
- **Balance growth** while maintaining natural environment and sustainability (13)
  - **Live close to work**
  - Allow greater density in areas near **transit** and transportation centers and **walkable** areas
- **Transitions** between commercial and residential important (10)
- Require adequate **parking** for businesses (7)
- **Diversity of housing** and innovative housing (5)
- **Meet growth** with current zoning; keep growth in scale with neighborhood (4)
- Value **single family home** neighborhoods (4)
- Increase **small businesses and home businesses** (3)
- **Focus growth** in mixed use centers but establish transit before development (2)
- Encourage shopping areas within **walking distance** of home (1)
- **Disperse growth** to all around city (2)
- **Concentrated and vertical** to retain open space (2)
- Add housing in **light industrial** areas (1)
- Keep areas zoned for **horses** (1)
- **Focus growth** in CBD and Totem Lake (1)
- **Buildings not too tall** (over 3 stories) in Fill Hill and don't impact traffic (1)
- Concentrate **big box growth** along major arterials and not in neighborhoods (1)
- **Transform strip malls** into mixed use urban villages like U-Village (1)
- **Redevelop parking lot** at QFC center on Juanita Drive in north Finn Hill (1)
- **Look to other cities** on how to handle density (Carmel, Cal; Boston Commons, open space between buildings, European villages) (1)

#### • Totem Lake

- **Concentrate growth** for both housing and jobs (12)
- Improve **traffic flow and pedestrian connections** (12)
- Design like **Juanita Village** near transit, smaller housing units, anchor store (8)
- Add major **recreation facilities**, movie theater, condos, apartments around the lake (8)
- Will become the **city center** (7)
- Connections to **CKC** (3)
- Develop **Totem Lake Master Plan** (3)
- Maintain **industrial uses** (2)
- **Buildings** should be increased to 30-40 stories (1)

## ATTACHMENT 5

- Add **public investments** to help redevelop area (1)
- Provide **circular bus** around Totem Lake (1)
- Add **dining opportunities** around Evergreen Hospital (1)
- Redevelop **Totem Lake West** (QFC and Value Village) (1)
- Increase **stores** around hotels (1)
- **Downtown**
  - Maintain quality of Downtown with **lower buildings**; water related activities, restaurants, farmers markets, entertainment, and historic buildings (8)
  - Redevelop **Park Place like University Village** with larger grocery store, offices, condos, theater (live, work, play) (5)
  - Increase **diversity of businesses** (3)
  - Rename **Central Business District to Waterfront District** (1)
  - **Paint** buildings in bright colors like Portofino (1)
- **Disperse growth in neighborhood business districts**
  - Focus growth in series of concentrated **mixed use villages** in commercial areas in each neighborhood appropriate in scale (23)
  - Each neighborhood district should have **basic goods and services**, such as grocery stores and be walkable and transit available, small urban areas (20)
  - **Pedestrian connections** to neighborhood centers important (10)
  - Allow **increased density in commercial centers** so existing residential densities surrounding the centers can stay same density as now. (9)
  - **Bridle Trails shopping center** – some owners encourage redevelopment (7)
  - Shopping centers need to be balanced with **jobs and services** (5)
  - Storefronts on the street to create a more **pedestrian friendly** atmosphere (4)
  - Incentives for **grocery stores** to stay or locate (4)
  - **Major industries** should be in concentrated area; not neighborhood centers (3)
  - **No big box**, more smaller stores (3)
  - **Houghton shopping center**- redevelop to allow to go up (3)
  - Juanita could allow **taller buildings** (1)
  - **Increase height of shopping centers** where 1 story increase to 3 stories with retail/office on ground floor and residential above like Juanita Village (1)
  - Provide more background on the **existing and growth projections** for the city and each neighborhood that is helpful to orient residents (1)
  - Add growth to **CBD and Houghton** where existing amenities are like transit and sidewalks (1)
- **Role of Cross Kirkland Corridor (CKC)**
  - CKC connections to **business and neighborhood centers** throughout the city, including CBD (8)
  - **Housing** along trail (4)
  - **Multi modal transportation** route for bikes, pedestrian and light rail (3)
  - **Events use and restaurants** locate along or near trail (2)
  - Connect to **regional trails** (1)
  - Need **parking** by trail (1)

## Transportation

- **Bike and pedestrian walkways** separated from traffic lanes, lighting for safety, complete connected routes throughout city, including along NE 85<sup>th</sup> Street and I-520, handicap accessible (65)
- **Improve transportation options:** bike, pedestrian, regional and local bus service, CKC providing bike/ped/rail (36)
- More **bus service** both in frequency and routes, covered bus shelters, transit centers at business centers, better signage for routes and times, more bike friendly buses, Metro routes to schools (33)
- Offer **other transportation options:** Seattle ferry, water taxi, light rail, including across I-520 and inner city shuttle (31)
- Mixed use development to reduce trips to local shopping centers, **land use that supports transit**, and density bonus for development near transit centers (25)
- **Provide adequate parking** (10)
- **Cars:** incentives for driving small cars, such as smaller lanes for smaller vehicles and free parking, and more electric charging stations, and infrastructure for alternative fuel vehicles (9)
- **Seniors and disabled:** more convenient modes, more transit, good access, ride share, subsidize taxis, volunteer pick-up services, more marked control sidewalks, increase ADA ramps (8)
- Improve **connectivity** between east and west sides of city and to Totem Lake area (I-405 a barrier) (7)
- **Bike racks** in all business districts, rent a bike program (3)
- Traffic strategies for **locally congested areas**, such as tolling Lake Wash Blvd and Market St (3)
- Improve street connectivity for autos (3)
- Install traffic circles for **traffic calming** in residential neighborhoods (2)
- **CBD:** no car zones and parking to support local businesses and tourism (2)
- Limit **speed limit** to 35 mpg (1)
- Remove **Juanita Dr.** as major arterial and **make 84<sup>th</sup> Ave as main arterial** (1)
- Coordinate with regional/state/national **transportation policy** (1)
- **No cul-de-sacs**, only through streets (1)

## Housing

- **Diversity of housing types:** ADUs (more flexibility in regulations, some private covenants do not allow), small homes on small lots (i.e. cottage housing with shared open space), single room occupancy with shared area, boarding houses, duplex, triplex, houseboats (FYI-not allowed currently), work/live housing, one story housing (45)
- **Affordable housing:**
  - middle and low income: seniors, disabled (accessible), first time homeowners, teachers, etc. (11)
  - locate affordable housing near transit, services and entertainment (11)
  - require % of affordable and mix with market rate housing (but one says to not require in high end areas with views or waterfront – “they have earned the perk to not have affordable housing nearby”) (9)

**ATTACHMENT 5**

- gentrification reduces affordability so incentivize retaining existing housing stock (5)
- have affordable and market rate housing look the same (2)
- senior housing near transit (1)
- limit property tax levies that will affect seniors (1)
- **Urban mixed use villages** in neighborhood business districts (many in Houghton oppose due to traffic). Many like Juanita Village but some don't want it near them. Include affordable (9)
- **High density** with open space, around SR520, CKC and near public transportation hubs (7)
- Some said that **cottage housing** not in single family neighborhoods but on edges as transition to higher density, do not like large homes on small lots or prefer townhouses rather than tall apartments (6)
- More **density around parks** for close access to open space (5)
- **Retain some low density single family** areas for families with kids (5)
- Neighborhood corners as **gathering places** or "third places" (4)
- Housing allowed in **industrial zones** (3)
- **CBD**: taller buildings with separation for privacy away from waterfront and limit to 2 stories near waterfront for public views (3)
- More **rental stock housing** (2)
- **Bridle Trails**: support redevelopment and innovative project (2)
- **Market St**: allow 3-4 stories because of transit line (1)
- Use natural building materials and **fire safe** (1)
- No **mixed use** zoning in residential (1)

**Economic Development**

- **Types of businesses to be encouraged:**
  - Higher paying jobs such as high technology, medical, aerospace (13)
  - Greater range of retail stores that provide products for residents and attract shoppers outside Kirkland (8)
  - Mix of jobs including larger businesses (7)
  - Live and work in Kirkland to reduce traffic (7)
  - Home businesses (6)
  - Industrial and light industrial businesses in commercial centers (5)
  - Connect Lake Washington Technical College graduates with local businesses in medical and auto industry (5)
  - Innovative small scale businesses (5)
  - Retain auto dealers and think creatively how to accommodate them (2)
  - Arts jobs (2)
  - International firms that are part of regional focus (2)
  - Small local businesses (1)
  - Niche markets (e.g. bakeries) (1)
  - Cottage industries (1)
  - Reuse industrial buildings (1)
- **Neighborhood commercial districts** need to include:

**ATTACHMENT 5**

- Contain grocery stores, restaurants, clothing shops, hardware, bookstore, variety shops; no big box in smaller neighborhood centers (12)
- Walkable in design and located within walking distance of home (8)
- Mixed use designed like Juanita Village or Redmond Town Center (8)
- Employment that allows walk, bike or use transit to work (6)
- Bridle Trails- majority comments would like to see this redeveloped if it does not result in traffic and parking congestion and it is designed to fit into neighborhood (5)
- Public green open spaces for gathering (3)
- Entertainment and dining for young adults (2)
- Finn Hill needs a local shopping center like Lake Forest Park and to attract people from the south (1)
- Redevelop old Albertson's site in Juanita and QFC in Finn Hill as urban villages (1)
- Retain current zoning in Finn Hill (1)
- **Totem Lake:** improve vehicular and pedestrian access and infrastructure, increase hotels and restaurants, more cross overs at I-405, allow taller buildings, allow big box stores (14)
- Kirkland's role in the Puget Sound economy is **incubator for small startup** businesses (6)
- **Downtown:** provide greater diversity of shops and services and more retail (other than nail salons; hair stylists) (6)
- **Development of Cross Kirkland Corridor** will be a catalyst for economic development: (4)
  - Located or accessible along corridor: restaurants, housing, schools, parks, neighborhoods (7)
  - Quick multi modal access to and from CBD and Totem Lake (4)
  - Share with light rail in the future (1)
  - Connect with regional trail system (1)
  - Recreational facility for residents and employees (1)
  - People mover or trolley car on CKC (1)
- Economy that provides long term **fiscally sustainable** and maintains **environmental resources** (3)
- Focus growth in **two epicenters:** Downtown is the living room; Totem Lake is the family room and the CKC connects the two centers (2)
- Consider **traffic impacts** and location of high to low density jobs (1)
- 5-8 stories **downtown** (1)
- Jobs on lakefront **serviced by ferry** (1)
- Redevelop **Finn Hill QFC shopping center** with shops, jobs and residential (PCC and other grocery stores), gathering places and library (1)

**Community Character (What defines small town feel)**

- **Small town concept** has to do with attractive design techniques:
  - Community gathering places, parks and open spaces (16)
  - Streets are human scale in design, wide sidewalks, safe with lighted crosswalks; with outdoor planters and street furniture. Some streets are pedestrian only; closed to cars (8)
  - Use buffer zones as transitions between housing and commercial such as trees; lower buildings (4)

**ATTACHMENT 5**

- Building height is 2-3 (some say low rise is 5-6) stories with upper story setbacks and setbacks from the street for open space, trees and sustainably built (4)
- Quality signs (size, lighting, placement) (1)
- No big box stores in neighborhoods (1)
- **Walkable** with pedestrian and bicycle connections to transit (13)
- **Downtown Kirkland** has a small town feel with its lakefront, art galleries, and nightlife. Balance small town feel to not inhibit growth and jobs in the Downtown and reduce tax revenue. Increase parking. (13)
- **Active lifestyle and recreation options** close to home (11)
- People feel **safe** (9)
- Neighborhood commercial areas are updated and are a **collection of villages** with their unique feel and character (9)
- Mix of **generations of people**, welcoming to families and economic diversity (8)
- Accommodate **housing** for living, working and walking to shops and services (6)
- Kirkland **small city**; not small town (4)
- **Amenities**, shops and services are within short walking, biking or driving distance (4)
- Reduced car use and **increased transportation options** (4)
- **Arts and culture** is the base theme throughout our entire city (4)
- Totem Lake contains **taller buildings** (2)
- **People living downtown** maintains community character (2)
- Relaxed **police department** (1)
- **City Hall** is responsive to citizens (1)
- Hometown **growing carefully** and incremental growth - we have time (1)

**Natural Environment and Sustainability**

- **Sustainable** means activity level below impact level, use local resources, use resources wisely (water, energy), fiscal and environmental resources, emergency preparedness (17)
- Strive to be best **green city** in WA!
  - incentives for building green, solar, and alternative energy etc. (10)
  - recycling: more education in parks, condos, etc., better recycling signage in city parks, city wide recycling at maintenance center, loss of transfer station will hurt recycling (8)
  - more trees and maintain tree canopy (6)
  - obtain and preserve open spaces (4)
  - require rain gardens with new development (3)
  - encourage smart buildings with use of solar, reuse water, low impact development and energy efficiency (3)
  - use green building products (2)
  - however, green buildings have low level of lighting that is not suitable for seniors (1)
  - reduce plastic bags and bottle use (1)
  - require materials recycled before demolition allowed (1)
  - easier way to dispose of hazardous waste (1)
  - composting available at condo projects (1)
  - use transfer development rights to retain natural areas (1)
  - use photo film instead of solar panels as in Japan (1)

- tax credits to incentivize development (1)
- Provide **pea patches** for urban agriculture (4)
- **Critical areas:**
  - strengthen regulations to protect critical areas (3)
  - funding for property owners to stabilize and rehabilitate stream banks and other critical areas (2)
  - preserve and enhance lakes and streams (1)
- **Surface and ground water**
  - reduce flooding with more pervious surfaces (3)
  - encourage water to be kept on site and not drain off (2)
  - consider water table level with new development (1)
- Have City Parks and Storm Water departments coordinate projects for better management of water issues (1)
- **Flexible codes** to reflect new technology (1)
- Plan and control growth based on **watershed approach** (1)
- Encourage **native vegetation** (1)
- Do our part not to **pollute** (1)

### Parks

- Indoor **community meeting places, multi-use community center** in North Rose Hill or Totem Lake (8)
- Increase **park and open spaces** as population grows and homes get smaller (7)
- Use parks for **concerts and activities** to keep people here (3)
- Increase **bike and pedestrian paths**, open up easements for these uses (2)
- Classes for **healthy activities**, senior classes offered in the daytime (2)
- More **playgrounds** (1)
- Better job encouraging **recycling in parks** (1)
- **View corridors** for natural habitat (1)
- **Houghton Transfer Station:** recreational park and botanical garden (1)
- **CKC:** provide restrooms, some say keep rails (1)
- Master plan for **Snyder's Corner** in Bridle Trails that accommodates equestrian uses and provides signage (1)
- Ensure funds for **park maintenance** (1)
- **Nature centers** at schools and parks v(1)

### Capital Facilities/Public Services/Human Services

- Limit "big ideas" to what "small taxes" will support (1)
- Can young people afford our future vision?
- Encourage adult education – especially languages (1)
- Provide kiosk and culture events to raise awareness of multi-cultures (1)
- Provide free Wi-Fi and fiber technology (1)
- Provide activities and facilities for Youth (1)

### Totem Lake

- **Concentrate** future job and housing growth in Totem Lake (10)
- Encourage redevelopment of **Totem Lake Mall** with: (7)
  - Mixed use development (residential and commercial) designed like University Village or Redmond Town Center (6)
  - Anchor stores like Target along with smaller stores (5)
  - Parking garage with green roof (2)
  - Pedestrian connections to transit center and Evergreen Hospital (1)
  - Green open spaces, public gathering spaces and landscaped maze or labyrinth for children and adults, large landscaped bedding (1)
  - Glass roof above retail to allow for outdoor eating (1)
- Develop **Totem Lake Park Master Plan** while keeping with the natural environment functions of the lake (5)
  - Integrate access to the Cross Kirkland Corridor (6)
  - Open up the view to the lake (4)
  - Add complete boardwalk surrounding the lake (1)
  - Add housing surrounding lake (1)
- Build a **recreation complex** with library annex, pool, ball fields, outdoor entertainment venue (6)
- Buildings could be **increased in height** to 30-40 stories (4)
- Add a **mixed use transit oriented** development at Totem Lake Transit Center and Kingsgate park and ride (3)
- Economic development strategy: collaborate between Lake Washington Institute of Technology and Evergreen Hospital for **health care jobs** (2)
- **West of Evergreen Hospital** add mixed use residential/office/retail (2)
- **Parmac:** add office, retail and housing (2)
- Improve **public infrastructure** to help redevelopment and attractiveness of area to draw people and businesses from the Eastside (1)

**From:** Karen Story [<mailto:karen@tinyisland.com>]  
**Sent:** Sunday, February 02, 2014 7:59 PM  
**To:** Kirkland2035  
**Subject:** Draft visioning statement comments

Here are my comments regarding the draft visioning statement:

Our vision is for Kirkland to be the most livable city in America. **[Is it necessary or realistic to be the best? Isn't that pretty subjective anyway? Many cities are great places, and I think it's good that America has a variety of liveable cities - something for everyone. I'd rather see something like "...for Kirkland to be one of the most liveable cities".]**

We are respectful, fair, and inclusive.**[In what ways: employment, housing, other?]**

Thanks!  
Karen



City of Kirkland Planning and Community Development Department

September 2013

Over the next two years Kirkland will be updating its Comprehensive Plan to reflect how the City should accommodate growth over the next twenty years. This paper looks at future trends that may affect Kirkland and how "**Smart Growth Principles**" can be used to respond to these trends to help create the type of community we may want.

### ***What are Smart Growth Principles?***

Like the State's Growth Management Act, the term "Smart Growth" is an urban planning concept that advocates focusing growth in compact livable communities to avoid sprawl.

"Smart Growth Principles" were developed in the early 1990's as an outcome of the [Smart Growth Network](#) founded by the U.S. [Environmental Protection Agency \(EPA\)](#). The Network is made up of a consortium of 30 national organizations of government, business and civic organizations that promote smart growth and offer resources to help communities. For more information and resources, see page 6 of this document.

According to the Smart Growth Network, "*Smart Growth Principles can be considered best practices or tools that communities can use to grow in ways that support economic development and jobs; create strong neighborhoods with a range of housing, commercial, and transportation options; and achieve healthy communities that provide families with a clean environment.*"

In 2006, the Smart Growth Network looked at the key characteristics that make successful communities and developed the following 10 basic principles:

1. Mix land uses together
2. Take advantage of compact building design
3. Create a range of housing opportunities and choices
4. Create walkable neighborhoods
5. Foster distinctive, attractive communities with a strong sense of place
6. Preserve open space, farmland, natural beauty, and critical environmental areas
7. Strengthen and direct development towards existing communities
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair, and cost effective
10. Encourage community and stakeholder collaboration in development decisions

Smart growth is an alternative to [urban sprawl](#), [traffic congestion](#), [disconnected neighborhoods](#), and [urban decay](#). Its principles challenge old assumptions in urban planning, such as low density development, automobile focus and separating land uses.



The Smart Growth Network developed a series of [implementation guidelines](#). These guidelines can be used as a checklist to determine how consistent Kirkland’s Comprehensive Plan goals, policies and development standards measure up to these principles.

### ***How will our growth targets and future trends affect Kirkland?***

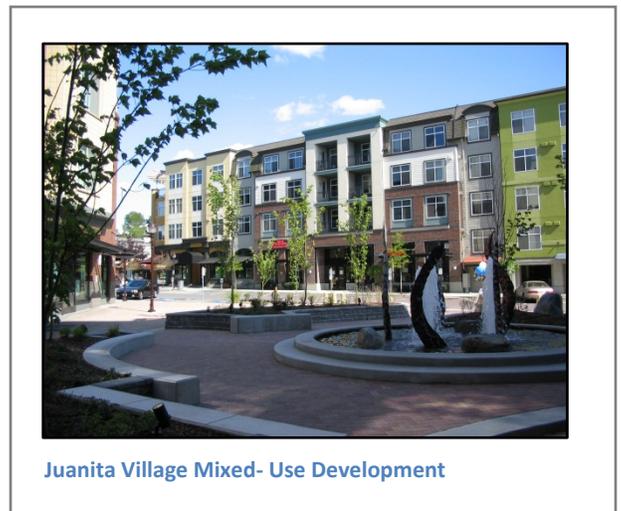
The [Growth Management Act \(GMA\)](#) requires that cities plan for growth within a 20 year period. In 2011 Kirkland added 30,000 people with the Juanita/Finn Hill/ Kingsgate annexation. Today Kirkland’s population is 81,730. By our “target year” of 2035, Kirkland is expected to have 13,000 new residents for a total population of 94,000. Kirkland’s growth targets between the year 2013 and 2035 are 8,361 new housing units and 22,435 new jobs. The new residents will need housing and access to transportation, schools, shops and services, parks and entertainment. How and where should we accommodate these new housing units and employment?

### ***How can Kirkland implement Smart Growth Principles to respond to these changes?***

The following summarizes the trends we may see and how the City can apply Smart Growth Principles in planning for Kirkland’s future.

#### **1. MIX LAND USES TOGETHER**

Smart Growth Principles encourage mixing uses such as residential and retail in new developments or buildings on the same property. Redevelopment and new growth should be targeted to existing commercial areas that are close to transit and transportation hubs. A good example of this is Juanita Village located at NE 116<sup>th</sup> ST and 100<sup>th</sup> Avenue in the Juanita Neighborhood. As a result, the following benefits to the Kirkland community can be attained:



- Results in more efficient use of land
- Allows a variety of housing types and densities
- Reduces distances between housing, workplaces, retail businesses, and other destinations
- Encourages more compact development
- Strengthens neighborhood character
- Promotes pedestrian and bicycle friendly environments
- Provides opportunities to walk to services and jobs

Existing goals and policies in the [Kirkland Comprehensive Plan](#) reflect many of these Principles, such as promoting mixed-use residential and commercial development, buildings designed with the pedestrian in mind (pedestrian oriented development), walkable neighborhoods and [complete streets](#).

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# COMPREHENSIVE PLAN UPDATE



*“The Benefits of **Smart Growth** Planning Principles”*

## 2. TAKE ADVANTAGE OF COMPACT BUILDING DESIGN

As Kirkland grows we know there will be a decrease in availability of usable, undeveloped land. The cost of land will continue to increase. How the land is used most efficiently while balancing development with preservation of open space and natural areas will be a challenge. Planning for well designed, compact, mixed use development will be essential in making this work.

Young and older segments of our population will be attracted to smaller and more affordable housing options within close proximity to neighborhood shopping areas and transit. A young, educated workforce is attracted to living in denser urban areas with lively commercial districts, recreation, entertainment and good transit availability. The trend is for communities to be designed where all ages can work, live, attend school, shop, and play in an area compact enough to allow walking to most destinations.

Well designed, development with amenities that include “people places,” such as open space plazas, coffee shops, theaters, public art and vibrant commercial communities provide a strong sense of place.

There are economic development advantages to compact development. Businesses do better in strong business districts that provide goods and services directly to nearby residents. Refurbished outdated malls and commercial centers to incorporate a mix of uses and improve walkability should be encouraged.

## 3. CREATE A RANGE OF HOUSING OPPORTUNITIES AND CHOICES

Life expectancy is increasing (by about two years from 2000 to 2009.) By 2030, one in five Americans will be elderly. A greater proportion of seniors will have different needs from younger residents such as physical limitations for getting around town and desire smaller housing options. The cost of housing is increasing, at the same time, the size of housing and household size is decreasing.

Kirkland has become more diverse. As people of different cultural backgrounds and a broader range of income levels play a greater role in our community, there is a need for diverse housing types and both ownership and rental options. King County reflects a trend across the US toward more renting and less home ownership.

Encouraging housing choices such multi-generational housing, extended family housing, residential suites (very small apartments), backyard cottages, accessory dwelling units, senior housing, and smaller housing will be necessary accommodate people’s needs and desires.



Mixed- Use Development in Downtown



Cottage Housing Project



To respond to these trends and to increase the amount of affordable housing in Kirkland, Zoning Code regulations require 10% of residential units (4 or more) to be affordable in commercial and multi-family zones. The City also provides incentives for building additional units and allows for a variety of housing types such as cottage housing, small lot single family homes and accessory dwelling units.

#### 4. CREATE WALKABLE NEIGHBORHOODS

The nationwide increase in obesity rates suggests a need to encourage healthier lifestyles that include healthy food, exercise, and increased walking as a primary mode of transportation. As the City grows it will be important to provide many non-motorized transportation options, such as bike trails, pathways and sidewalks, and to encourage design of developments geared to the pedestrian rather than auto-oriented places.

Adding pedestrian improvements to create walkable neighborhoods reduces the use of automobiles, improves air quality, reduces noise, makes streets safer for pedestrians, and improves social interaction. Kirkland has been recognized as one of the top ten walkable communities in the country by the *Wall Street Journal*.



Lakeview Neighborhood Walk Route Sign

#### 5. FOSTER DISTINCTIVE, ATTRACTIVE COMMUNITIES WITH A STRONG SENSE OF PLACE

Attractive, well designed communities with lively neighborhoods create distinctive unique places that attract new residents and businesses. In Kirkland many of the neighborhood and business districts require design review to ensure development is well designed, contains open spaces, has superior landscaping and reflects the character of the surrounding neighborhood.

#### 6. PRESERVE OPEN SPACE, FARMLAND, NATURAL BEAUTY, AND CRITICAL ENVIRONMENTAL AREAS

Global climate change is generating more frequent extreme weather, damaging human-built structures and the natural environment. This trend cannot be ignored as Kirkland may experience increased flooding along streams and in the roadways and wind damage from storms. Finite world energy resources and the expense of developing new energy sources will increase the cost of running businesses, homes and automobiles.



Example of shoreline replacement of bulkhead with soft shoreline

Use of all sources of energy, but especially non-renewable sources, negatively impacts our environment. In the future there will be a greater emphasis on green building design and sustainable strategies to reduce greenhouse gas emissions.



Balancing new development with protecting and enhancing critical areas and shoreline areas will be necessary to retain open space, surface water systems and habitat. Low impact development techniques where rainwater is collected, stored or recharged on-site helps reduce flooding and improves water quality. It will be necessary for us to consider how our natural environment is connected as one system and designed into the built environment through sustainable building practices.

In Kirkland we have adopted development standards and implemented programs to encourage sustainable and green building practices. The City is also exploring the use of “transfer of development rights” in the Totem Lake Business District whereby undeveloped land in King County is preserved while increasing development potential. We should continue to support shoreline restoration and initiatives to return Kirkland’s Lake Washington shoreline to a more natural state that can more readily handle increased stress from climate change.

## 7. STRENGTHEN AND DIRECT DEVELOPMENT TOWARDS EXISTING COMMUNITIES

Smart growth promotes directing growth to areas already served by infrastructure, such as roads, sewer and water. This approach is more cost effective and maintains the value of public and private investment. It is a more efficient use of land and infrastructure, can provide a stronger tax base, and promotes opportunities for jobs close to housing.

## 8. PROVIDE A VARIETY OF TRANSPORTATION CHOICES

Given our regional growth and Kirkland’s attraction as a place to live and grow a business, and with easy access to I-405 and SR 520, traffic will increase. Congestion on the roadways drives the need for more alternatives to car travel, as well as the need to improve the efficiency and safety of the roads we have. Traveling long distances to work and home reduces the quality of life, adds to the costs of fuel and makes it less sustainable for the environment.

Managing growth in Kirkland to keep work, home, shopping, and entertainment close to home should be encouraged. Over the years we have seen expansion of the Kirkland transit centers in Downtown, Totem Lake and at the South Kirkland Park and Ride, but we will need to look at new opportunities.

Alternatives to automobiles, such as bicycle paths, pleasant and safe pedestrian corridors, and convenient transit centers will be necessary. Recent acquisition of the Cross Kirkland Corridor (old railroad tracks) gives Kirkland a great opportunity to create a significant bicycle/pedestrian route through the city and to connect with other communities.





# COMPREHENSIVE PLAN UPDATE



**“The Benefits of *Smart Growth* Planning Principles”**

## 9. MAKE DEVELOPMENT DECISIONS PREDICTABLE, FAIR, AND COST EFFECTIVE

Balancing the fiscal resources of operating a city with the services that residents and businesses expect will require the City to continue to look at greater efficiencies. Time is money for businesses and development. The City strives to improve permit review processes, and to address timing and regulatory amendments to make development decisions predictable, fair, and cost-effective. The City can also look at creating incentives to encourage use of Smart Growth Principles in the design of projects. For example the City has an expedited permit review process for projects for green buildings.

## 10. ENCOURAGE COMMUNITY AND STAKEHOLDER COLLABORATION IN DEVELOPMENT DECISIONS

Public engagement in the planning and development review process makes for stronger communities because it brings a variety of interests into the discussion and people are invested in the outcome. Early engagement in the process is the best way to influence the decisions that are made by the City Council, Boards and Commissions. For example the City encourages developers to meet with neighbors prior to submittal of an application and to listen and incorporate resident concerns into a proposal.



Community Planning Day Summer 2013

In early 2013, the City launched an extensive comprehensive public involvement campaign, [“Kirkland 2035: Your Voice. Your vision. Your Future.”](#) The purpose is to engage community members in the update process of the Comprehensive Plan and to involve them in the development and update of other long-range plans like the Cross Kirkland Corridor Master Plan, Transportation Master Plan and Park Master Plan. The City will continue to explore innovative approaches to involve the community due to the importance of these plans and ensure that participation is meaningful.

### Sources

- Wikipedia entry: [http://en.wikipedia.org/wiki/Smart\\_growth](http://en.wikipedia.org/wiki/Smart_growth)
- American Planning Association - Planning and Community Health Research Center: <http://www.planning.org/nationalcenters/health/mixedusedevelopment.htm>
- *Livable New York Resource Manual*. <http://www.aging.ny.gov/LivableNY/ResourceManual/Index.cfm>
- 11I.2.g Paul Beyer, Director of Smart Growth · Governor's Smart Growth Cabinet, Albany, NY

### Additional Resources

For additional information about Smart Growth see the following websites:

- American Planning Association [www.planning.org](http://www.planning.org)
- U.S. Environmental Protection Agency [www.epa.gov](http://www.epa.gov)
- Smart Growth Organization [www.smartgrowth.org](http://www.smartgrowth.org)

**Existing Land Use Goals and Policies****Growth Management**

**Goal LU-1:** Manage community growth and redevelopment to ensure:

- An orderly pattern of land use;
- A balanced and complete community;
- Maintenance and improvement of the City's existing character; and
- Protection of environmentally sensitive areas.

Policy LU-1.1: Tailor development regulations to fit unique circumstances.

Policy LU-1.2: Create logical boundaries between land use districts that take into account such considerations as existing land uses, access, property lines, topographic conditions, and natural features.

Policy LU-1.3: Encourage attractive site and building design that is compatible in scale and in character with existing or planned development.

Policy LU-1.4: Create an effective transition between different land uses and housing types.

Policy LU-1.5: Regulate land use and development in environmentally sensitive areas to ensure environmental quality and avoid unnecessary public and private costs.

**Goal LU-2:** Promote a compact land use pattern in Kirkland to:

- Support a multimodal transportation system;
- Minimize energy and service costs;
- Conserve land, water, and natural resources; and
- Efficient use of land to accommodate Kirkland's share of the regionally adopted 20-year population and employment targets.

Policy LU-2.1: Support a range of development densities in Kirkland, recognizing environmental constraints and community character.

Policy LU-2.2: Use land efficiently, facilitate infill development or redevelopment, and, where appropriate, preserve options for future development.

Policy LU-2.3: Ensure an adequate supply of housing units and commercial floorspace to meet the required growth targets through efficient use of land.

**Land Use/Transportation Linkages**

**Goal LU-3:** Provide a land use pattern that promotes mobility and access to goods and services.

Policy LU-3.1: Provide employment opportunities and shops and services within walking or bicycling distance of home.

Policy LU-3.2: Encourage residential development within commercial areas.

Policy LU-3.3: Consider housing, offices, shops, and services at or near the park and ride lots.

Policy LU-3.4: Provide easy access for industrial development from arterials or freeways. Avoid industrial access through residential areas.

Policy LU-3.5: Incorporate features in new development projects which support transit and nonmotorized travel as alternatives to the single-occupant vehicle.

Policy LU-3.6: Encourage vehicular and nonmotorized connections between adjacent properties.

### **Residential Land Uses**

**Goal LU-4:** Protect and enhance the character, quality, and function of existing residential neighborhoods while accommodating the City's growth targets.

Policy LU-4.1: Maintain and enhance Kirkland's single-family residential character.

Policy LU-4.2: Locate the most dense residential areas close to shops and services and transportation hubs.

Policy LU-4.3: Continue to allow for new residential growth throughout the community, consistent with the basic pattern of land use in the City.

Policy LU-4.4: Consider neighborhood character and integrity when determining the extent and type of land use changes.

### **Commercial Land Uses**

**Goal LU-5:** Plan for a hierarchy of commercial development areas serving neighborhood, community, and/or regional needs.

Policy LU-5.1: Reflect the following principles in development standards and land use plans for commercial areas:

#### Urban Design

- Create lively and attractive districts with a human scale.
- Support a mix of retail, office, and residential uses in multistory structures.
- Create effective transitions between commercial area and surrounding residential neighborhood.
- Protect residential areas from excessive noise, exterior lighting, glare, visual nuisances, and other conditions which detract from the quality of the living environment.

#### Access

- Encourage multimodal transportation options, especially during peak traffic periods.
- Promote an intensity and density of land uses sufficient to support effective transit and pedestrian activity.
- Promote a street pattern that provides through connections, pedestrian accessibility and vehicular access.
- Encourage pedestrian travel to and within the commercial area by providing:
  - Safe and attractive walkways;
  - Close groupings of stores and offices;
  - Structured and underground parking to reduce walking distances and provide overhead weather protection; and
  - Placement of off-street surface parking to the back or to the side of buildings to maximize pedestrian access from the sidewalk(s).
  - Promote non-SOV travel by reducing total parking area where transit service is frequent.

Policy LU-5.2: Maintain and strengthen existing commercial areas by focusing economic development within them and establishing development guidelines.

Policy LU-5.3: Maintain and enhance Kirkland's Central Business District (CBD) as a regional Activity Area, reflecting the following principles in development standards and land use plans:

- Create a compact area to support a transit center and promote pedestrian activity.
- Promote a mix of uses, including retail, office and housing.
- Encourage uses that will provide both daytime and evening activities.
- Support civic, cultural, and entertainment activities.
- Provide sufficient public open space and recreational opportunities.
- Enhance, and provide access to, the waterfront.

Policy LU-5.4: Support Totem Lake's development as an Urban Center with a diverse pattern of land uses.

- Recognize Totem Center, the area around Totem Lake Mall and Evergreen Healthcare Medical Center, as the "core" district where the highest densities and intensities of land use are focused.
- Create a compact area to support the planned transit center and promote pedestrian activity.
- Encourage uses which will provide both daytime and evening activities.
- Provide sufficient public open space and recreational opportunities.
- Enhance the natural condition and function of Totem Lake.
- Promote superior urban design throughout the Urban Center through standards that address human and architectural scale and design. Through coordination of improvements in the public realm, affirm and create a "sense of identity" for the Totem Lake Urban Center. Ensure that the built environment enhances and contributes to a highly successful pedestrian environment, particularly in Totem Center, where connections between business, transit and the living environment are key to establishing a vibrant community. The Design Guidelines for Totem Lake Neighborhood and the Pedestrian Oriented Design Guidelines provide specific direction for this area.
- Provide an interconnected street system for pedestrian and vehicular access.

Policy LU-5.5: Enhance and strengthen the commercial viability of the Rose Hill Business District by implementing the NE 85th Street Subarea Plan.

Policy LU-5.6: Encourage increased residential capacity in the North Rose Hill Business District (NRHBD) to help meet housing needs.

- Encourage mixed-use commercial/residential development.
- Promote a broad range of uses as an extension of the Totem Lake Urban Center.
- Provide a transition to the residential core in the North Rose Hill neighborhood.

Policy LU-5.7: Emphasize new office development with a complementary mix of supporting uses in the Business District at the Yarrow Bay interchange area.

Policy LU-5.8: Promote development within the Bridle Trails, Houghton/Everest, and Juanita Neighborhood Centers that becomes part of the neighborhood in the way it looks and in the functions it serves.

Policy LU-5.9: Allow small markets in residential areas where identified in the neighborhood plan, subject to the following development and design standards:

- Locate small-scale neighborhood retail and personal services where local economic demand and local citizen acceptance are demonstrated.
- Provide the minimum amount of off-street parking necessary to serve market customers.
- Ensure that building design is compatible with the neighborhood in size, scale, and character.

**Goal LU-6:** Provide opportunities for a variety of employment.

Policy LU-6.1: Provide opportunities for light industrial and high technology uses.

Policy LU-6.2: Encourage and support locations for businesses providing primary jobs in Kirkland.

### **Open Space, Recreation and Resource Protection**

**Goal LU-7:** Establish a coordinated and connected system of open space throughout the City that:

- Preserves natural systems,
- Protects wildlife habitat and corridors,
- Provides land for recreation, and
- Preserves natural landforms and scenic areas.

Policy LU-7.1: Preserve and enhance the natural and aesthetic qualities of shoreline areas while allowing reasonable development to meet the needs of the City and its residents.

Policy LU-7.2: Promote public access to the shoreline where it is not in conflict with preserving environmentally sensitive areas or protecting significant wildlife habitat.

Policy LU-7.3: Distribute parks and open spaces throughout the City, but particularly focus new facilities in areas of the City facing the greatest population growth, in areas where facilities are deficient, and/or in areas where connections of the open space network could be made.

Policy LU-7.4: Work with adjacent jurisdictions and State, federal, and tribal governments to identify and protect open space networks to be preserved within and around Kirkland.

Policy LU-7.5: Preserve urban separators (permanent low-density lands which protect environmentally sensitive areas and create open space corridors within and between urban areas), including Lake Washington, Bridle Trails State Park, and St. Edward's State Park.

### **Essential Public Facilities, Government Facilities and Community Facilities**

**Goal LU-8:** The City should maintain criteria, regulations and procedures that allow for the siting of essential public facilities as well as government and community facilities.

Policy LU-8.1: Work cooperatively with King County, the State and/or other cities to site essential public facilities.

Policy LU-8.2: Consider the following in siting essential public facilities:

- Accessibility to the people served;
- Public involvement;
- Protection of neighborhoods;
- Preservation of natural resources;
- The cost-effectiveness of service delivery;
- Location near transit and mixed-use centers; and
- The goals and policies of the City's Comprehensive Plan.

Policy LU-8.3: Design essential public facilities as well as government and community facilities to reduce incompatibility with adjacent land uses.



## Economic Development Element Summary

### Existing Element

The [Economic Development Element](#) establishes the goals, policies for striving to create a strong Kirkland economy that will enhance the City's character, quality of life and to provide the revenue sources to ensure public services. The Element contains a description of existing economic conditions, economic related data from the Community Profile, future growth targets, trends, and capacity discussion. The last major rewrite of the Element was adopted in December 2004.

The economic strategy includes three key objectives:

- Diversify our tax base
- Provide job opportunities
- Provide goods and services to the community

To accomplish this, the Element policies support:

- Maintaining attractive residential neighborhoods and a healthy natural environment
- Growing a diverse economy with a variety of businesses
- Promoting a positive business climate
- Strengthening our retail shopping areas with:
  - Specialty retail in the Downtown
  - Destination retail in Totem Lake
  - Local goods and services in our neighborhood commercial areas
  - Attractive commercial and mixed use development

For more information about the Comprehensive Plan update process visit the [Kirkland 2035 webpage](#). To submit written comments or if you have questions contact:

Janice Coogan, Senior Planner Planning and Community Development, [jcoogan@kirklandwa.gov](mailto:jcoogan@kirklandwa.gov)  
425-587-3257 or

Ellen Miller Wolfe, Economic Development Manager, City Manager's Office, [emiller-wolfe@kirklandwa.gov](mailto:emiller-wolfe@kirklandwa.gov)  
425-587-3014

### Existing Economic Development Goals and Policies Summary

**Goal ED-1: Foster a strong and diverse economy consistent with community values, goals and policies.**

Policies support:

1. Businesses retention and recruitment
2. High wage jobs

3. A diversity of businesses that provide goods and services
4. Strengthen the tax base (diversity of sales tax generators)
5. Businesses that import sales tax; high technology and startup companies, wholesale, manufacturing, contracting, arts, tourism and recreation
6. Clusters of complementary businesses
7. Balance of jobs and housing
8. Home based businesses

**Goal ED-2: Promote a positive business climate.**

Policies support:

1. Business contribution to community to provide public revenue to provide services, facilities and community amenities.
2. City contribution to community is providing business retention program and strives to provide good customer service.
3. A tax and regulatory environment that is responsive and timely
4. Creative, innovative and entrepreneurial businesses in the arts, culture, living wage employers
5. Work with the Chamber of Commerce and evaluate the economic effects before making policy and land use decisions
6. Partnerships between business, educational organizations and job training for a skilled work force
7. Incentives for business attraction such as development agreements; job recruitment; tax deferrals or credits; County sponsored industrial bonds; regional sponsored low interest loans or grants; infrastructure improvements; special taxing districts; expediting permitting and regulatory incentives

**Goal ED-3: Strengthen the unique role and economic success of Kirkland's commercial areas.**

Policies support:

1. Economic success within commercial districts and recognize each have their role consistent with the Land Use Element
2. Development and operation of businesses in a manner that minimizes impacts on surrounding development and respects the natural environment
3. Infill and redevelopment of existing commercial areas consistent with the role of each area (to maintain land use capacity; discourage expansion of commercial area boundaries).
4. Development standards that promote attractive commercial areas such as design standards, gateways, signs, public spaces,
5. Mixed use development within commercial areas

**Goal ED-4: Develop and implement economic development strategies that reflect the role of Kirkland businesses in the regional economy.**

Policies support:

1. Promote Kirkland as a place to do business by responding to international, national and regional trends, providing excellent government customer service, positive business climate, and sufficient infrastructure

2. Collaborate with other cities, agencies to enhance economic growth on the Eastside

**Goal ED-5: Provide the infrastructure and public facilities to support economic activity and growth.**

Policies support:

1. Build and maintain infrastructure systems for utilities, transportation, and telecommunications for the business community
2. Strong circulation linkages to and within commercial areas
3. Regional infrastructure initiatives that will enhance economic development opportunities

**Goal ED-6: Foster collaborative partnerships among community interest groups to achieve Kirkland's desired economic goals**

Policies support:

1. Collaborate with business organizations and community stakeholder to ensure a prosperous economy
2. Partnerships of diverse community representatives to develop and implement economic development strategies

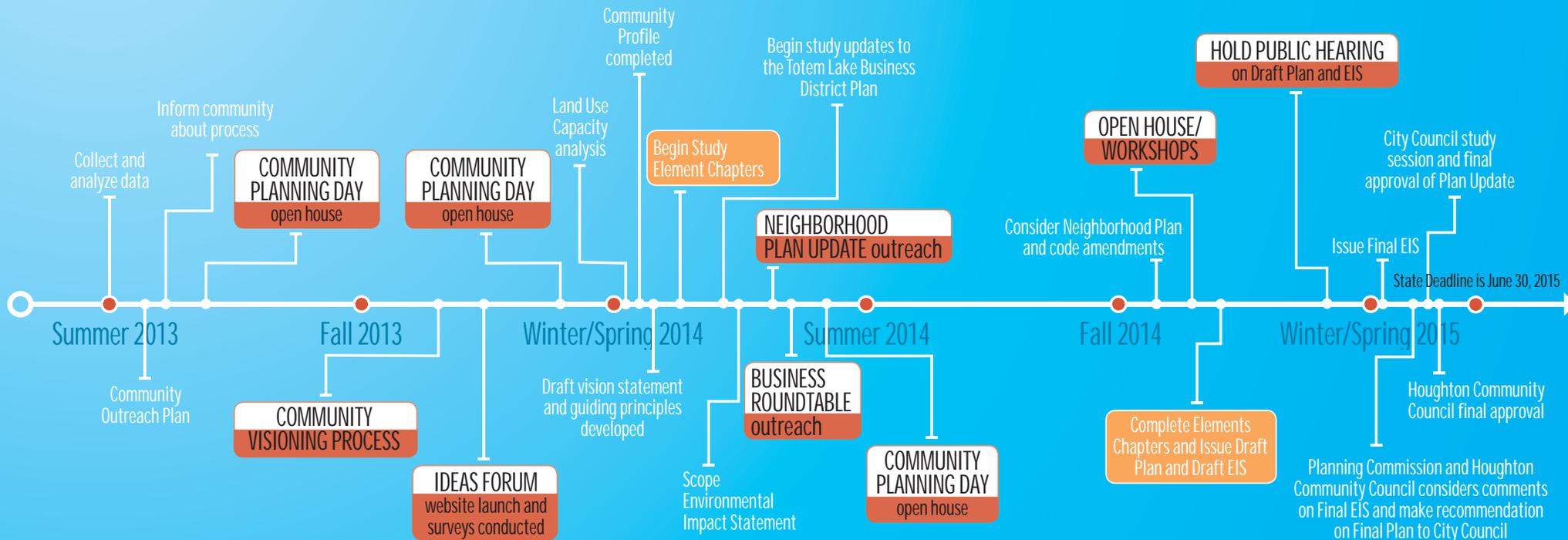
**Goal ED-7: Recognize Kirkland's artistic, cultural, historic and recreational resources as important contributors to economic vitality.**

Policies support:

1. Businesses and organizations involved in the arts, historic preservation and civic activities

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**SCHEDULE**

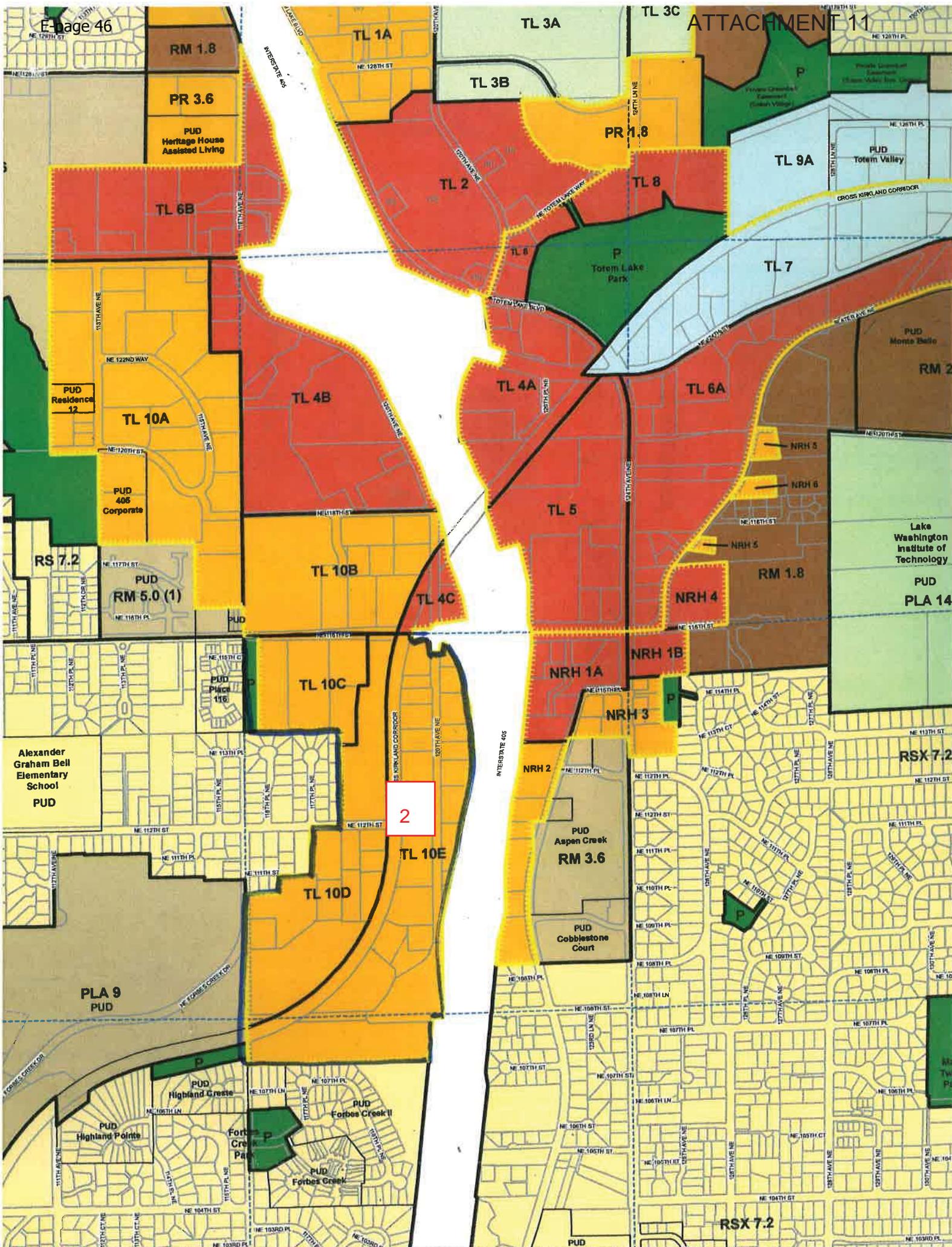
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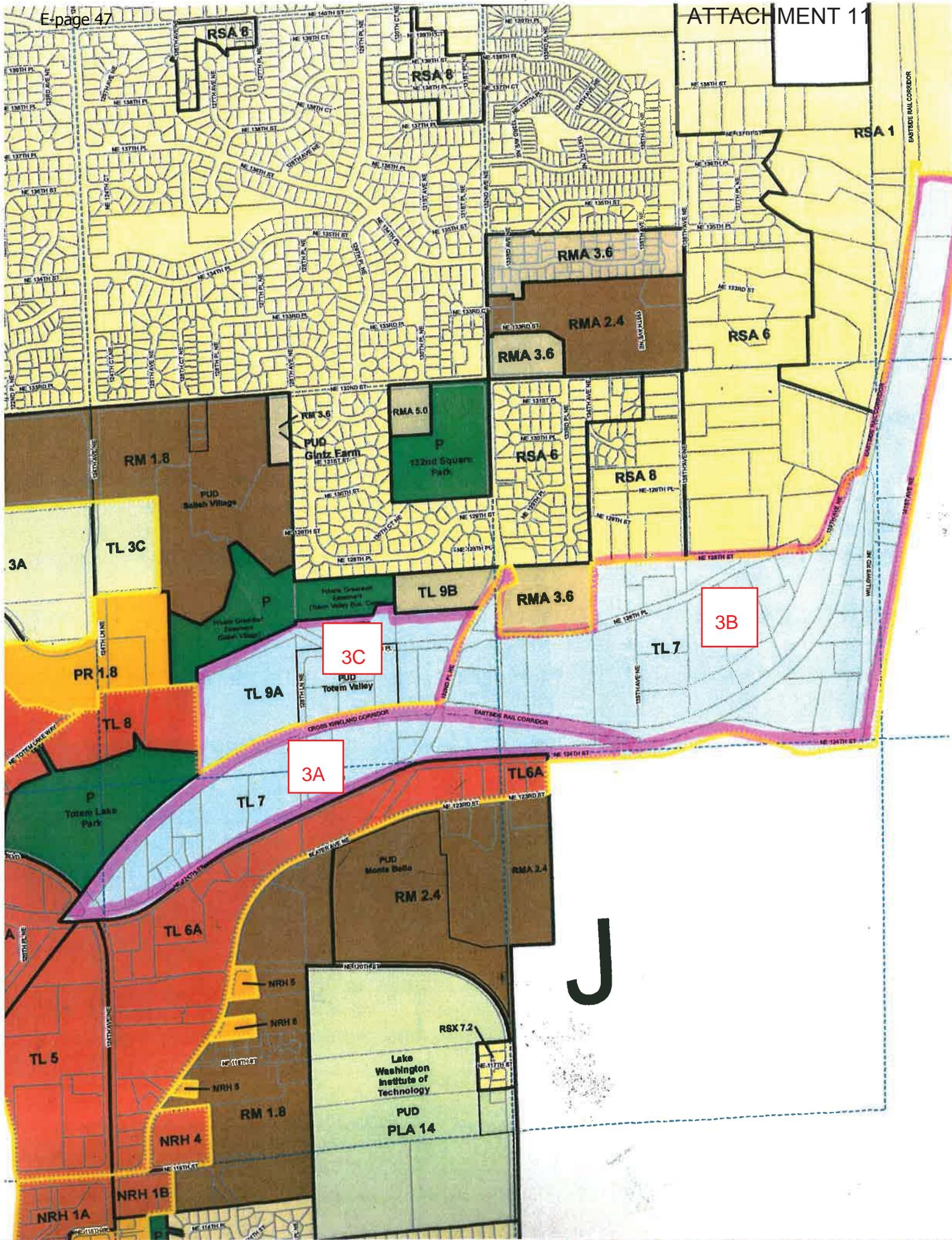
**OPPORTUNITIES TO GET INVOLVED**

- Visit [www.kirklandwa.gov/kirkland2035](http://www.kirklandwa.gov/kirkland2035) for basic and detailed information
- Share your ideas at [www.ideasforum.kirklandwa.gov](http://www.ideasforum.kirklandwa.gov).
- Participate in public involvement opportunities, in person and online
- Encourage your neighbors, coworkers, business to get involved in their city's future
- Subscribe to receive updates on plans on the Kirkland 2035 webpage
- Express your ideas by attending City Council, Planning Commission, Transportation Commission and Park Board meetings
- Attend your neighborhood association meetings when city officials are presenting
- Provide comments on draft plans and on environmental studies
- Email [kirkland2035@kirklandwa.gov](mailto:kirkland2035@kirklandwa.gov) or call 425-587-3001 with specific questions





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## MEMORANDUM

**Date:** February 11, 2014

**To:** Kurt Triplett, City Manager

**From:** Dorian Collins, AICP Senior Planner  
Eric Shields, AICP Planning Director

**Subject:** TOTEM LAKE PLAN UPDATE (FILE CAM13-00465, #4)

### I. RECOMMENDATION

Staff recommends that the City Council review the approach and scope for the update of the Totem Lake Neighborhood Chapter of the Comprehensive Plan, and discuss the following issues:

- Potential for changes to vision for Parmac area
- Changes to neighborhood boundaries

### II. TOTEM LAKE PLAN UPDATE

The Totem Lake Plan will be updated as part of the Comprehensive Plan update. Amendments to the Totem Lake plan are necessary for a variety of reasons. In some cases, amendments were identified during the study of Zoning Code changes for Totem Lake in 2012, when either the Planning Commission or City Council expressed interest in exploring additional changes which were not consistent with policies contained in the current Comprehensive Plan (see [Current Version - Totem Lake Neighborhood Plan](#)). In other cases, amendments are necessary due to changes intended to implement objectives of other studies, such as the Cross Kirkland Corridor or the Totem Lake Park Master Plan. Additional changes needed to ensure the neighborhood plan is consistent with the updated Comprehensive Plan will also be included in the effort. Maps of the Totem Lake Neighborhood and Urban Center are included in Attachments 1-3.

### **Public Outreach**

Involvement from the general community, as well as targeted involvement with property owners, businesses and residents is included in the neighborhood plan update. Outreach events to the larger community to date have included the Business Roundtable and Community Planning Day in October.

In January, the Planning Commission considered and discussed the planned scope for the Totem Lake Plan update. The Commission confirmed that the scope included the range of issues they expect to be important in planning for the neighborhood's future.

At the Council retreat, staff can provide reports on outreach activities that have occurred in February:

- Totem Lake Conversations (February 10<sup>th</sup>) - Staff briefed the group on the scope for the Totem Lake Neighborhood Plan update, and identified additional issues of concern or interest suggested by those in attendance to be added for study.
- Neighborhood Plan Update meeting (February 11<sup>th</sup>) with residents of Totem Lake
- Focus group meeting on the topic of the city's industrial lands, with emphasis on the Parmac area (February 12<sup>th</sup>). The meeting is part of the tasks included in the Industrial Study, discussed below. The goal of the meeting is to hear about the forces behind location choices, investment goals, and local factors influencing development decisions. Participants will include property owners, developers and representatives from industries not currently in the area. Discussions will also include how the Cross Kirkland Corridor may affect the area, and the subject of transitional uses within these areas (see Attachment 4, zones TL 10C-TL 10E in Parmac area).

### **Scope of Totem Lake Neighborhood Plan Update**

The types of changes anticipated to be made to the Totem Lake Plan include:

1. Amendments to incorporate changes to ensure consistency with the update of the Comprehensive Plan, such as transportation improvements and capacity updates.
2. Amendments to address land use and density changes identified through issues discussions on topics identified in Attachment 5.
3. Amendments to reflect changes since the last neighborhood plan update in 2002 and direction from related studies and efforts:
  - Transfer of Development Rights (TDR) (Study is underway)
  - Totem Lake Park Master Plan (Approved in December, 2013)
  - Industrial Lands Study (to be completed in February/March, 2014)
  - Urban Design and Amenities Study (will seek funding for 2015)
  - Cross Kirkland Corridor study (additional regulations to be considered by the Planning Commission in February)
  - Transportation Master Plan
  - Urban Land Institute Study (2011)
4. Amendments specifically recommended during the 2012 Totem Lake code amendment process, such as the study of the approach to requirements for new road and pedestrian grids on private properties, possible changes to neighborhood

boundaries, revisiting the appropriateness of the defined Housing Incentive Areas, and the inclusion of an Urban Design and Amenities plan into the neighborhood plan.

5. Amendments to extend the planning horizon to the year 2035.
6. Amendments to improve neighborhood plan format and other needed changes.

A detailed list of preliminary issues identified for this study is included in Attachment 5. The issues are grouped by topic as well as by area (district-wide and zone-specific).

The key issues identified for study at this point by staff are:

- **Vision for Parmac and industrial/commercial areas in TL 7** (future of light industrial (warehousing, light manufacturing, distribution, etc.), interim or appropriate uses, redevelopment potential), auto sales (identify auto district?)
- **Neighborhood/business district boundaries** (potential boundary expansions and reductions to Totem Lake Neighborhood)
- **Transportation** (transit and land use, new road connections, internal road grid requirements)
- **Cross Kirkland Corridor** (appropriate or potential land uses along CKC, design, incentives)
- **Existing regulations – FAR and height limits** (FAR caps outside of Totem Center, incentives for residential use)
- **Opportunity sites** (larger ownerships, incentives, barriers to redevelopment)
- **Urban design and amenities plan for district** (wayfinding, place making, streetscape design)

### Issues - Council Discussion

Staff recommends that Council consider discussing two issues to provide early direction to staff that will be helpful as the study moves forward.

#### 1. Vision for Parmac Area

A study of the city's three largest areas zoned for or containing industrial uses (manufacturing, warehouse, etc.) is underway. The areas include the 6<sup>th</sup> Street South corridor, the Parmac area (south of NE 116<sup>th</sup> Street, east of I-405), and lands located on the north side of NE 124<sup>th</sup> Street, east of 124<sup>th</sup> Avenue NE. The intent of the study is to assist the City in evaluating current conditions and market influences in the industrially zoned areas and to assess the City's policy options for moving forward.

The two areas located in Totem Lake, Parmac and areas along NE 124<sup>th</sup> Street, are of interest for this Plan update. The Totem Lake Plan provides a specific vision for the Parmac area in particular, and the outcome of the Industrial Lands study may help to either support the likelihood of this vision being realized in the future, or to provide information indicating that achieving the vision may be either unlikely or beyond the horizon year for this Plan update.

The existing vision for Parmac expressed in existing Comprehensive Plan policies calls for a transition from industrial and warehouse uses to office and business park. Far greater development intensity is anticipated, with building heights up to 80 feet allowed in many parts of the area. While older, existing industrial uses are allowed to remain, the expanded provisions for redevelopment are expected to support the area's evolution to a vital office and high technology business community. Policies and regulations call for attention to streetscape improvements and building design to ensure that the district presents a high-end professional image, consistent with the quality seen elsewhere in Kirkland and nearby business districts.

While the Industrial Lands study is not yet complete, early findings reported by the consultants indicate that the vision for Parmac may be challenging to achieve in the near term, or approximately 20 years. It appears that time and regional growth will likely be the key factors in realizing new office growth until tenants looking to locate in competitive areas in Bellevue, Redmond and more desirable areas of Kirkland are priced out. The consultants estimate that this will take time, given the volume of pipeline office space coming on line.

The consultants also suggest that in many cases, companies choosing to locate in industrial buildings may not actually be industrial users, or may be converting to other uses due to the low cost of occupancy. In Parmac, more recreational and "libational" users are opting to locate there. While these uses may not be likely to preclude the realization of the planned vision for the area, other uses such as vehicle sales and mini-warehouses may. The issue of transitional uses that should be allowed in Parmac and other industrial areas is being considered in the study. The focus group and additional work underway will help to complete the picture of these areas being developed within the study.

**In the event that the Industrial Study confirms that the existing vision for Parmac may be unrealistic within the next ten years or more, should the vision for Parmac be revised to acknowledge this? The interim ordinance approved for the Cross Kirkland Corridor allows for restaurants and taverns to locate in the area, without requiring that they be accessory to a primary use as previously required. The ordinance also allows for expanded floor area to be devoted to retail sales within manufacturing, wholesale trade, high tech and other uses. Should these changes be made in revised permanent regulations? Should the Plan Update include studying the expansion of provisions for residential use in the area?**

A Council study session on the topic of the Industrial Lands study is planned for March 4th.

## 2. Neighborhood/Business District Boundaries

The map in Attachment 6 indicates the boundaries (white line) of the Totem Lake Neighborhood, as adopted in the Totem Lake Neighborhood Plan, and the boundaries (blue line) of the Totem Lake Urban Center, as designated by the Growth Management Planning Council. In several areas, the boundaries do not coincide and portions of the Urban Center are in fact in the North Rose Hill Neighborhood. These differences are largely due to decisions made when the City proposed that Totem Lake be designated as an Urban Center, and the variations were necessary to ensure that the area met the criteria set forth in the Countywide Planning Policies. Furthermore, there are additional areas in the North Rose Hill and the Juanita Neighborhoods that are functionally part of the Totem Lake business district.

In considering the possible changes to the boundaries of the Totem Lake Neighborhood discussed below, staff suggests that an alternative option to more clearly incorporate and define those areas that function as part of the business district would be to delineate a "Totem Lake Business District". This approach would simplify planning in an effective and coordinated way for future land use, transportation improvements and urban design enhancements in this important area. This could either be an overlay, as is used in the NE 85<sup>th</sup> Street Subarea and Market Street Corridor, where the boundary extends into areas that remain within other neighborhood plans, or it could be an expanded Totem Lake neighborhood, re-named as the Totem Lake Business District. In considering the three areas noted in red on Attachment 6, the Totem Lake Business District would include Areas 1 and 2, and exclude Area 3.

Council discussion regarding these areas would be helpful to staff in proceeding with studying possible boundary changes.

- **Area 1: Land within the North Rose Hill Neighborhood, east of Slater Avenue and south of NE 116<sup>th</sup> Street**

This area contains the Lake Washington Institute of Technology, significant numbers of multifamily units west of Slater, and a portion of the North Rose Hill Business District, south of NE 116<sup>th</sup> Street. The recently developed Slater 116 mixed use project lies within this area. With the exception of the Technical College and land west of 124<sup>th</sup> Avenue NE, this area already lies within the Urban Center boundaries.

**Should this area be brought into the Totem Lake Neighborhood (and/or Totem Lake Business District), to allow for more coordinated planning along both sides of NE 116<sup>th</sup> Street, and to potentially allow greater focus on the land use and transit relationships between the college, higher density residential areas and North Rose Hill commercial area within the Totem Lake business district?**

- **Area 2: Kingsgate Park and Ride, at I-405 and NE 132<sup>nd</sup> Street**

The Kingsgate Park and Ride, under the ownership of WSDOT, provides 502 parking spaces. The Park and Ride is linked to Sound Transit express buses via a pedestrian connection to the in-line transit stops on the overpass at the NE 128<sup>th</sup> Street, as well as King County Metro busses at the Park and Ride and the Totem Lake Transit Center. Its proximity to transit and the higher densities and services located and planned for the core of Totem Lake make it a viable candidate for transit oriented development, as was developed at the South Kirkland Park and Ride.

**Should this site be incorporated into the Totem Lake Neighborhood (and/or Totem Lake Business District) to allow for consideration of the site as a location for transit oriented development?**

- **Area 3: Heronfield and other wetland areas**

The Heronfield wetland, estimated to be about 24 acres in size, lies within the Totem Lake Neighborhood and Urban Center. Another large wetland area also exists on parcels north of NE 124<sup>th</sup> Street.

**Should the neighborhood boundary be adjusted to place these wetlands in the adjacent South and North Juanita neighborhoods, where they would not be located within a business district?**

### **Next Steps**

The Industrial Lands study will be completed by the end of February, and a presentation to the City Council on the findings of the study is planned for March 4th. The Transfer of Development Rights (TDR) study is also almost complete, and will be discussed with the Planning and Economic Development committee at their meeting on March 10<sup>th</sup>. Possible action by Council on draft Comprehensive Plan goals and zoning regulations related to a TDR program is scheduled for the May 20<sup>th</sup> City Council meeting.

The Planning Commission will continue to study the complete list of Totem Lake issues (Attachment 5) throughout the summer, with the goal of developing a recommendation to City Council for amendments to the Totem Lake Neighborhood Plan and the Zoning Code by October of 2014.

Attachment 1: Totem Lake – Aerial Map

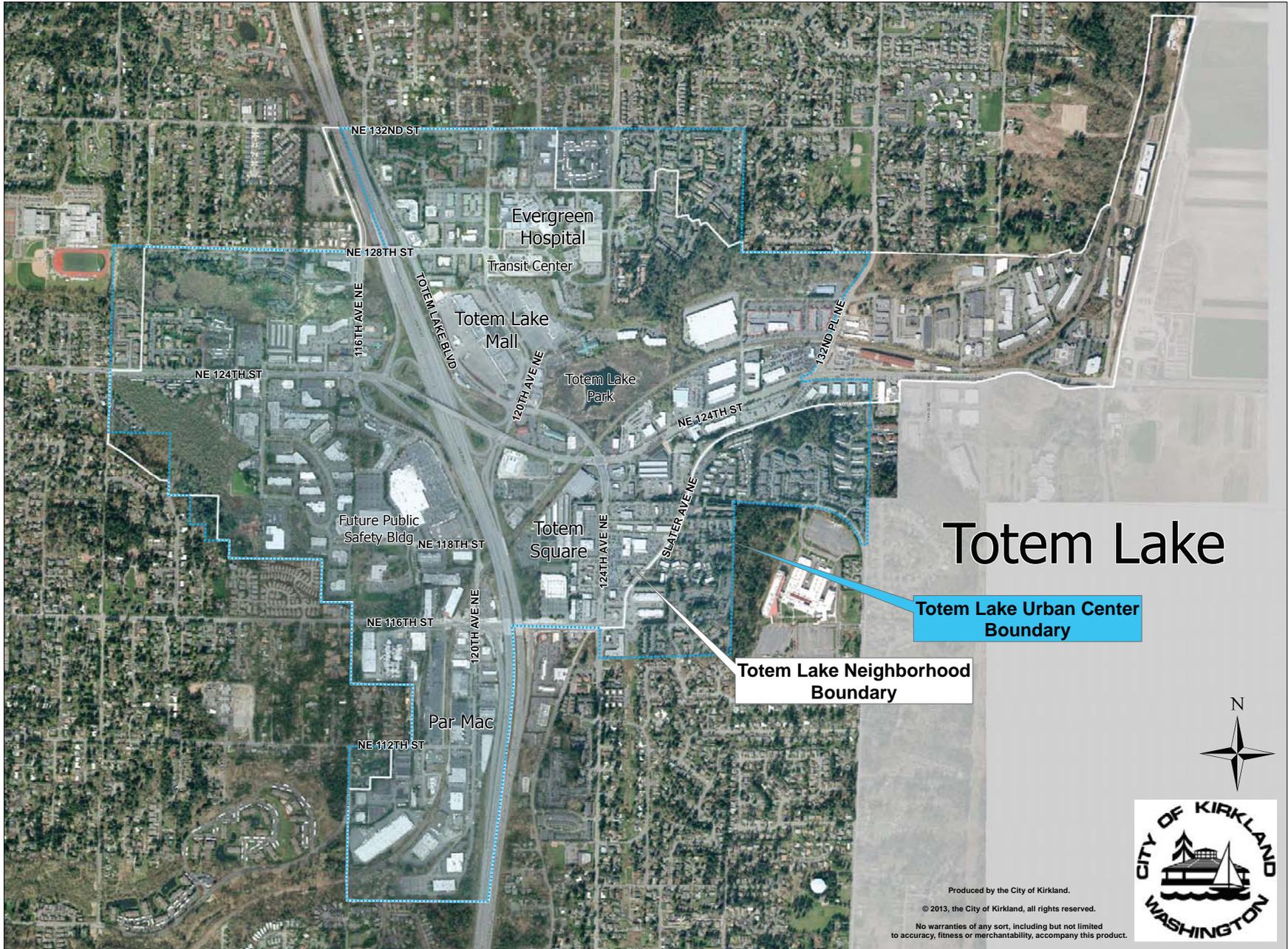
Attachment 2: Totem Lake Neighborhood – Zoning Map

Attachment 3: Totem Lake Neighborhood – Land Use Map

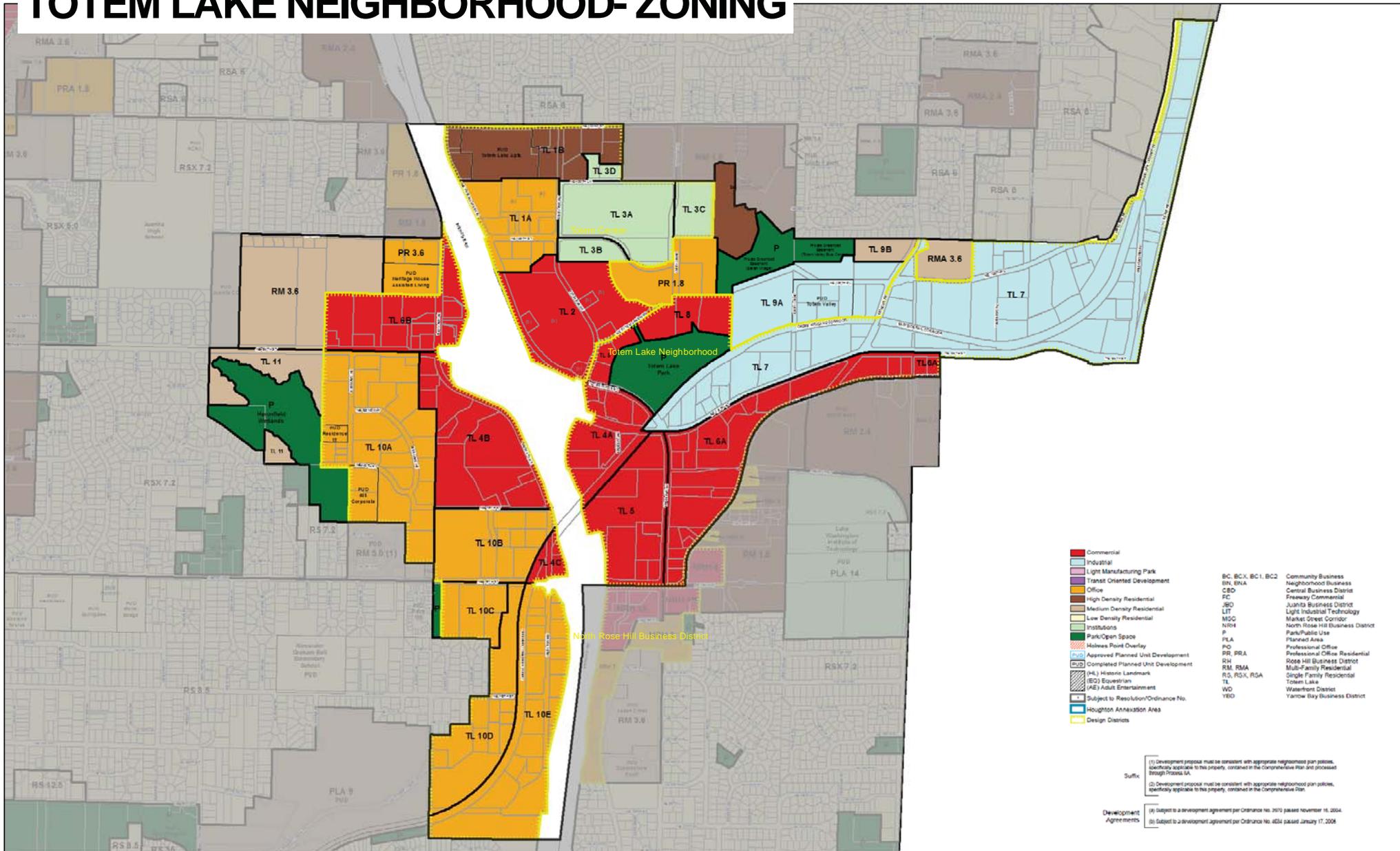
Attachment 4: Map of Parmac Area

Attachment 5: Totem Lake Update – Study Issues

Attachment 6: Totem Lake Boundaries – Discussion Map



# TOTEM LAKE NEIGHBORHOOD- ZONING



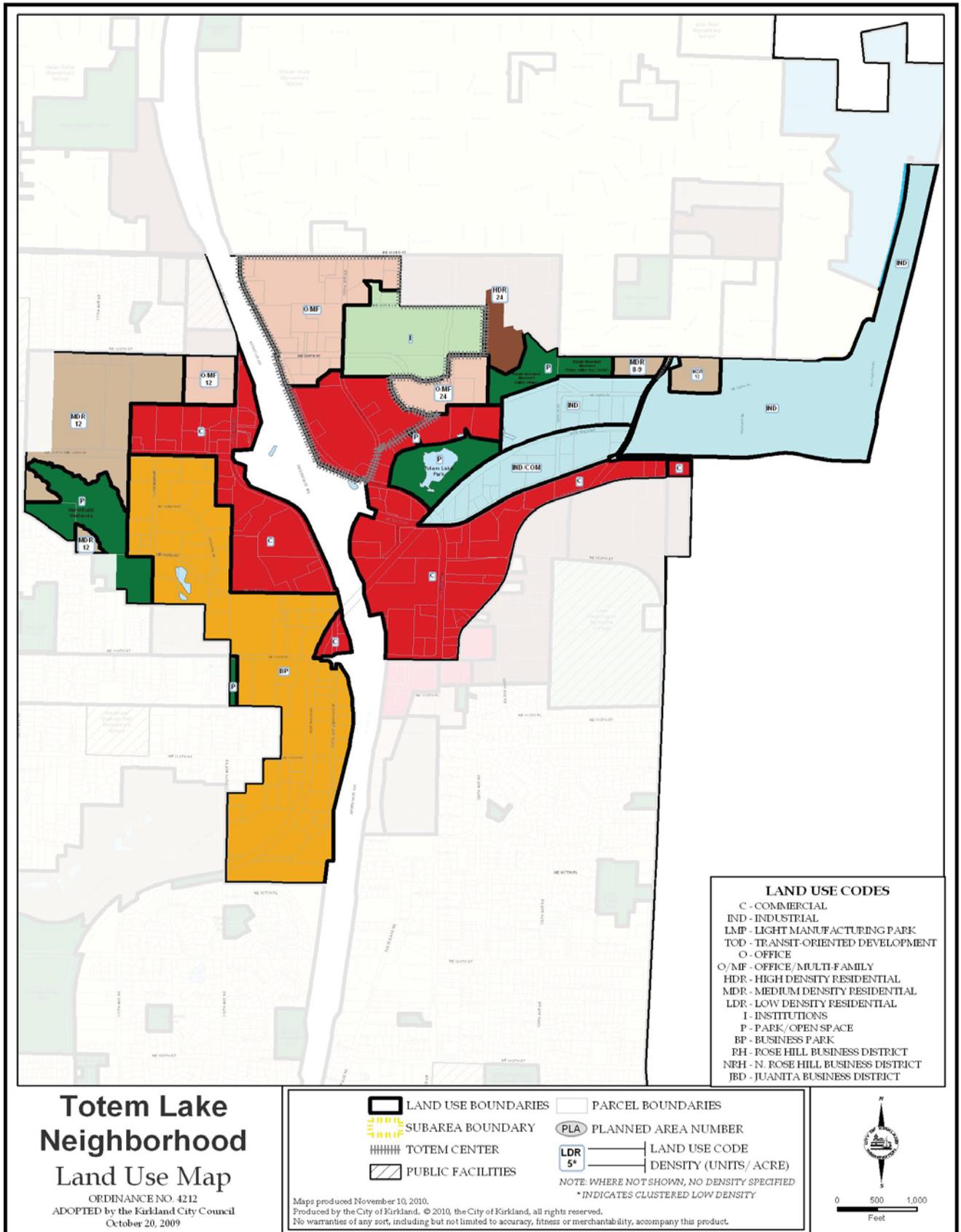
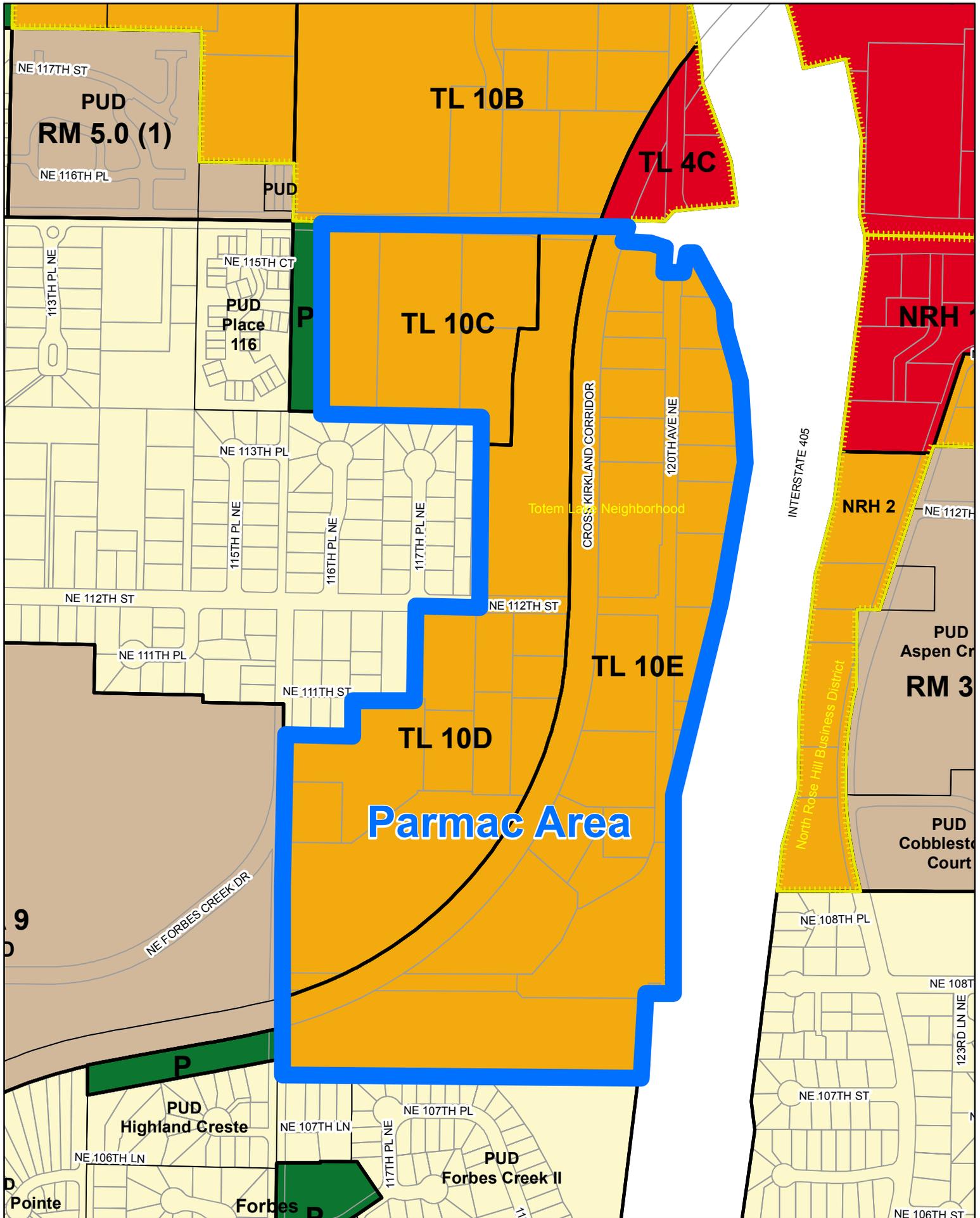


Figure TL-3: Totem Lake – Land Use



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<b>Totem Lake Business District Update Study Issues</b>				
<b>I. District-wide Issues</b>	<b>Questions and Possible Policy Changes</b>	<b>Input from other studies?<sup>i</sup></b>	<b>Private Request?</b>	<b>Identified through 2012 Code Amend Process?</b>
<b>a. Industrial/Business Park</b>				
Industrial and business park areas	General changes to vision and policy for TL industrial areas, including Parmac (see also TL 10, TL 7, TL 9)	Yes (TDR, LI, CKC)		Yes
<b>b. Transportation</b>				
Study road and pedestrian grids and explore additional access options	Are connections identified still appropriate? Is approach to require ded/imp still correct? (see also TL 5, TL 1, TL 6B) Potential new access: <ul style="list-style-type: none"> <li>• NE 126<sup>th</sup> Way</li> <li>• Under I-405 at CKC</li> <li>• NE 132<sup>nd</sup> St Interchange</li> <li>• NE 120<sup>th</sup> (TL 5)</li> </ul> Others?	Yes (TMP, CKC)		Yes
Update status of transportation projects	NE 132 <sup>nd</sup> Street Figure TL 8, Chart (pg. XV.H-33-34)	Yes (TMP)		Yes
Study transit service/relationship to land use	Review land use and densities/proximity to transit access <ul style="list-style-type: none"> <li>• Metro</li> <li>• Sound Transit</li> </ul>	Yes (TMP)		Yes
<b>c. Boundary Changes and Regional Issues</b>				
Neighborhood Boundary Changes	Possible TL Neighborhood boundary changes to include: <ul style="list-style-type: none"> <li>• Include Lake Wash Technical College</li> <li>• Include Kingsgate P&amp;R</li> <li>• Adjust boundary at southwest corner of neighborhood</li> <li>• Eliminate TL 11 wetland area from neighborhood?</li> </ul> Should a "Totem Lake Business District" be identified and			Yes

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	mapped? Coincide with neighborhood? Coincide with Urban Center?			
Urban Center Boundary and Compliance with Regional Growth Centers	Consider proposing changes to Urban Center boundaries to include annexed area and other boundary changes Review Urban Center boundary with PSRC Vision 2040 direction			
Incorporate regional direction	<ul style="list-style-type: none"> <li>• PSRC Vision 2040</li> <li>• Submit checklist ("Reporting Tool" to PSRC for Urban Center</li> </ul> Review and incorporate transit solutions where appropriate	<ul style="list-style-type: none"> <li>• "Growing Transit Communities</li> <li>• Regional Centers Monitoring Report</li> </ul>		
<b>d. Auto Use</b>				
Auto sales/dealerships	Add policies to support industry? (review regs from other cities) Limit auto storage?	Yes (TDR and LI)		
<b>e. Tasks from Parallel Studies</b>				
Transfer of Development Rights	Add policies and regulations in support of TDR	Yes (TDR)		
Add policies and regulations for CKC: <ul style="list-style-type: none"> <li>• ParMac</li> <li>• Retail areas</li> <li>• Light industrial areas</li> </ul>	<ul style="list-style-type: none"> <li>• Add policies to expand land use types and/or changes to regulations to support complementary uses/development</li> <li>• Consider incentives for trail improvements and dependent uses</li> <li>• Review design guidelines</li> <li>• Study interim regs approved by Council (2013) make permanent?</li> </ul>	Yes (CKC, UDA)		
<b>f. Evaluation of Existing Policies</b>				
FAR Limits	Evaluate existing FAR limits and consider establishing FARs to divert more intensive development to Totem Center May be used for TDR incentive	Yes (TDR)		Yes
Building height incentives for non-residential use	Should other incentives be included?	Yes (ULI)		Yes
Housing incentive areas	Are current HIAs still			Yes

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	appropriate? Eliminate? Different approach?			
Identify and create policies for specific opportunity sites	<ul style="list-style-type: none"> <li>• Barriers to redevelopment?</li> <li>• Creation of Transportation Opportunity Fund?*</li> <li>• Areas may include: <ul style="list-style-type: none"> <li>○ TL 5</li> <li>○ Totem Lake Mall</li> <li>○ Kingsgate P&amp;R</li> <li>○ Totem Lake Apts</li> <li>○ TL 4A, 4B</li> <li>○ TL 6B</li> <li>○ Others?</li> </ul> </li> </ul>	Yes (TDR)		Yes
<b>g. Plan and Code Format</b>				
Simplify and improve neighborhood plan format	<ul style="list-style-type: none"> <li>• Restructure – consider geographic approach</li> <li>• Eliminate outdated text</li> <li>• Simplify vision statement</li> <li>• Update figures from Comp Plan amendments (TL 11, Land Use Matrix, H-31)</li> </ul>			Yes
Simplify zoning charts <i>(may not be necessary due to Code Publishing project)</i>	Consolidate regs for subareas where special regs, etc. are duplicated (e.g. merge TL 1A&B) Review for additional simplification			
<b>h. Urban Design</b>				
Add Urban Design and Amenities Plan (improve graphics)	<ul style="list-style-type: none"> <li>• Improve maps, address wayfinding, place making, design for streetscape, lighting, intersections, CKC, circulation</li> </ul>	Yes (CKC, UW, TLPMP, UDA)		Yes
Identify specific park and plaza locations	May include: <ul style="list-style-type: none"> <li>• TL 5</li> <li>• TL 6B</li> <li>• Totem Lake Park</li> <li>• Others?</li> </ul>	Yes (TLPMP, UDA)		Yes
<b>II. Area or Zone Specific Issues</b>				
<b>Area or Zone Specific Issues</b>	<b>Questions and Possible Policy Changes</b>	<b>Input from other studies?</b>	<b>Private Request?</b>	<b>Identified through 2012 Code Amend Process?</b>
TL 1A, 1B	<ul style="list-style-type: none"> <li>• Re-evaluate road grid and incentive approach</li> </ul>			Yes

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TL 2	<ul style="list-style-type: none"> <li>• Interim uses for Totem Lake Mall?</li> <li>• Require residential in Master Plan</li> <li>• Add housing affordability requirement?</li> </ul>			
TL 3A, 3B, 3C, 3D	<ul style="list-style-type: none"> <li>• Evergreen Hospital Campus Expansion</li> <li>• Update policies for EH</li> </ul>		Yes - EH	Yes
TL 4A, 4B, 4C	Review height limits			Yes
TL 5	<ul style="list-style-type: none"> <li>• Evaluate road grid and approach to dedication/improvement (role as urban design element)</li> <li>• Evaluate existing FAR limit</li> </ul>	Yes (UDA, ULI, TMP)		Yes
TL 6A, 6B	Evaluate road/ped grid for 6A	Yes (UDA, TMP)		Yes
TL 7	<ul style="list-style-type: none"> <li>• Create subareas within zone?</li> <li>• Study land use issues: <ul style="list-style-type: none"> <li>○ Limits on retail uses</li> <li>○ Restriction on residential use</li> <li>○ Role of industrial use</li> <li>○ Role of auto dealers</li> </ul> </li> <li>• Should max building height be raised?</li> <li>• Should an “auto district” be identified?</li> <li>• Should eastern portion be “business park”?</li> </ul>	Yes (LI, TDR)		Yes
TL 8	<ul style="list-style-type: none"> <li>• Review policies related to connections to TL Mall and Totem Lake Park</li> <li>• Consider direction from Totem Lake Park study</li> </ul>	Yes (TLPMP)		Yes
TL 9A	<ul style="list-style-type: none"> <li>• Should all or a portion of this zone be rezoned to TL 7, or should uses be expanded within TL 9A?</li> <li>• Should auto sales be allowed?</li> <li>• Should residential be allowed?</li> </ul>	Yes (LI)	Yes (Rairdon)	Yes
TL 10A, 10B, 10C, 10D, 10E	<ul style="list-style-type: none"> <li>• Revisit ParMac vision</li> <li>• Should more retail uses be allowed? (particularly in TL</li> </ul>	Yes (CKC, TDR, LI)		Yes

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February 9, 2014

	<p>10B) and/or along 405)</p> <ul style="list-style-type: none"> <li>• Allow free-standing restaurants in TL 10A?</li> <li>• Should commercial recreation and/or youth-oriented uses be explicitly permitted?</li> <li>• Role/impact of transitional and interim uses</li> </ul>			
<p>TL 11</p>	<p>Consider removing from TL neighborhood and/or Urban Center</p>			
<p>PR 1.8 (Madison House)</p>	<p>Should this area be rezoned for higher density?</p>			

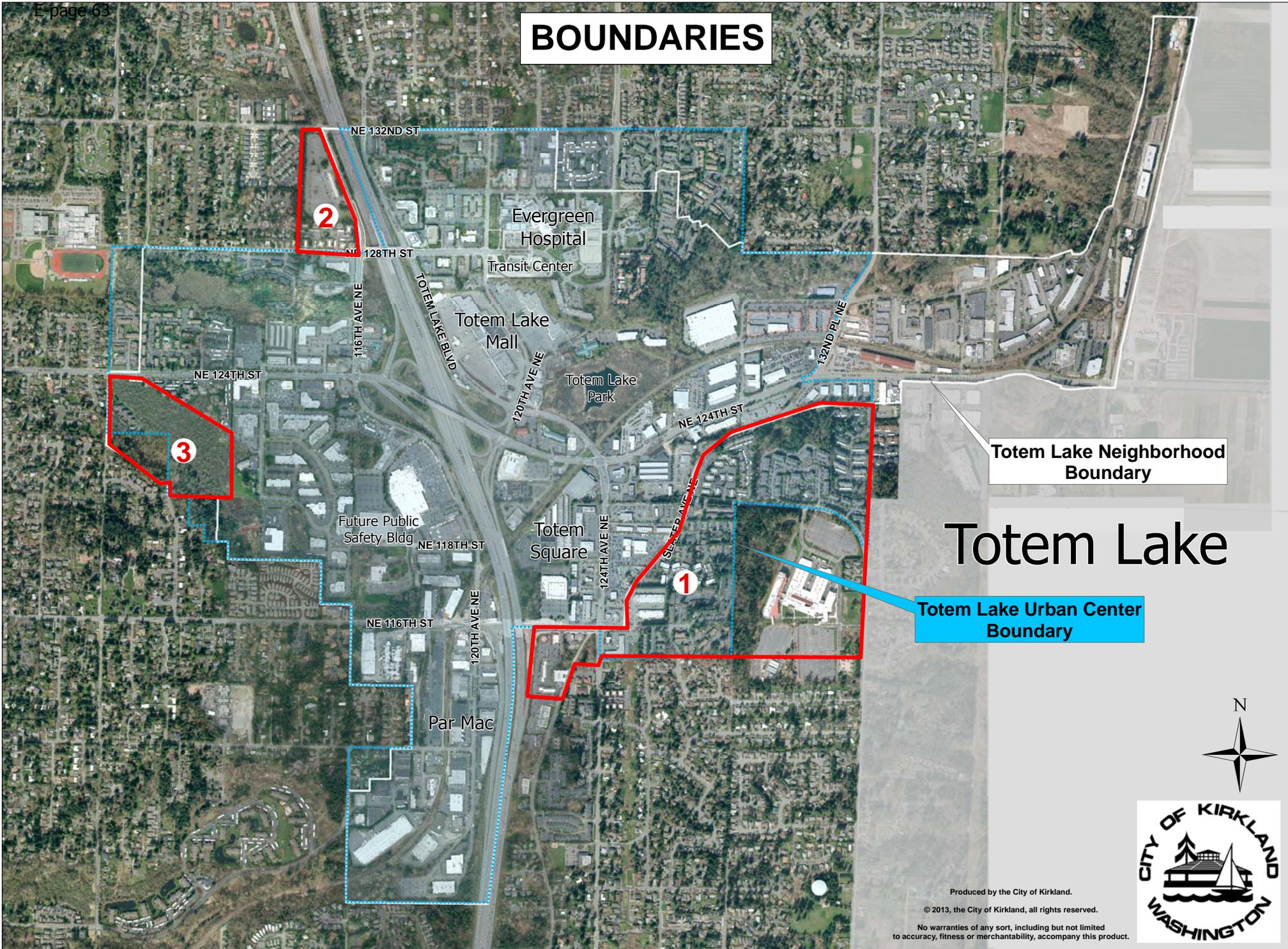
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*ii* References to parallel studies include:

- TDR – Transfer of Development Rights
- LI – Industrial Lands study
- UDA – Urban Design and Amenities study (possible funding for 2015)
- TLPMP – Totem Lake Park Master Plan study
- CKC – Cross Kirkland Corridor study
- TMP – Transportation Master Plan
- UW – Urban Design Study by Graduate Students (potential)
- ULI – 2011 ULI Technical Assistance Panel Report

*\*\*Transportation Opportunity Fund concept might involve the collection of funds (on a property or business district basis) to be used to fund transportation improvements within an identified “opportunity site”. For example, funds could be used to create a City-funded internal road grid on a parcel, potentially in exchange for additional development capacity.*

# BOUNDARIES



2

3

1

Totem Lake Neighborhood Boundary

## Totem Lake

Totem Lake Urban Center Boundary



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## MEMORANDUM

**To:** Kurt Triplett, City Manager  
**From:** Marilynne Beard, Deputy City Manager  
**Date:** January 30, 2014  
**Subject:** COMMUNITY SURVEY

### **RECOMMENDATION:**

City Council reviews the last community survey and provides direction regarding changes for the 2014 community survey.

### **BACKGROUND DISCUSSION:**

The City conducts a community survey every other year to get feedback about the City's performance in a variety of areas. The survey provides the source data for the City's Performance Measure Report and the "Kirkland Quad" that is one of the strategic anchors used in making policy and resource allocation decisions. The City engages the services of a local survey firm to develop and conduct the survey through random sample telephone interviews. In 2012, the City engaged EMC Research to conduct the survey and staff is recommending that EMC conduct the 2014 survey.

Prior to initiating a community survey, staff checks in with the City Council to determine if there are any changes needed to the survey instrument. As a practical matter, the survey does not change dramatically from one year to the next in order to maintain longitudinal data that shows changes to basic indicators over time. However, if the City Council believes that a question is not eliciting the information needed, changes can be made. There is also a limit to the number of total questions that can practically be asked on a telephone survey to avoid respondent fatigue. If new questions are added, they should generally replace another question. A copy of the 2012 survey report is included as Attachment A. To review the survey questions as they were asked, refer to the Topline Results beginning on page 35 of the survey report. A representative from EMC research will be present at the City Council retreat to advise the Council on technical aspects of developing the survey instrument, conducting the survey and analyzing the results.

Department directors were asked for their input on possible changes. Overall the Directors felt that the survey was quite good and not many changes were needed. However the following comments were offered:

- The 2012 survey was analyzed to differentiate responses from the neighborhoods annexed in 2011 to determine whether any particular concerns or trends were materially different from the former City prior to annexation. The sample size of the survey was

adjusted to allow for this level of analysis. Staff is requesting Council direction as to whether this approach should continue for the 2014 survey or have the community survey results be analyzed for the City as a whole. The City Manager's recommendation is to once again sample to allow for analysis of results based on the pre-annexation Kirkland and the new neighborhoods. Although the goal is to move to "One Kirkland," the annexation is still recent enough that there may be differences of opinion in the two areas that may be instructive to the Council and staff as the City enters the 2015-2016 Budget process.

- Questions 10 and 11 rate the quality and importance of various City services. One of the items is titled "land use and zoning." This item typically rates in the upper left quadrant as important but below expectations in performance. Staff is concerned that responses to this question are rating the City's policies on land use and zoning (or the perception of over-development) rather than the quality of customer services for permitting and inspection. Most of the questions in this section are related to whether the City is allocating sufficient resources and/or providing high quality services. Council may want to clarify the objective of the question and/or consider ways to get a better sense of the public's concern in the area of land use policy through a separate set of questions or supplemental outreach to the community.
- Some services are not rated in the survey, partly because of historical practice but also because of the limitation on the number of items in a list that can be rated over the phone. Services not surveyed include code enforcement, flood prevention and surface water management, sewer and wastewater services, and water quality. If items are added, then other items should be combined or eliminated to keep the total number of items about the same (e.g. "Parks and Trails" as opposed to "City Parks" and "Availability of Sidewalks and Walking Paths"). Staff is not recommending adding any services to this part of the survey at this time, although we are suggesting that the end of the survey might be used to explore more of what Kirkland residents mean by "protecting our natural environment" and being "green" in the Kirkland 2035 process. More explanation is provided below.
- Question 17 and 22 to 24 were specifically seeking input on the community's views on enhancing maintenance levels for streets and parks. The Council may want to replace these questions with a different question aimed at a current topical concern. The staff recommendation is replace these questions with questions that elicit more information about a "green" Kirkland. These could include questions about tree canopy protection and storm water for example. An alternative use of the last few questions would be to explore Kirkland residents' understanding and attitudes towards transit on the Cross Kirkland Corridor. The staff is not recommending adding any questions regarding building a pool in Kirkland since a separate survey regarding the pool will be done as part of that project. When choosing focused questions, Council should take into consideration that the survey will be administered in March with results available in April.

Following the Directors discussions, the City Manager, Deputy City Manager and Director of Human Resources and Performance Management met with a representative of EMC to deliberate about recommended changes to the Council. The conclusion of that conversation

was that the survey was quite good and required few changes other than the proposals previously outlined in the memo.

In 2012, staff also made the survey available on the City's website after the telephone survey was completed. Staff recommends that the on-line survey be made available again for residents interested in participating but who were not included in the random telephone sample. Web-based survey data is not statistically valid and will be kept separate from the telephone survey results.

Once the survey questions are finalized, EMC will begin the survey process which will take several weeks. Preliminary (topline) results are usually available within one week with a full report available within another two weeks (total of five to six weeks). Survey results and analysis will be available for the second retreat and, if possible, will be presented at an earlier Council meeting. On-line survey results will be available by the second Council retreat.



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## MEMORANDUM

**To:** Kurt Triplett, City Manager  
**From:** Marilynne Beard, Assistant City Manager  
**Date:** March 13, 2012  
**Subject:** 2012 COMMUNITY SURVEY

In January 2012, the City Council discussed the proposed contents of the 2012 Community Survey. The survey is conducted every two years and is used throughout the City's Performance Measure Report and by the City Council in assessing the City's performance in a number of areas. In addition, the survey generally includes a few questions focused on current issues.

Over the years, the Community Survey was administered by different consultants. For 2012, the City contracted with EMC Research to conduct the survey and analyze the results. EMC's survey report is attached to this memorandum.

The biannual citizen survey is a random sample telephone survey that provides statistically valid data about citizen attitudes towards City government. The survey was designed to pose the same general "baseline" questions that have been posed in the past. In doing so, longitudinal data is compared that shows the change from one survey period to the next in people's attitudes. In some cases, EMC used slightly different wording and rating scales than those used in past surveys. However their data was calibrated so that comparisons could be made between the 2010 survey results and the 2012 results.

Another more significant change between the two surveys is the annexation of an additional 31,000 residents to the City which took effect June 2011. The sample size was modified to allow for cross tabulation of results by the "old" Kirkland and the "new neighborhoods." The purpose of this exercise was to understand how similar (or different) attitudes are for newer residents and to understand any areas where further information, education or service adjustments need to be made.

In order to provide more people the opportunity to participate in the community survey, an on-line version was offered for a two-week period from February 24 to March 11. The City purchased a subscription to an enhanced version of Survey Monkey that allows for more options in survey content and improved reporting. The results of the on-line survey are being analyzed in summarized and will be provided at the retreat (possibly sooner if the report can be completed). The on-line results will be kept separate from the EMC survey since the on-line survey is not a statistically valid sample. However, anecdotal observations comparing the two survey results will be provided.



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& OPINION  
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**EMCresearch.com**

# City of Kirkland Telephone Survey about Citizen Opinions & Priorities

## Draft Report



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# 1 Project Overview

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## 1.1 Project Goal

*To assess and track residents' attitudes and opinions about quality of life in Kirkland, priorities for the future and satisfaction with city government and its services. Specifically, the survey covered the following topic areas:*

- *Respondents' evaluation of Kirkland as a place to live, including what they like the most about the city and what concerns them, their satisfaction with the availability of good and services in the City, attitudes about personal safety, and neighborhood infrastructure.*
- *Overall ratings of city government, and specific ratings on government priorities, financial management, communication with residents, and overall service delivery.*
- *Ratings of the overall importance and assessment of the City's performance across 18 City services and functions.*
- *Overall attitudes about dealing with revenue needs and respondent support for increased funding for parks, street maintenance, and neighborhood traffic safety.*
- *Questions about household emergency preparedness.*

## 1.2 Methodology

- ✓ Telephone survey of 500 registered voters in the City of Kirkland.
- ✓ Overall margin of error of +/- 4.4 percentage points at the 95% confidence level.
- ✓ Interviewing took place between January 30<sup>th</sup> and February 2<sup>nd</sup>, 2012.

This survey is the fourth in a biannual series of citizen surveys commissioned by the City of Kirkland. The previous surveys (2006, 2008, & 2010) were conducted by Elway Research. The 2012 report provides survey results for two distinct subgroups: Pre-annex and Post-annex. The Pre-annex subgroup includes residents of Kirkland prior to the June 2011 annexation. The Post-Annex group includes residents who live in the Finn Hill, North Juanita and Kingsgate/ Evergreen Hill parts of the City. *Because the previous surveys were conducted prior to annexation, comparisons with past surveys only focus on residents in the pre-annexation areas of the City.*

## 2 Key Findings

### Kirkland as a Place to Live

- Respondents continue to have a very positive view of Kirkland as a place to live. Residents in pre-Annex areas give slightly higher ratings than those in the new areas, but both groups are overwhelmingly positive about Kirkland as a place to live.
- When asked what they like most about living in Kirkland, location/convenience is most often mentioned, followed by the small town feel, and the physical environment. These responses are very similar to the 2010 survey.
- When asked what things concern them about Kirkland, the top response is "nothing." As in previous years, the top specific concerns mentioned are growth and traffic/infrastructure. Concerns about growth among Pre-annex residents have dropped by a third since 2010.
- Most residents are satisfied with the availability of goods and services in Kirkland -- however there is room for improvement as most are just "somewhat satisfied" rather than "very satisfied." There is no significant difference between Pre and Post-annex residents.
- Almost all residents say they feel safe walking in their neighborhood during the day. There is no significant difference between residents in Pre- and Post-annex neighborhoods. Most residents also say they feel safe walking in their neighborhood after dark, however, only a third say they feel "very safe" and one-quarter say they feel either "very" or "somewhat unsafe" walking after dark.
- Most residents are satisfied with their neighborhood's infrastructure - fewer than one-in-five are dissatisfied. There is no significant difference between Pre and Post-annex residents.

### Kirkland City Government

- Kirkland City government gets high marks overall, and also receives high marks for "delivering services efficiently" and "keeping citizens informed."
- The City also gets good marks for "focusing on the priorities that matter most to residents" although one-in-four residents is unable to rate the City on this metric.
- The City's rating for "managing the public's money" is divided, with more than a third unable to rate the City's performance in this area. There is little intensity in the negative ratings (% "Poor") suggesting that this is not a critical problem area.
- Most residents are not paying close attention to Kirkland City government, although a majority consider themselves either very (11%) or somewhat (46%) well informed. Not surprisingly, Pre-annex residents tend to feel they are better informed than do Post-annex residents.
- The fact that residents give the City generally high marks for keeping citizens informed suggests that most residents do not blame the City for their not being more informed.
- Respondents take advantage of a wide variety of information sources to find out "what is going on with Kirkland City government." The Kirkland Reporter is the top source, followed by the City Newsletter, and the City website.

## City Services and Functions

- *Safety related services -- fire/emergency medical services and police -- continue to be seen as the City's most important functions and the percentage of residents rating these services as "extremely important" is significantly higher than for any other service/function.*
- *After fire and police, key services/functions include recycling and garbage collection, pedestrian safety and maintaining streets.*
- *Community events, arts, and recreation programs/classes continue to be seen as the least vital functions, although close to half of residents still say these services are important. City parks, however, are seen as a key service.*
- *Most importance ratings are similar to or slightly below the 2010 results with one exception: the importance of community events has dropped half a point since.*
- *The City is performing best on the services/functions that residents consider most important - fire/emergency medical, police, recycling/garbage, and pedestrian safety. The City's performance ratings are where they should be (nearly equal to their importance ratings) for 4 of the top 5 most important services/functions and for 13 of the 18 services/functions tested.*
- *Maintaining streets is a service area where performance significantly trails importance and represents an opportunity for the City to improve.*
- *The City is over performing relative to importance on community events, recreation programs and classes, support for arts, and bike safety.*
- *The gap between importance and performance is largest on four related issues: keeping and attracting businesses, zoning and land use, maintaining streets, and managing traffic flow. However, zoning and land use is rated as much less important than the other three services/functions.*

## New Revenue

- *Three-fourths of residents say they would support a tax or fee increase to provide funding to maintain existing parks or maintain streets, although intensity of support is significantly higher for parks than for streets. Six-in-ten say they would support an increase for neighborhood traffic safety.*
- *When asked which of these three measures is the highest priority for 2012, parks is the top choice, followed by maintaining streets, and neighborhood traffic safety.*
- **NOTE:** *These results almost certainly overestimate actual levels of support for a specific ballot measure because:*
  - 1. The support questions are general and do not include any information about cost, revenue sources, or particular projects that would be funded by the measure.*
  - 2. This is a survey of registered voters, not likely voters and so the results reflect the least tax sensitive (most supportive) electorate.*
  - 3. The survey does not take into account other revenue measures that may be on the ballot at the same time.*

## Emergency Preparedness

- *Kirkland residents' emergency preparedness is essentially unchanged since 2010. Most have working smoke detectors and three days of stored food/water. About half have established a communications plan, and put together an emergency kit for their car.*

## 3 Attitudes About the City

### 3.1 Rating Kirkland as a Place to Live

#### Question(s) Analyzed

Q7. How would you rate Kirkland as a place to live? Would you say it is...  
Excellent, Very Good, Satisfactory, Only Fair or Poor?

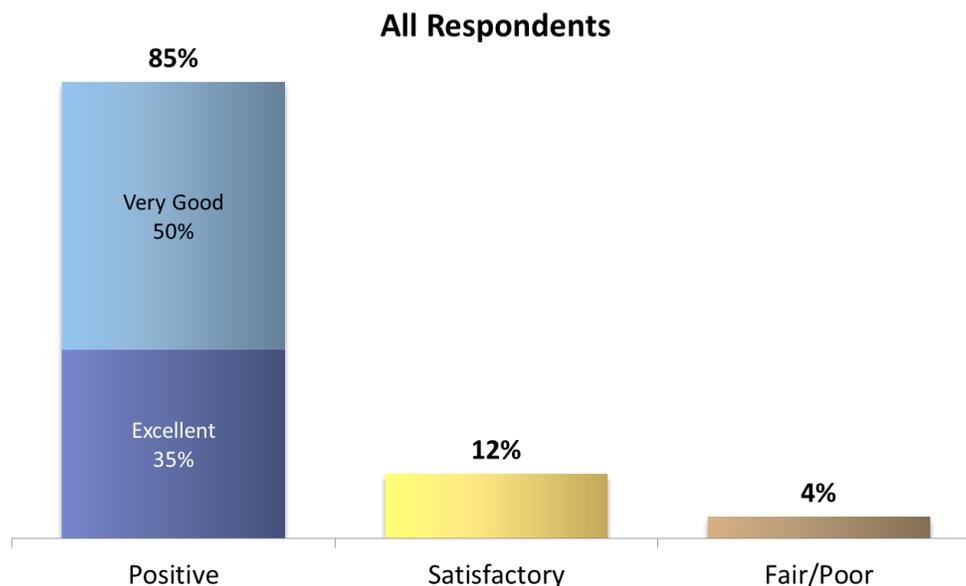
#### Finding

- **Respondents continue to have a very positive view of Kirkland as a place to live. Residents in pre-Annex areas give slightly higher ratings than those in the new areas, but both groups are overwhelmingly positive about Kirkland as a place to live.**

When asked to rate Kirkland as a place to live, just over a third (35%) give the City the highest rating (“Excellent”) and half (50%) rate Kirkland as a “Very Good” place to live.

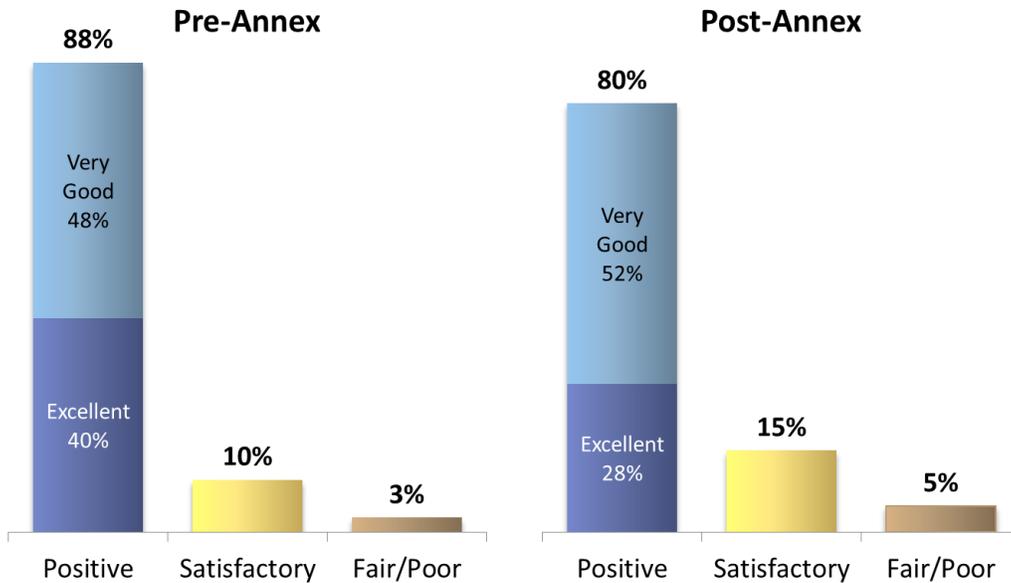
Approximately one-in-ten (12%) rate Kirkland as “Satisfactory” while the number of residents giving Kirkland an “Only Fair” or “Poor” rating is negligible (4%).

Figure 3-1 – Rating of Kirkland as a Place to Live (Overall)



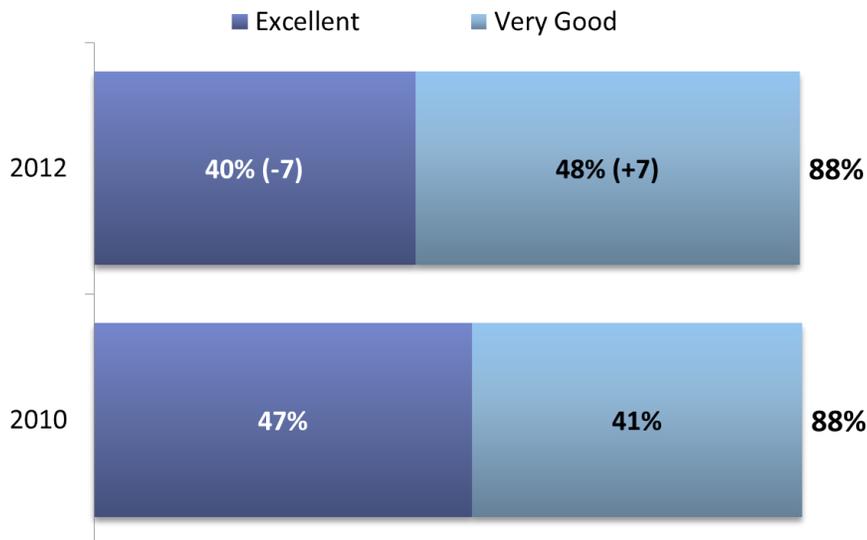
Pre-Annex residents give slightly higher ratings (88% Positive vs. 80% Positive), although both groups are overwhelmingly positive about Kirkland as a place to live. The intensity of positive opinion (“Excellent”) is also higher among Pre-annex residents than it is among Post-Annex residents (40% Excellent vs. 28% Excellent”). Very few residents from either group (3% & 5%) consider Kirkland an “Only Fair” or “Poor” place to live.

Figure 3-2 – Rating of Kirkland as a Place to Live (Pre/Post-Annex)



While the intensity (%“Excellent”) of opinion has diminished slightly since 2010, the total percentage of positive responses has not changed.

Figure 3-3 – Rating of Kirkland as a Place to Live by Year (Pre-Annex Only)



## 3.2 Positives Aspects of Living in Kirkland

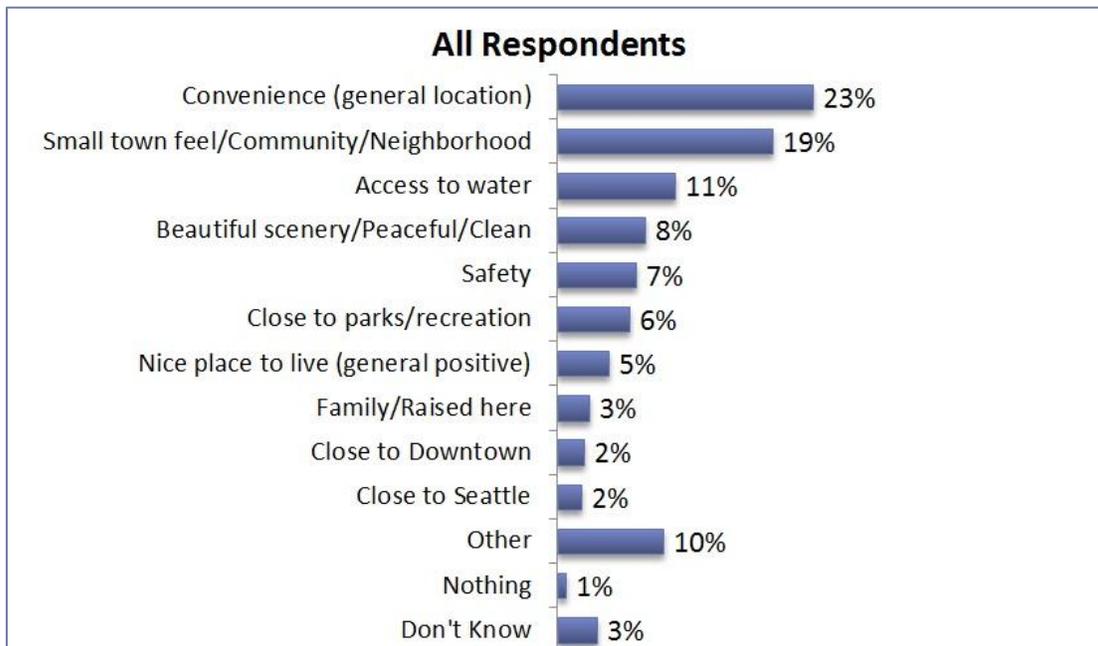
### Question(s) Analyzed

Q8. What do you like best about living in Kirkland? (Single mention)

### Finding

- *When asked what they like most about living in Kirkland, location (convenience) is most often mentioned, followed by the small town feel, and the physical environment. These responses are very similar to the 2010 survey.*

Figure 3-4 – Kirkland Positives



### 3.3 Concerns About Kirkland

#### Question(s) Analyzed

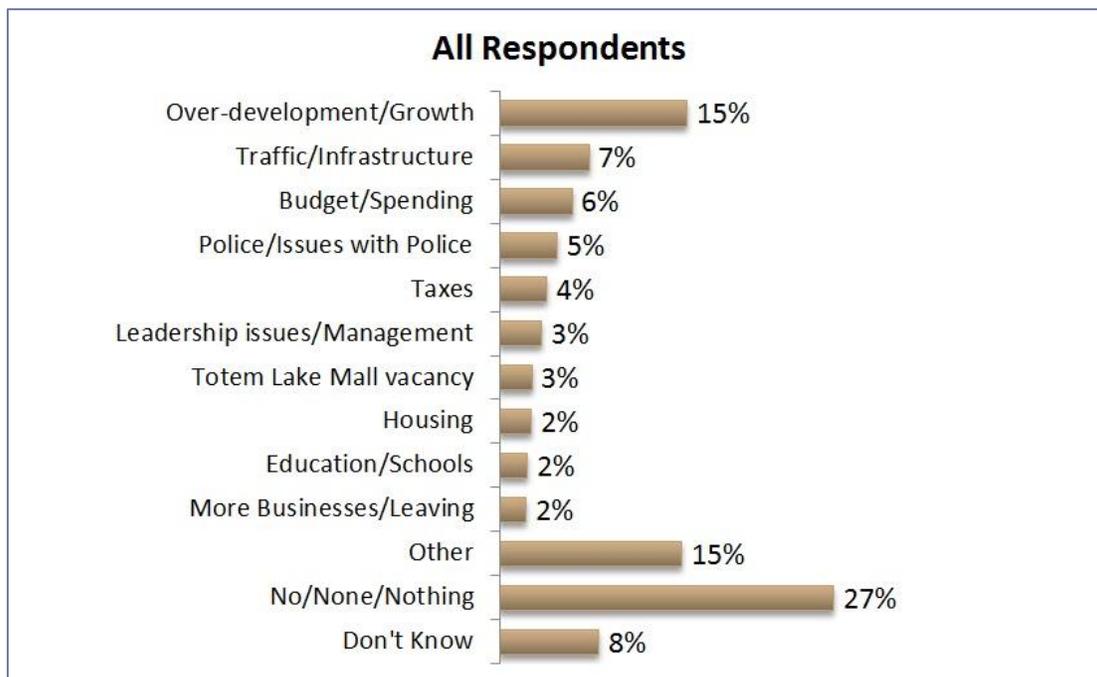
Q9. When you think about the way things are going in Kirkland, what if anything concerns you? (Single mention)

#### Finding

- *When asked what things concern them about Kirkland, the top response is "nothing." As in previous years, the top specific concerns mentioned are growth and traffic/infrastructure.*
- *Concerns about growth among Pre-annex residents have dropped by a third since 2010.*

Combining those who say "nothing" and those who are unable to think of a specific concern ("don't know"), a third (35%) of respondents do not offer a concern about the way things are going in Kirkland. Only one specific area of concern – development/growth – reaches double digit mentions. Concerns about growth related issues are higher among Pre-annex residents (20%), than Post-annex residents (11%), but even so concern among Pre-annex residents is down a third from 2010 (20% vs. 30%).

Figure 3-5 – Kirkland Negatives



### 3.4 Satisfaction with the Availability of Goods & Services

#### Question(s) Analyzed

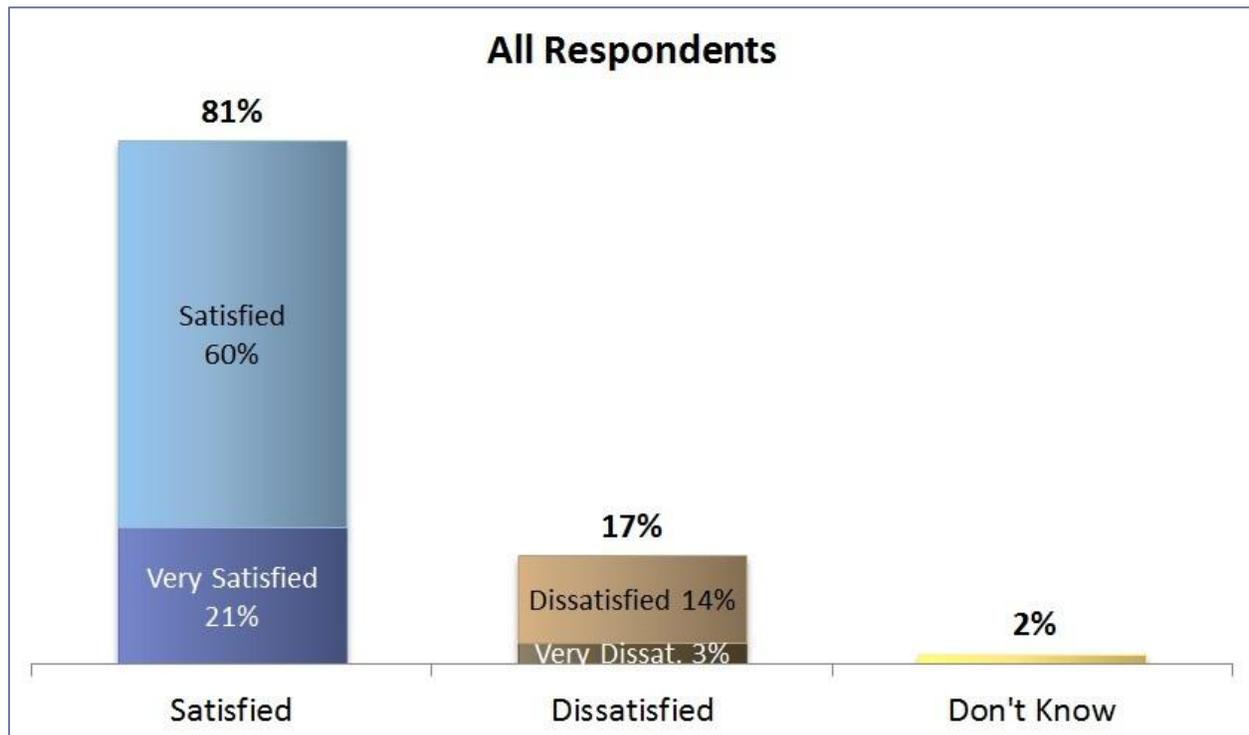
Q18. Thinking about the types of stores, goods and services available in Kirkland... would you say that you are Very satisfied, Satisfied, Dissatisfied or Very dissatisfied with the availability of goods and services?

#### Finding

- *Most residents are satisfied with the availability of goods and services in Kirkland -- however there is room for improvement as most are just "somewhat satisfied" rather than "very satisfied." There is no significant difference between Pre and Post-annex residents.*
- *Satisfaction among Pre-annex residents is up slightly from 2010 (+5; 81% vs. 76%), although the change is within the survey's margin of error.*

Eight-in-ten (81%) residents are satisfied with the availability of goods and services in Kirkland – just under one-in-five (17%) are dissatisfied, with only 3% “very dissatisfied.”

Figure 3-6 – Satisfaction with Availability of Goods & Services



### 3.5 Neighborhood Safety

**Question(s) Analyzed**

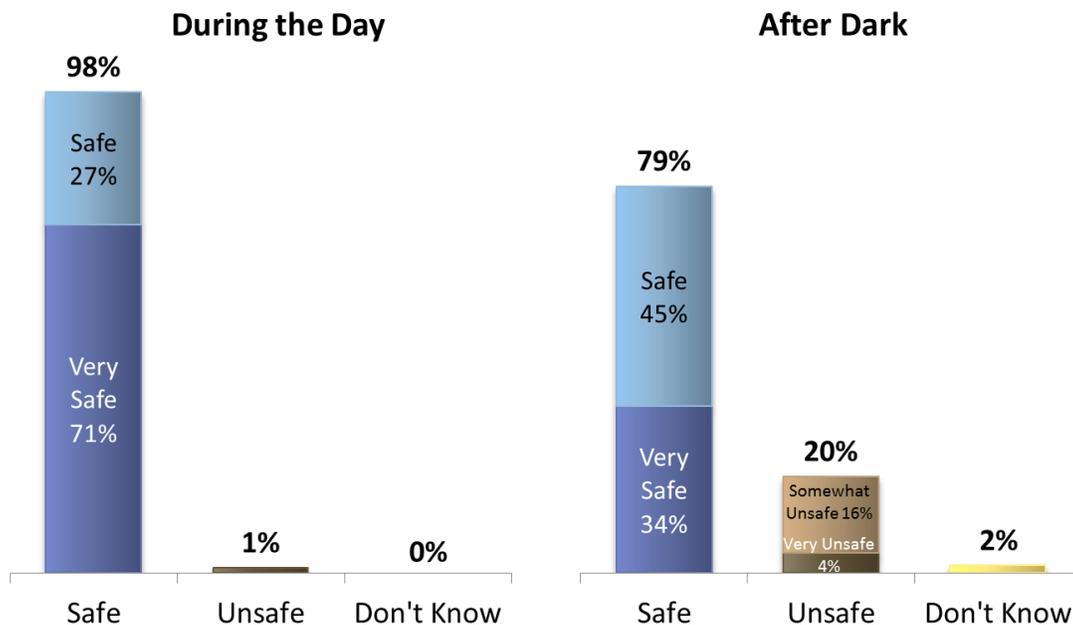
- Q19. In general, how safe do you feel walking alone in your neighborhood during the day?
- Q20. And how safe do you feel walking alone in your neighborhood after dark?

**Finding**

- **Almost all residents say they feel safe walking in their neighborhood during the day. There is no significant difference between residents in Pre-annex and Post-annex neighborhoods.**
- **Most residents say they feel safe walking in their neighborhood after dark, however, only a third say they feel "very safe" and one-quarter say they feel either "very" or "somewhat unsafe" walking after dark.**
- **The overall sense of safety among Pre-annex residents is similar to the 2010 survey, although the percentage saying they feel "very safe" has declined marginally for both walking during the day (-5; 74% vs. 79%) and after dark(-6; 33% vs. 39%). However, both of these changes are within the margin of error for the Pre-annex subgroup.**

Most (98%) Kirkland residents feel safe walking in their neighborhood during the day – only 1% say they feel unsafe. The majority (79%) fell safe walking after dark, but only 34% say they feel “very safe” and one-in-five (20%) say they feel unsafe.

Figure 3-7 – Neighborhood Safety



### 3.6 Satisfaction with Neighborhood Infrastructure

#### Question(s) Analyzed

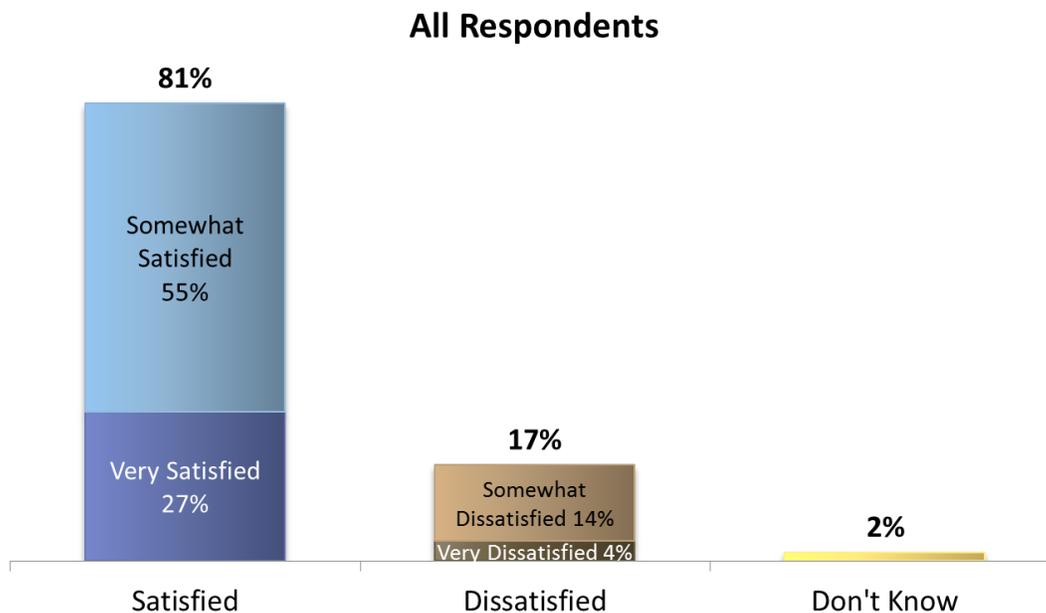
Q21. In general, how satisfied are you with your neighborhood's infrastructure such as streets and sidewalks, and roadside landscaping?

#### Finding

- **Most residents are satisfied with their neighborhood's infrastructure - fewer than one-in-five are dissatisfied. There is no significant difference between Pre and Post-annex residents.**

Eight-in-ten (81%) residents say they are satisfied with their neighborhood's "infrastructure such as streets and sidewalks, and roadside landscaping" -- 17% are dissatisfied, but only 4% are "very dissatisfied."

Figure 3-8 – Satisfaction with Neighborhood Infrastructure



## 4 Kirkland City Government

### 4.1 Kirkland Job Ratings

#### Question(s) Analyzed

Please tell me how you think Kirkland City government is doing in each of the following areas.

Use a scale of excellent, good, only fair, or poor. If you aren't sure one way or the other, please just say so.

Q10. the job the City doing overall

Q11. the job the City is doing managing the public's money

Q12. the job the City does keeping citizens informed

Q13. the job the City does delivering services efficiently

Q14. the job the City does focusing on the priorities that matter most to residents

#### Finding

- ***Kirkland City government gets high marks overall, and also receives high marks for "delivering services efficiently" and "keeping citizens informed."***
- ***The City also gets good marks for "focusing on the priorities that matter most to residents" although one-in-four residents is unable to rate the City on this metric.***
- ***The City's rating for "managing the public's money" is divided, with more than a third unable to rate the City's performance in this area. There is little intensity in the negative ratings (% "Poor") suggesting that this is not a critical problem area.***

Two-thirds (68% "Excellent" or "Good") of residents give the City a positive rating for the job it is doing overall. Only 5% give the City a "poor" rating indicating that there is little intensity on the negative side.

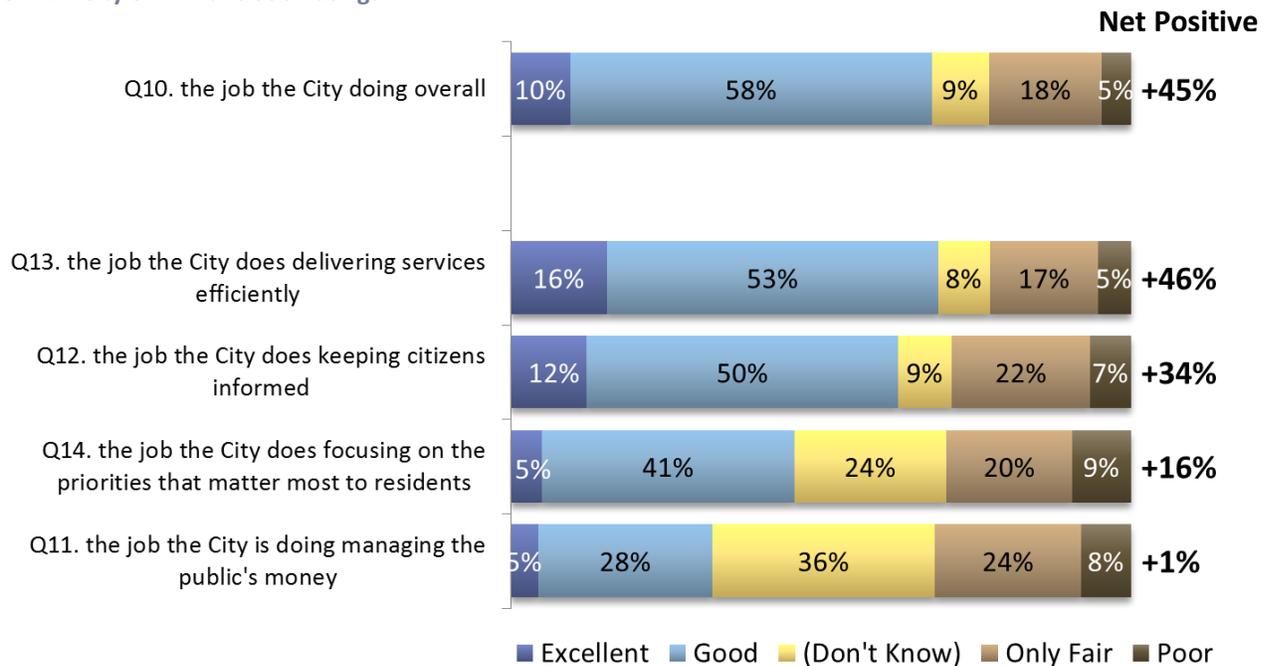
The City also gets very strong marks for delivering services efficiently. Two-thirds (69%) give the City a positive rating – and again, there is little intensity on the negative side (5% "Poor").

Nearly two-thirds (62% "Excellent" or "Good") of residents give the City a positive rating for the job it is doing keeping citizens informed. Fewer than a third (29%) give the city a negative rating for communications, with only 7% saying the City is doing a "Poor" job. The positive rating is essentially unchanged from 2010 (62% vs. 60% Positive), while the negative rating has dropped from 37% to 29%.

Residents' attitudes about the job the City does focusing on the priorities that matter most to them is net positive (46% "Excellent" or "Good" / 29% "Only fair" or "Poor"), however there is an information deficit, with one-in-four (24%) saying they are unable to rate the City.

Residents are divided over the job the City is doing managing the public's money (33% Positive / 32% Negative), with more than a third (36%) unable to rate the City's performance in this area. However, the "poor" rating is very low at 8%.

Figure 4-1 – City of Kirkland Job Ratings



## 4.2 Information Level & Information Sources

### Question(s) Analyzed

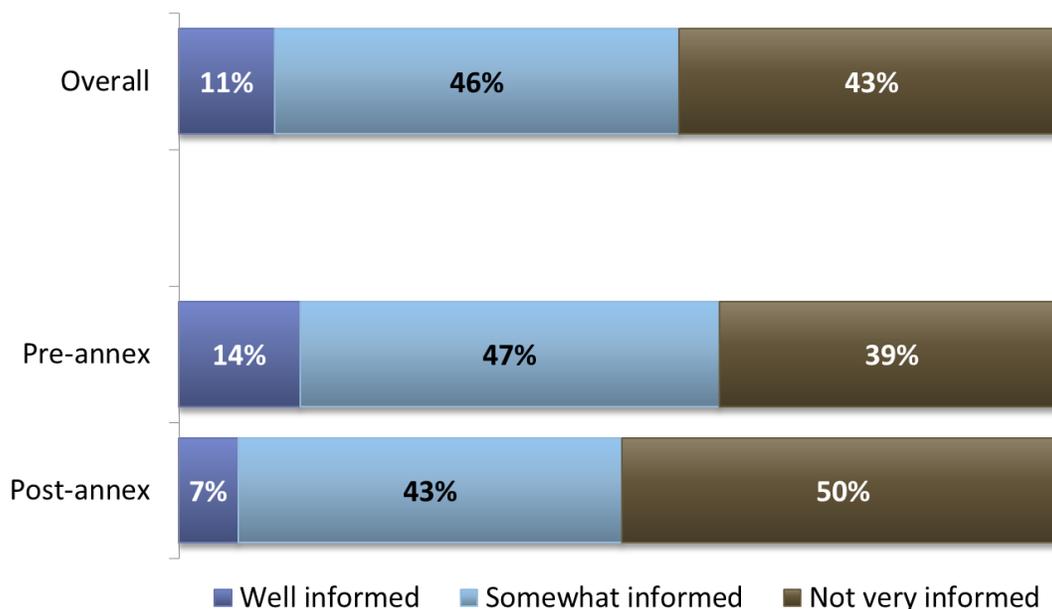
- Q30. In general, how well-informed would you say you are about Kirkland City government? Would you say you are well informed, somewhat informed, or not very informed?
- Q31. What is your primary source of information for finding out what is going on with Kirkland City government?

### Finding

- **Most residents are not paying close attention to Kirkland City government, although a majority consider themselves either very (11%) or somewhat (46%) well informed. Not surprisingly, Pre-annex residents tend to feel they are better informed than do Post-annex residents.**
- **The fact that residents give the City generally high marks for keeping citizens informed suggests that most residents do not blame the City for their not being more informed.**
- **Respondents take advantage of a wide variety of information sources to find out "what is going on with Kirkland City government." The Kirkland Reporter is the top source, followed by the City Newsletter, and the City website.**

Only one-in-ten respondents consider themselves "well-informed" about Kirkland City government. About half (46%) classify themselves as "somewhat informed" and four-in-ten (43%) say they are "not very informed." Pre-annex residents are more likely to consider themselves at least somewhat informed than are Post-annex residents (61% vs. 50%).

Figure 4-2 –Information Level



The Kirkland Reporter is the top source (31% mention) for news about City government, followed by the City Newsletter (16%) and the City website (10%). There is little difference in information sources between the Pre and Post-annex groups.

Figure 4-3 – Information Sources

	%
Kirkland Reporter	31%
City Newsletter	16%
Kirkland/City Website	10%
City Television Channel	6%
Word of mouth	6%
City email list	6%
Neighborhood association meetings	5%
Local Blogs	3%
Mail	2%
Radio	2%
Twitter	1%
Kirkland Journal	1%
Facebook	1%
Other	3%
None	5%
Don't know/NA	3%

## 5 City Services and Functions

### 5.1 Importance

#### Question(s) Analyzed

Q15. I'm going to read to you a list of services and functions provided by the city. For each one, please tell me how important that city function is to you and your household. Use a scale of 1 to 5, where 1 means that it is "not at all important" and 5 means it is "extremely important."

#### Finding

- ***Safety related services -- fire/emergency medical services and police -- continue to be seen as the City's most important functions and the percentage of residents rating these services as "extremely important" is significantly higher than for any other service/function.***
- ***After fire and police, key services/functions include recycling and garbage collection, pedestrian safety and maintaining streets.***
- ***Community events, arts, and recreation programs/classes continue to be seen as the least vital (% "Extremely Important") functions, although close to half of residents still say these service are important. City parks, however, are seen as a key service.***

Sixteen of the 18 functions/services tested are seen as important by a majority of residents – only "support for arts in the community" and "community events" fail to get a majority, although both are above 40% in overall importance.

Three-fourths of residents rate "fire and emergency medical services" as a 5 ("Extremely Important") on a 5-point scale and 93% rate it as a 4 or a 5. A strong majority (61% "Extremely Important") of residents also see "police services" as a critical City function – 85% rate police services as a 4 or a 5.

The next tier of services/functions that are seen as highly important include: recycling and garbage collection (83% Total Important, including 48% Extremely important), pedestrian safety (82%; 50%), and maintaining streets (82%; 43%).

Roughly three-fourths of residents see attracting and keeping businesses (77% / 45%), City parks (77% / 43%), protecting our natural environment (76% / 42%), and emergency preparedness (74% / 46%) as important.

Managing traffic flow (74% / 36%), availability of sidewalks and walking paths (71% / 36%) and services for people in need (68% / 35%) have high overall importance, but lower intensity (% "Extremely Important").

There are some minor differences in average importance between Pre-annex and Post-annex residents, but the overall order is largely the same.

Figure 5-1 – Importance (All Residents)

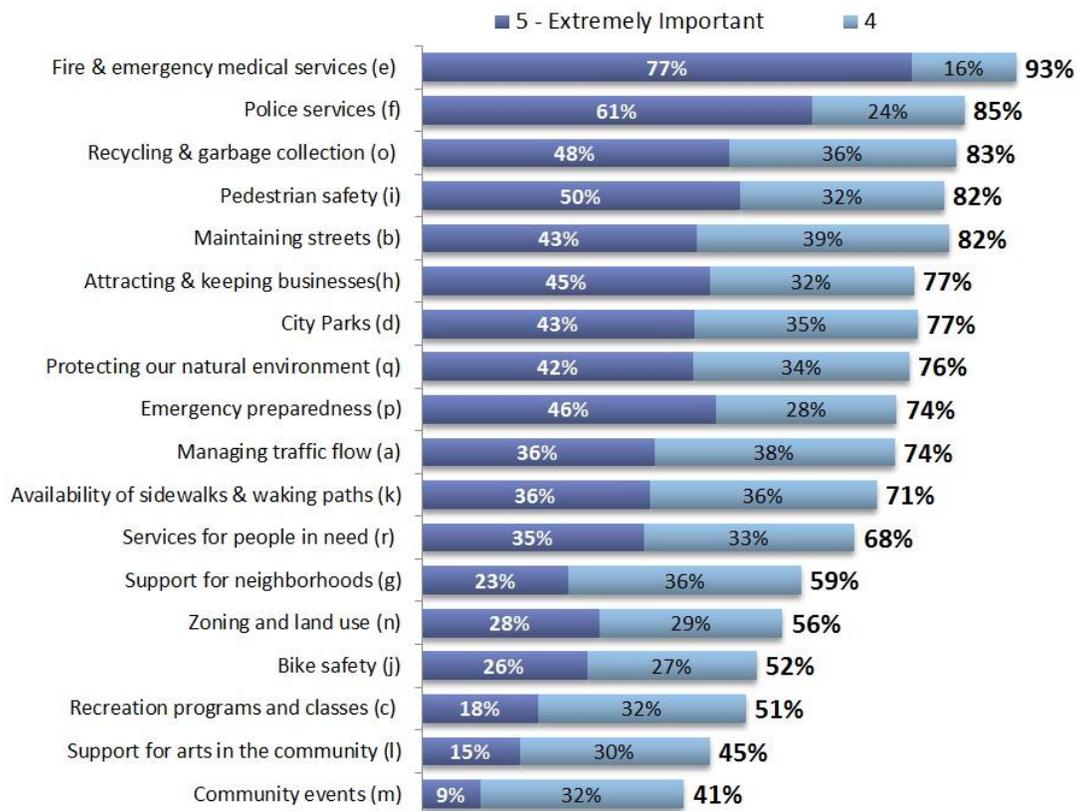


Figure 5-2 – Average Importance (Pre- and Post-Annex)

Service Item	Pre-Annex Mean	Post-Annex Mean
Fire & Emergency Medical Services	4.59	4.79
Police Services	4.43	4.34
Pedestrian safety	4.27	4.15
Recycling & Garbage Collection	4.27	4.28
Maintaining streets	4.22	4.20
City Parks	4.17	4.10
Attracting & Keeping Businesses in Kirkland	4.16	4.08
Emergency Preparedness	4.11	4.23
Protecting our natural environment	4.05	4.17
Managing Traffic Flow	4.00	4.01
Availability of Sidewalks & Walking Paths	3.99	3.85
Services for People in Need	3.93	4.00
Zoning & Land Use	3.82	3.68
Support for Neighborhoods	3.61	3.81
Bike safety	3.50	3.39
Support for Arts in the community	3.34	3.27
Recreation Programs & Classes	3.34	3.57
Community Events	3.17	3.18

## 5.2 Importance - Comparison with 2010

### Finding

- *Most importance ratings are similar to or slightly below the 2010 results with one exception: the importance of community events has dropped half a point since 2010.*

Figure 5-3 – Importance Year-to-Year Comparison

NOTE: 2012 means are shown based on a 0 to 4 scale to allow for comparison with 2010 data and only reflect the ratings of residents in the pre-annexation area.

Service/Function	2010 Importance	2012 Importance	Change	%Increase/Decrease
<b>ALL SERVICES/FUNCTIONS</b>	<b>3.11</b>	<b>2.95</b>	<b>-0.16</b>	<b>-5.1%</b>
Availability of Sidewalks & Walking Paths **	2.95	2.99	+0.05	1.6%
Attracting & Keeping Businesses in Kirkland	3.13	3.16	+0.03	1.1%
Protecting our natural environment	3.08	3.05	-0.03	-0.9%
Maintaining streets	3.28	3.22	-0.06	-1.8%
City Parks	3.24	3.17	-0.07	-2.3%
Support for Neighborhoods	2.68	2.61	-0.07	-2.7%
Emergency Preparedness	3.20	3.11	-0.09	-2.9%
Recycling & Garbage Collection **	3.41	3.27	-0.14	-4.0%
Fire & Emergency Medical Services **	3.76	3.59	-0.17	-4.4%
Zoning & Land Use	2.98	2.82	-0.16	-5.4%
Police Services	3.71	3.43	-0.28	-7.5%
Support for Arts in the community	2.56	2.34	-0.22	-8.6%
Managing Traffic Flow	3.30	3.00	-0.30	-9.0%
Recreation Programs & Classes	2.70	2.34	-0.36	-13.4%
Community Events	2.68	2.17	-0.51	-19.1%

NOTE: \*\*Three of the above categories represent multiple means from individually-tested items in 2010. For these items, the 2010 number is the average of those individual ratings. For example, the 2.95 appearing for the 2010 rating of “Availability of Sidewalks & Walking Paths” is actually the midpoint between a 2.98 mean for “Sidewalks” and a 2.91 mean for “Walking Paths” in 2010.

### 5.3 Performance

#### Question(s) Analyzed

Q16. Using the same list, please tell me how you think the city is doing in each area. Use an A thru F grading scale where A means Excellent, B means Above Average, C is Average, D is Below Average, and F is Failing.

#### Finding

- ***For the most part, the City is performing best on those services/functions that residents see as most important - fire/emergency medical, police, recycling/garbage, and pedestrian safety.***
- ***Maintaining streets is a service area where performance significantly trails importance and represents an opportunity for the City to respond to a perceived deficiency.***

Five of the top six services/functions in terms of importance are also in the top six in terms of performance, meaning that for the most part, the City is performing best on those services/functions that residents see as most important. Maintaining streets which was fifth in average importance ranks 11<sup>th</sup> in performance, with just over half (55%) giving it an A or B grade.

As with the importance ratings, there are some minor differences in average performance between Pre-annex and Post-annex residents, but the overall order is largely the same.

Figure 5-4 – Performance

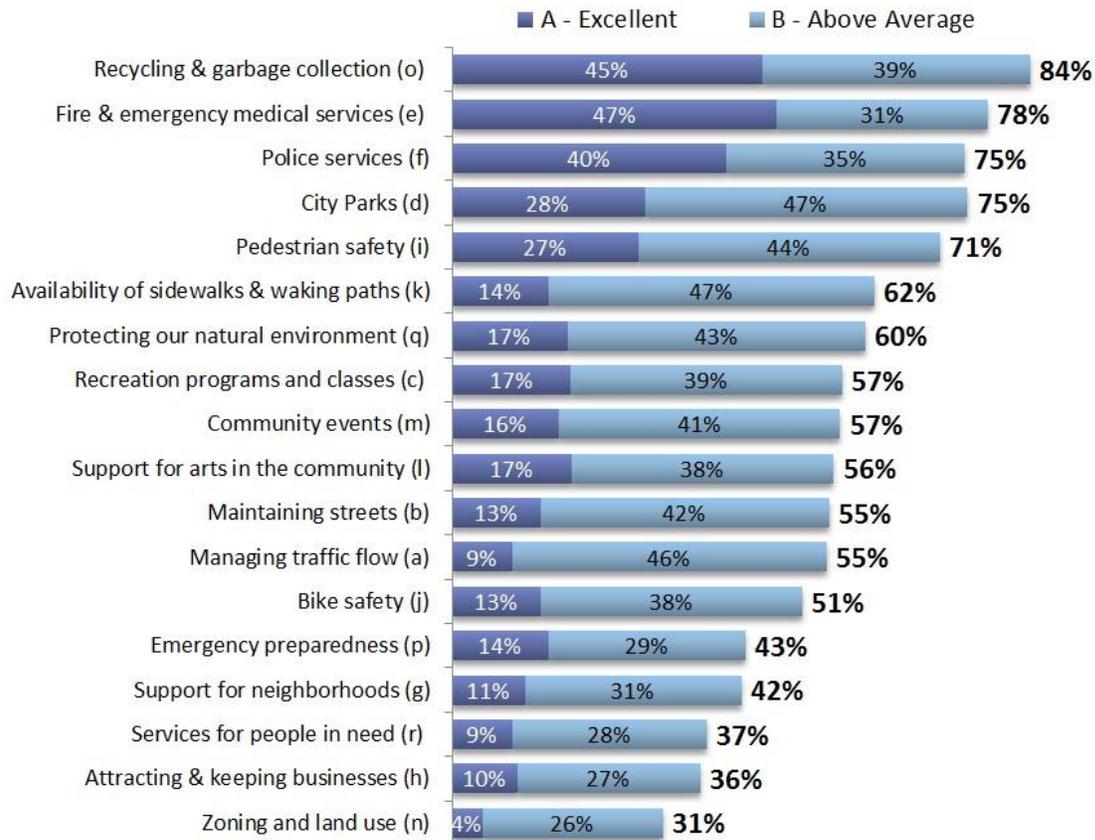


Figure 5-5 – Average Performance (Pre- and Post-Annex)

Service Item	Pre-Annex Mean	Post-Annex Mean
Fire & Emergency Medical Services	4.37	4.36
Recycling & Garbage Collection	4.30	4.23
Police Services	4.20	4.00
City Parks	4.03	4.04
Pedestrian safety	3.95	4.04
Community Events	3.86	3.68
Recreation Programs & Classes	3.86	3.80
Protecting our natural environment	3.83	3.77
Support for Arts in the community	3.80	3.83
Availability of Sidewalks & Walking Paths	3.69	3.68
Emergency Preparedness	3.68	3.73
Support for Neighborhoods	3.62	3.47
Services for People in Need	3.62	3.66
Maintaining streets	3.60	3.56
Bike safety	3.58	3.74
Managing Traffic Flow	3.46	3.51
Attracting & Keeping Businesses in Kirkland	3.26	3.25
Zoning & Land Use	3.16	3.25

## 5.4 Performance - Comparison with 2010

### Finding

- *Average performance ratings have also stayed essentially unchanged since 2010 or have dropped slightly.*

Figure 5-6 – Performance Year-to-Year Comparison

NOTE: 2012 means are shown based on a 0 to 4 scale to allow for comparison with 2010 data and only reflect the ratings of residents in the pre-annexation area.

Service/Function	2010 Performance	2012 Performance	Change	%Increase/Decrease
<b>ALL SERVICES/FUNCTIONS</b>	<b>2.91</b>	<b>2.78</b>	<b>-0.13</b>	<b>-4.4%</b>
Attracting & Keeping Businesses in Kirkland	2.23	2.26	+0.03	1.5%
Availability of Sidewalks & Walking Paths **	2.70	2.69	-0.01	-0.2%
Community Events	2.88	2.86	-0.02	-0.7%
Recycling & Garbage Collection **	3.34	3.30	-0.04	-1.2%
Managing Traffic Flow	2.49	2.46	-0.03	-1.4%
Recreation Programs & Classes	2.98	2.86	-0.12	-4.1%
Protecting our natural environment	2.95	2.83	-0.12	-4.2%
Support for Arts in the community	2.93	2.80	-0.13	-4.5%
Zoning & Land Use	2.29	2.16	-0.13	-5.6%
City Parks	3.21	3.03	-0.18	-5.6%
Fire & Emergency Medical Services **	3.60	3.37	-0.23	-6.4%
Police Services	3.43	3.20	-0.23	-6.7%
Support for Neighborhoods	2.84	2.62	-0.22	-7.7%
Maintaining streets	2.82	2.60	-0.22	-7.8%
Emergency Preparedness	2.96	2.68	-0.28	-9.3%

NOTE: \*\*Three of the above categories represent multiple means from individually-tested items in 2010. For these items, the 2010 number is the average of those individual ratings. For example, the 2.70 appearing for the 2010 rating of “Availability of Sidewalks & Walking Paths” is actually the midpoint between a 2.60 mean for “Sidewalks” and a 2.80 mean for “Walking Paths” in 2010.

### 5.5 Importance vs. Performance – Gap Analysis

**Finding**

- *The City's performance rating is 90% or more of the importance rating for 4 of the top 5 most important services/functions and for 13 of the 18 services/functions tested.*
- *The City is over performing relative to importance on community events, recreation programs and classes, support for arts, and bike safety.*
- *The gap between importance and performance is largest on four related issues: keeping and attracting businesses, zoning and land use, maintaining streets, and managing traffic flow. However, zoning and land use is rated as much less important than the other three services/functions.*

Figure 5-7 – Gap Analysis: Performance as a Percentage of Importance

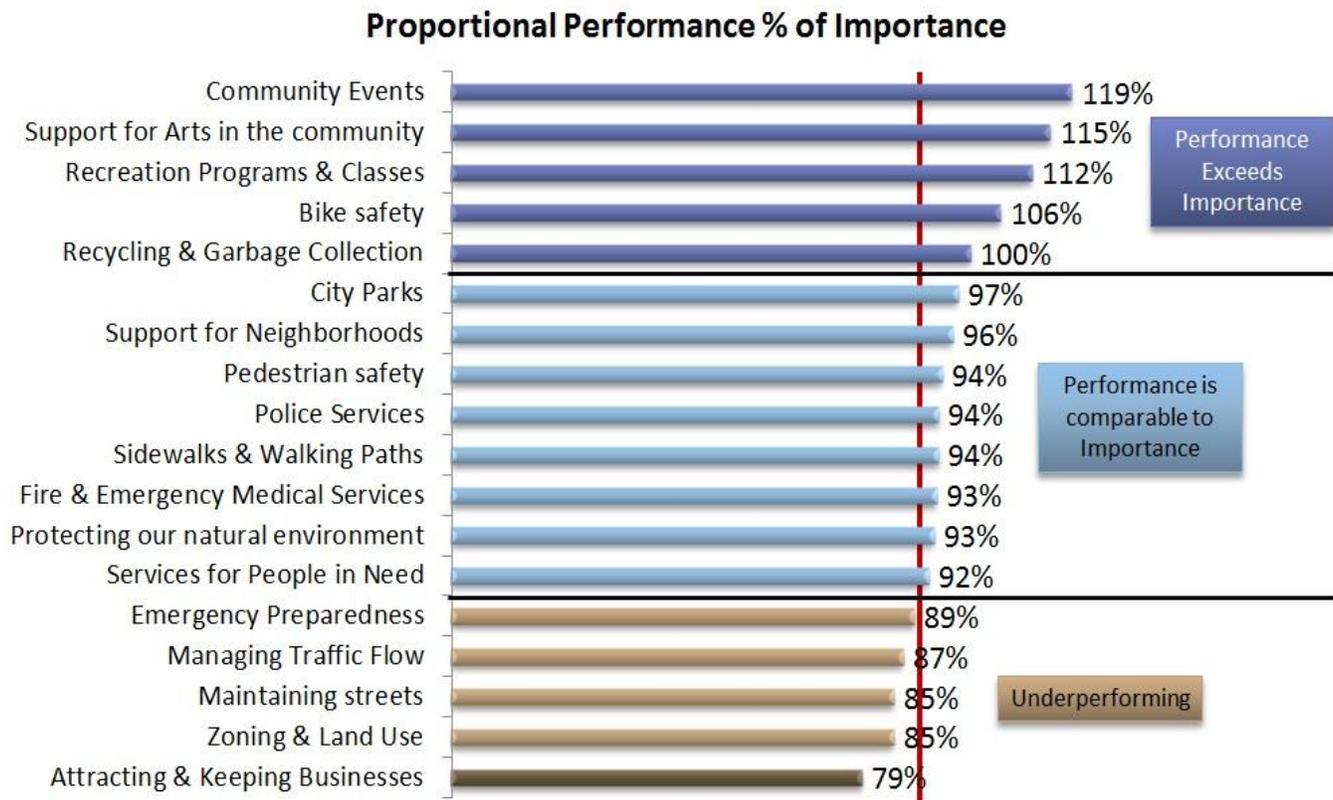


Figure 5-8 – Gap Analysis: Importance vs. Performance

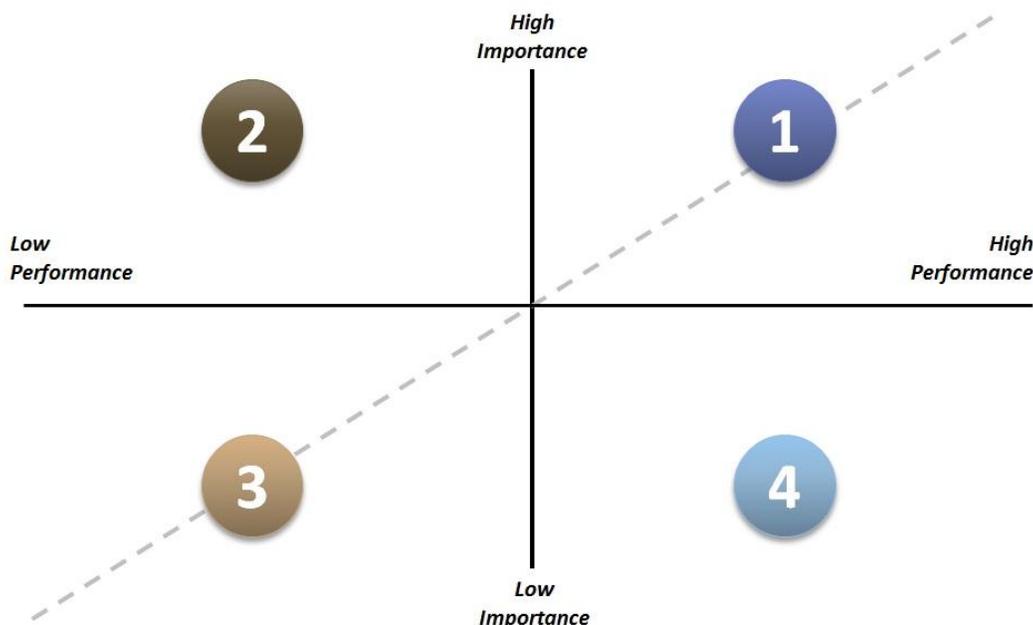
Service/ Function	Importance	Performance	Gap	Performance vs. Importance
<b>ALL SERVICES/ FUNCTIONS</b>	<b>3.95</b>	<b>3.76</b>	<b>-0.18</b>	<b>96.1%</b>
Fire & Emergency Medical Services	4.68	4.36	-0.31	93.3%
Police Services	4.40	4.12	-0.28	93.7%
Recycling & Garbage Collection	4.27	4.27	-0.01	99.8%
Pedestrian safety	4.22	3.98	-0.24	94.4%
Maintaining streets	4.21	3.58	-0.63	85.0%
Emergency Preparedness	4.16	3.70	-0.45	89.1%
City Parks	4.14	4.04	-0.11	97.5%
Attracting & Keeping Businesses in Kirkland	4.13	3.26	-0.87	79.0%
Protecting our natural environment	4.10	3.81	-0.30	92.8%
Managing Traffic Flow	4.01	3.48	-0.53	86.8%
Services for People in Need	3.96	3.64	-0.32	91.8%
Availability of Sidewalks & Walking Paths	3.94	3.69	-0.25	93.7%
Zoning & Land Use	3.76	3.20	-0.56	85.0%
Support for Neighborhoods	3.69	3.56	-0.13	96.5%
Bike safety	3.45	3.65	+0.19	105.6%
Recreation Programs & Classes	3.44	3.84	+0.40	111.7%
Support for Arts in the community	3.31	3.81	+0.50	115.2%
Community Events	3.17	3.79	+0.61	119.3%

## 5.6 Importance & Performance – Quadrant Analysis

Plotting the importance and performance on a quadrant chart allows items to be categorized in the following ways:

- 1) **High Importance & Performance** (top-right quadrant) – These are the services that residents view as very important and that the City is doing best with. Items in this category should be considered Kirkland’s **most valued strengths**.
- 2) **High Importance, Low Performance** (top-left quadrant) – Services falling into this category should be viewed as **opportunities for improvement**. These are the items that residents feel are very important but the City could be doing better with. Improving the services in this quadrant will have the greatest effect in improving citizens’ overall favorability of the City.
- 3) **Low Importance & Performance** (bottom-left quadrant) – Services in this category are **low-priority items** for residents and so lower performance here is not a critical issue for them. Some of these items may be raised by a vocal minority of residents but, for the most part, focusing too much on them will have a minimal impact on improving overall attitudes about the City.
- 4) **Low Importance, High Performance** (bottom-right quadrant) – This quadrant represents services that citizens think the City is doing well with but are believed to be less important. While items in this quadrant can be considered successes with certain niche groups, for most citizens, they are **not major drivers** of the City’s favorability.

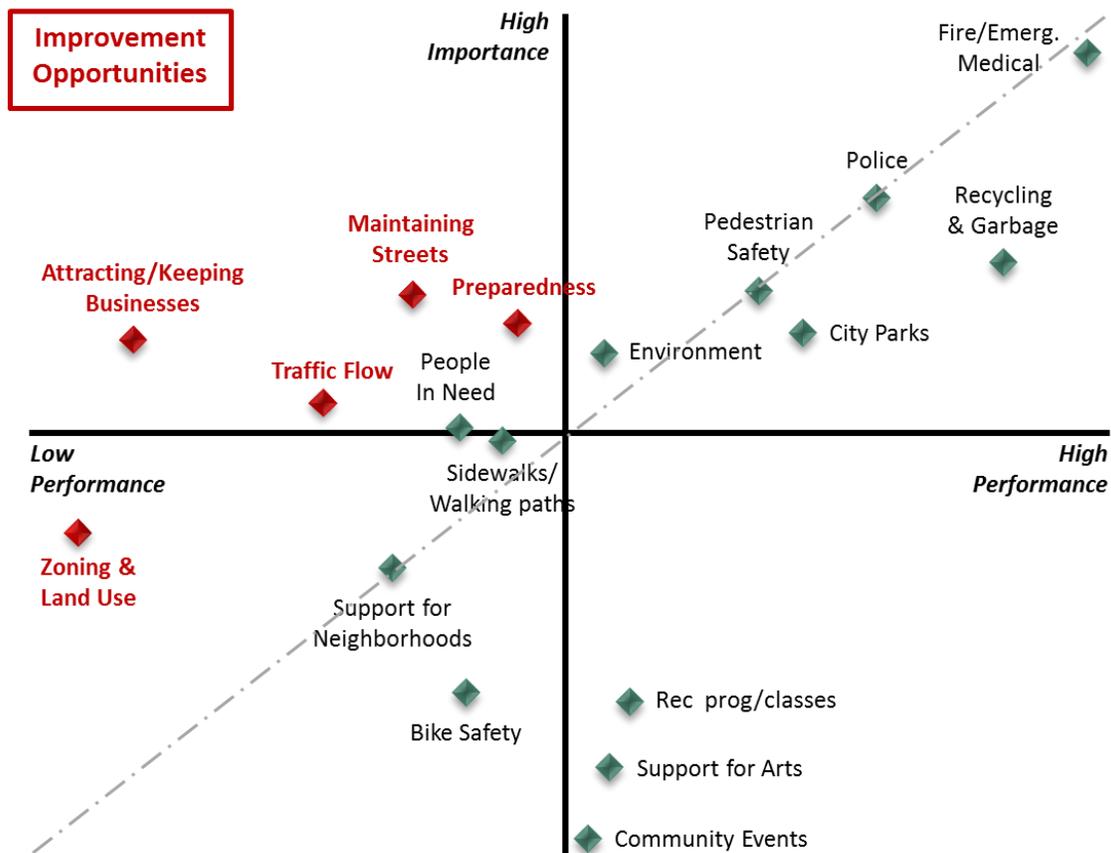
The diagonal line overlaying the chart represents where the ideal performance should be relative to the level of importance. Services falling on or near this line are performing optimally compared to how citizens value them. Items significantly left of the line may be potentially valuable improvement opportunities (even if they appear in quadrants 1 or 3) while items far right of the line may result in wasted resources if given too much focus.



This view shows that, overall, many items are exactly where they should be, with appropriate performance levels for their importance. Further, it once again shows that the City is doing well with most of the higher importance items – fire/emergency, police, pedestrian safety, recycling/garbage.

However, this analysis again highlights the critical areas for improvement opportunities -- attracting/keeping businesses, maintaining streets, and managing traffic flow. Zoning and land use is also significantly underperforming but it is less important overall to residents than the other issues.

Figure 5-9 – Overall Importance & Performance Quadrant Chart



## 6 New Revenue

### 6.1 Increased Taxes or Reduced Services

#### Question(s) Analyzed

Q17. With the demand for City services increasing faster than the City's revenue would you choose to...?

Increase taxes to meet the demand for city services

OR

Keep taxes the same and reduce city services

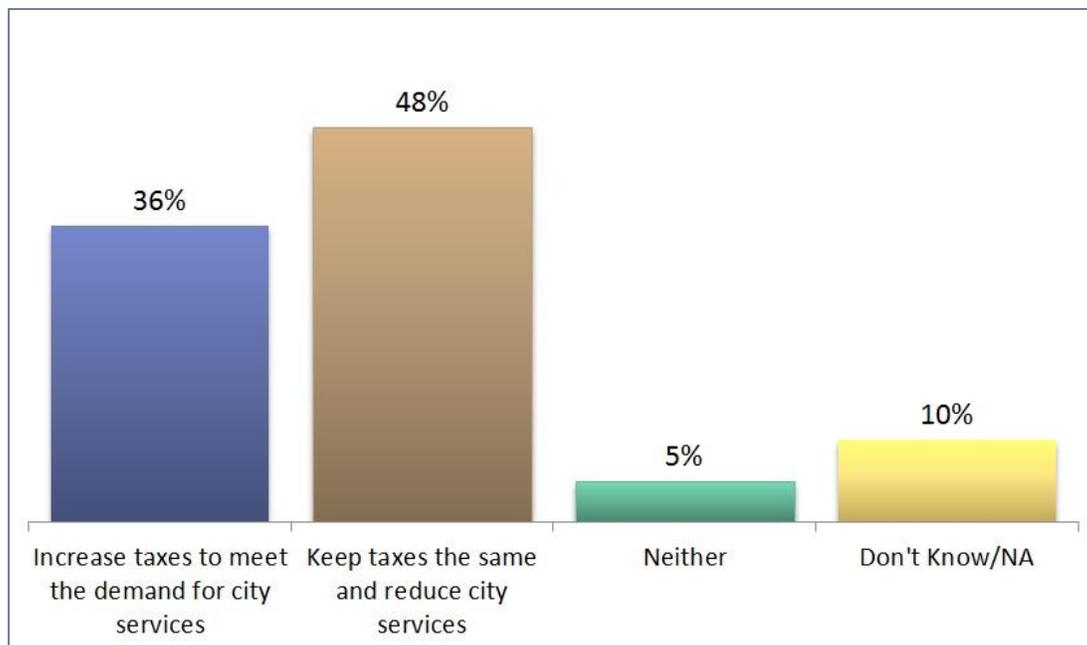
#### Finding

- ***As a general proposition, residents are more likely to choose cutting services over raising taxes as a way to meet the growing demand for city services. However, when revenue increases are tied to specific service/function areas, there is strong majority support.***

By a 48% to 36% margin, respondents say they would prefer to reduce city services rather than Increase taxes to meet the demand for city services. One-in-ten (10%) are not sure.

Pre-annex residents are somewhat more willing to support new taxes (39% Increase Taxes / 47% Reduce Services) than Post-annex residents (33% Increase Taxes / 50% reduce Services)

Figure 6-1 –Increase Taxes or Reduce Services



## 6.2 Support for Additional Funding for Parks, Streets, Traffic Safety

### Question(s) Analyzed

Next I am going to read a list of services that some Kirkland citizens feel need to be improved. Each of these would require a tax or fee increase to provide the necessary funding. As I read each one, tell me whether you would support or oppose increasing local taxes for that purpose. Tell me whether you Strongly Support, Somewhat Support, Somewhat Oppose or Strongly Oppose each one.

Q22. Maintaining Existing Parks

Q23. Maintaining Streets

Q24. Increasing Neighborhood Traffic Safety

### Follow up

Q25. If you were asked to support a tax measure in 2012 and had to choose one of these three measures, which would you be most likely to support maintaining existing parks, maintaining streets, or increasing neighborhood traffic safety or would you be unlikely to support any of these measures?

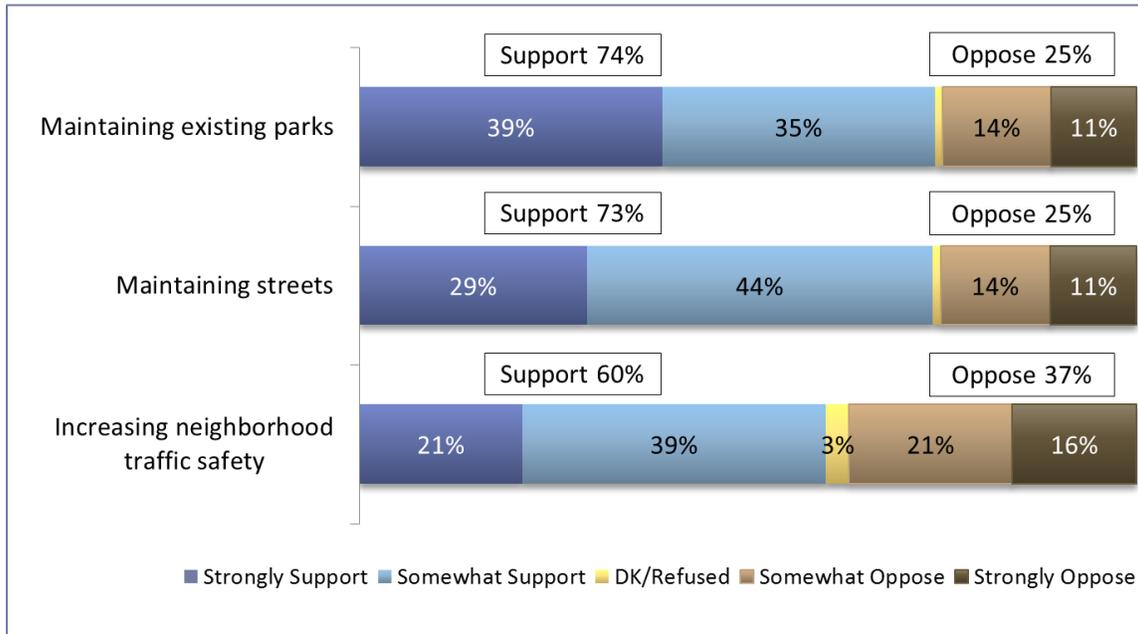
### Finding

- ***Three-fourths of residents say they would support a tax or fee increase to provide funding to maintain existing parks or maintain streets, although intensity of support is significantly higher for parks than for streets. Six-in-ten say they would support an increase for neighborhood traffic safety.***
- ***When asked which of these three measures is the highest priority for 2012, parks is the top choice, followed by maintaining streets, and neighborhood traffic safety.***
- ***NOTE: These results almost certainly overestimate actual levels of support for a specific ballot measure because:***
  - 1. The support questions are general and do not include any information about cost, revenue sources, or particular projects that would be funded by the measure.***
  - 2. This is a survey of registered voters, not likely voters and so the results reflect the least tax sensitive (most supportive) electorate.***
  - 3. The survey does not take into account other revenue measures that may be on the ballot at the same time.***

Three-fourths of residents say they would support a tax or fee increase to provide necessary funding for “maintaining existing parks” (74% Support / 25% Oppose) and “maintaining streets” (73% Support / 25% Oppose). Six-in-ten say (60%) they would support an increase for “increasing neighborhood traffic safety” but more than a third (37%) are opposed to this measure.

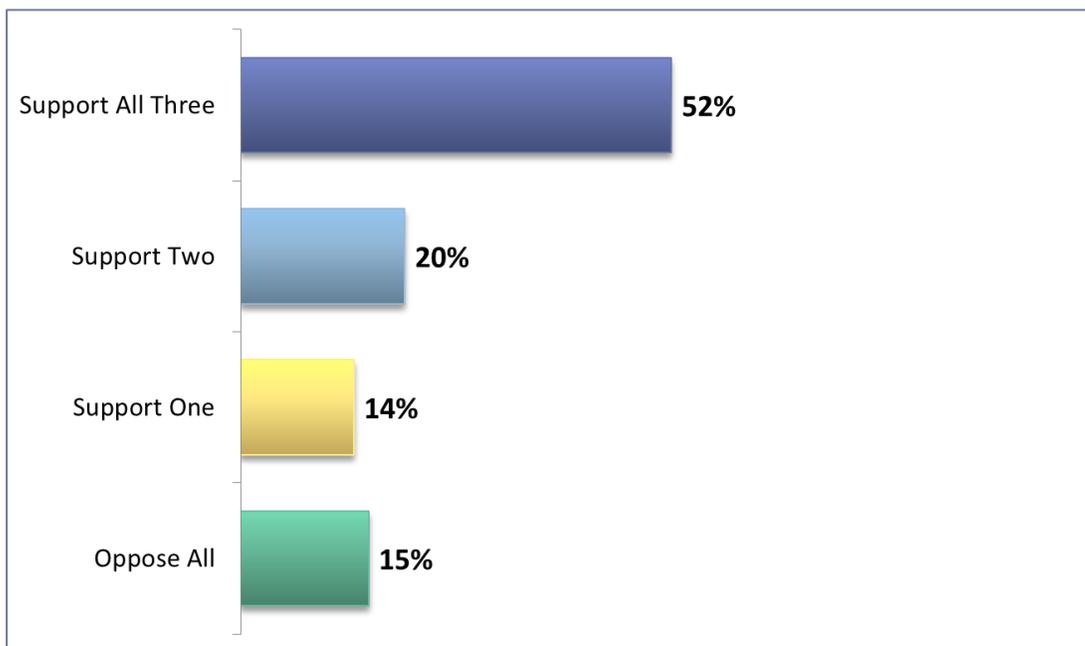
Strong support for a parks measure is at 39%, but drops to 29% for a streets measure and 21% support for a traffic safety measure, indicating that there is greater intensity of support behind a parks measure.

Figure 6-2 – Support for Specific Measures



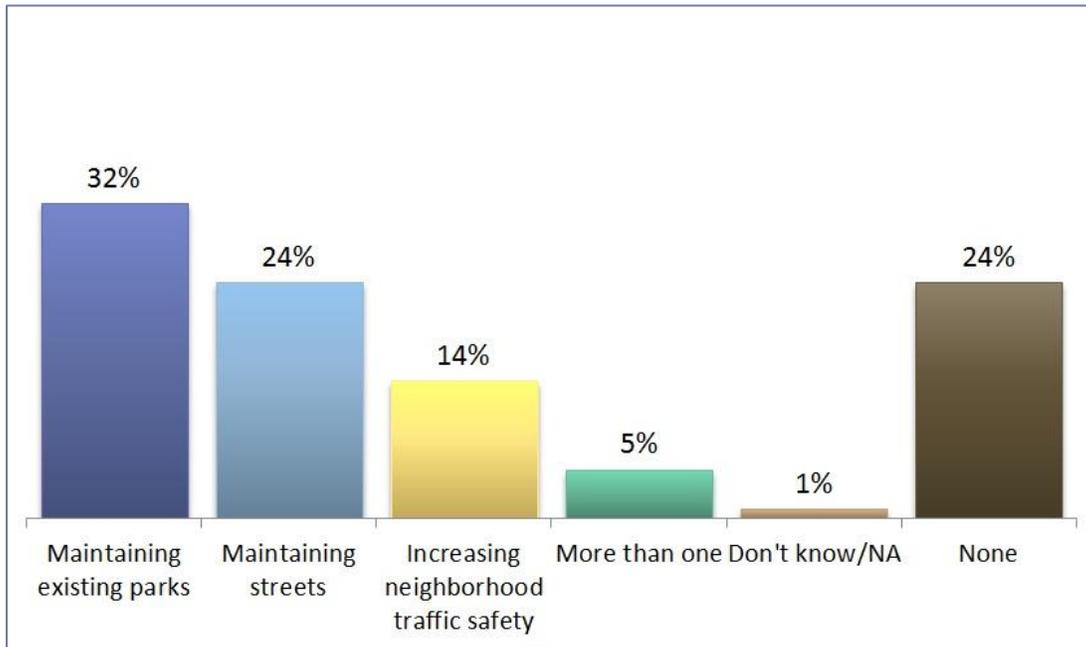
A majority (52%) of respondents support all three measures, another 20% support two of the three measures and 14% support just one measure. Only 15% oppose all three measures. Again, because of the reasons mentioned earlier (not costs or ballot specifics, registered voter population, other potential measures on the same ballot) this should not be read as indicating that if all three measures were on the ballot, they would get a 52% yes vote, but rather that there is strong general support for addressing all three of these issues.

Figure 6-3 – Combined Support



When respondents are asked which one of the three measures they would choose if they were asked to support a ballot measure in 2012, parks is the top choice at 32%, followed by streets (24%) and traffic safety (14%). This, along with the higher intensity of support for a parks measure in the earlier question strongly indicates that a parks measure has the strongest backing among registered voters.

Figure 6-4 – Measure Most Likely to Support



## 7 Emergency Preparedness

### 7.1 Measures Taken to Prepare

#### Question(s) Analyzed

The following are things that some people have done to prepare their household for disasters or emergencies? As I read each one, just say yes if you have done that at your home.

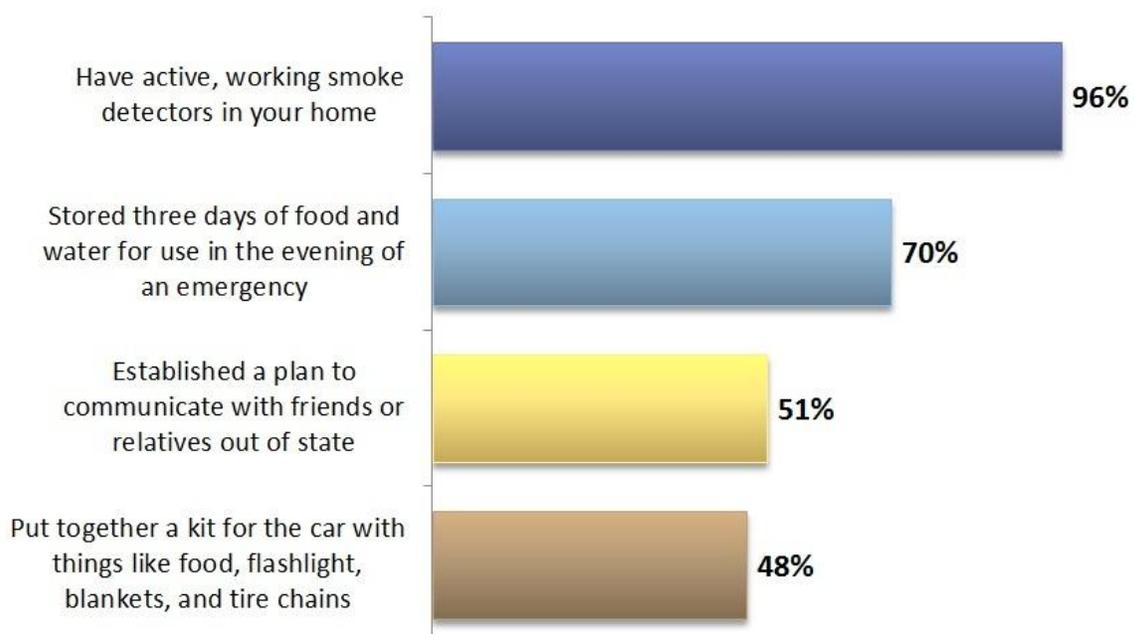
- Q26. Stored three days of food and water for use in the event of an emergency
- Q27. Put together a kit for the car, with things like food, flashlight, blankets, & tire chains
- Q28. Established a plan to communicate with friends or relatives out of state
- Q29. Have active, working smoke detectors in your home

#### Finding

- ***Kirkland residents' emergency preparedness is essentially unchanged since 2010. Most have working smoke detectors and three days of stored food/water. About half have established a communications plan, and put together an emergency kit for their car.***

Most residents (96%) have working smoke detectors in their home and seven-in-ten (70%) have three days of stored food and water. Half (51%) of residents have established a communications plan, and half (48%) have put together an emergency kit for their car.

Figure 7-1 – Emergency Preparedness Measures Taken



## 8 Demographics

### 8.1 Residency

#### 8.1.1 Pre-Annex: Length of Residency

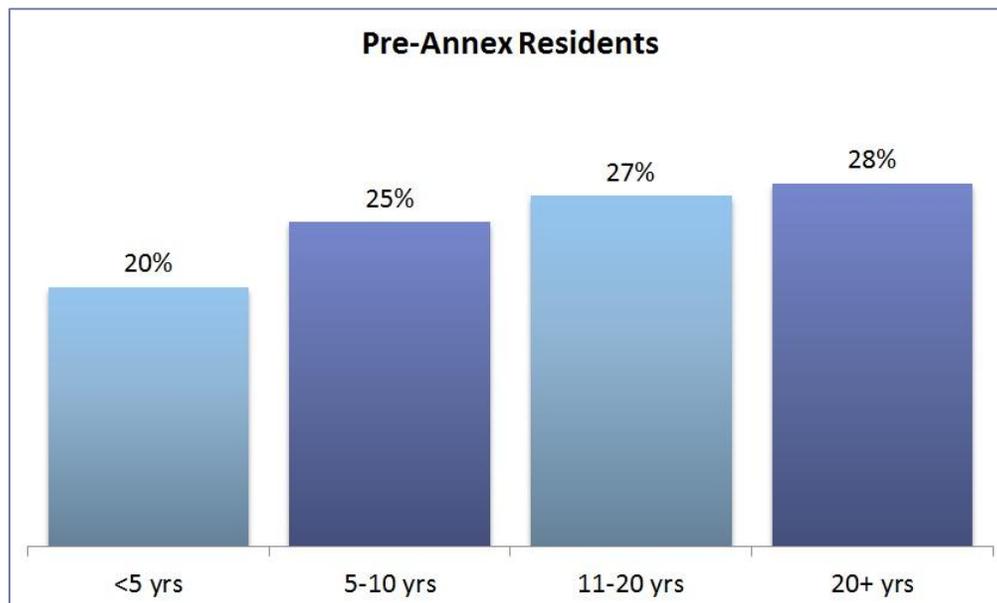
##### Question(s) Analyzed

Q5A. (Pre-Annex Residents) How long have you lived in Kirkland?

Pre-annex respondents were asked how long they have lived in the City of Kirkland and Post-annex residents were asked if they were aware that their area was part of the Kirkland.

While the survey saw a fairly wide distribution across all ranges of residency lengths, a majority (55%) of Pre-annex respondents have been City residents for over a decade and 80% have been in Kirkland for at least 5 years.

Figure 8-1 – Length of Residency (Pre-Annex)



### 8.1.2 Post-Annex : Awareness of Residency

#### Question(s) Analyzed

Q5B. **(Post-Annex Residents)** Were you aware or not that you live in an area recently annexed by the City of Kirkland, that is your area recently became part of the City of Kirkland?

#### Follow-up Statement

Q5B. In November 2009, a majority of voters in the areas of Juanita, Finn Hill and Kingsgate voted to annex to the City of Kirkland. The annexation became effective on June 1st, 2011. The City of Kirkland assumed responsibility for services previously provided to the area by King County such as police, parks and roads services.

Post-annex residents were asked if they were aware that the area they lived in was recently annexed by the City. If they were not aware, they were read a follow up statement explaining the annexation. There was near universal awareness of the annexation among these residents -- all but one respondent said they were aware their neighborhood had been annexed by The City of Kirkland.

## 8.2 Neighborhood

#### Question(s) Analyzed

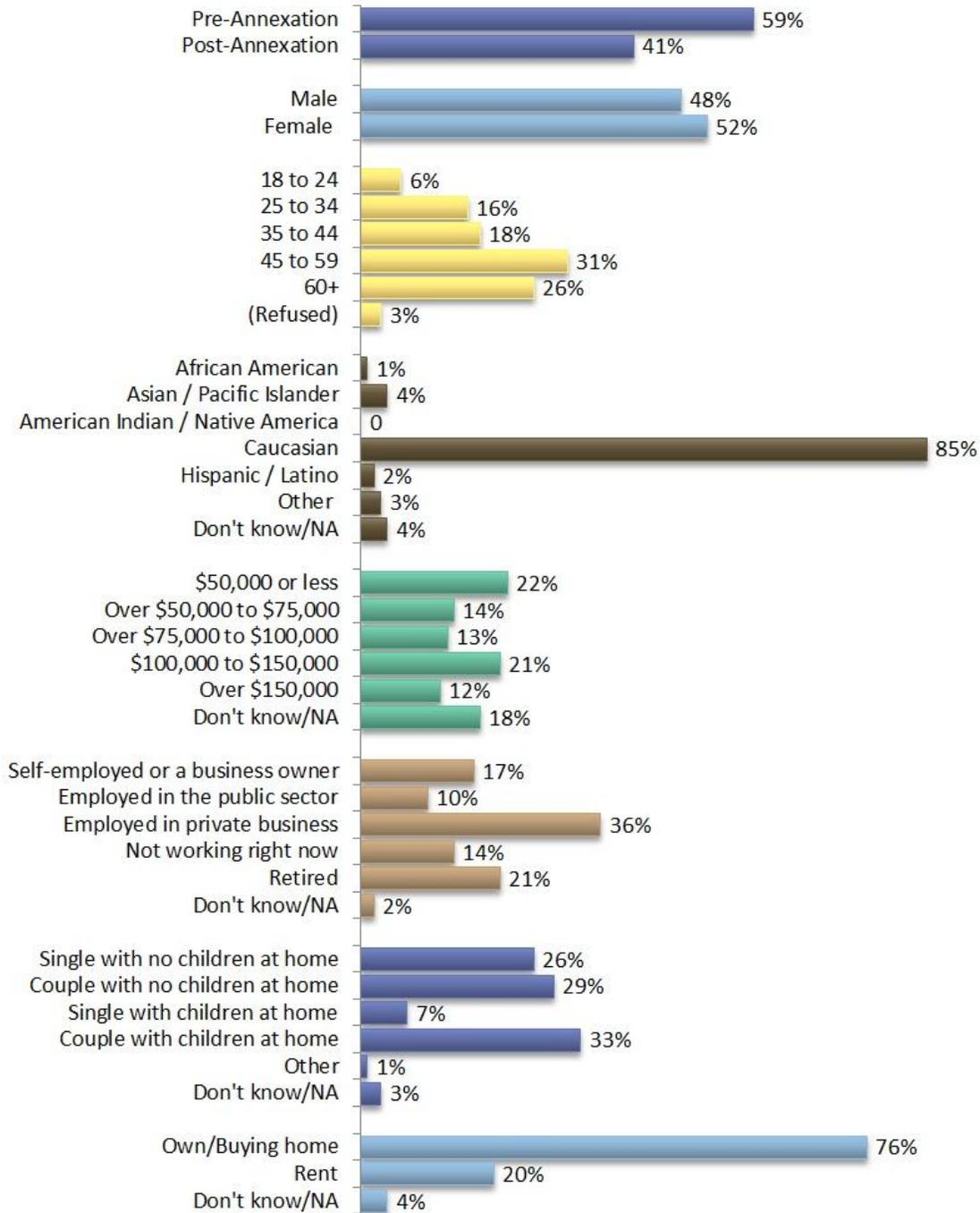
Q6. What neighborhood do you live in?

The table below shows the breakdown of respondents by neighborhood.

Figure 8-2 – Responses by Neighborhood

Neighborhood	%	Neighborhood (continued)	%
North Juanita (North of NE 124 <sup>th</sup> )	15%	Juanita (general)	2%
Finn Hill	14%	Highlands	2%
Kingsgate (a.k.a. Evergreen Hill)	9%	Downtown	1%
South Juanita (South of NE 124 <sup>th</sup> )	8%	Kirkland	1%
Central Houghton	8%	High Woodlands	1%
North Rose Hill (North of NE 85 <sup>th</sup> )	7%	Lakeview	<1%
South Rose Hill	6%	Holmes Point	<1%
Totem Lake	5%	Inglemoore	<1%
Norkirk	4%	Everest	<1%
Bridle Trails	4%	Furrlock	<1%
Market	3%	Other	3%
Moss Bay	3%	Don't Know/NA	4%

### 8.3 Demographics



## 9 Topline Results

---

Hello, my name is \_\_\_\_\_, may I speak with (NAME ON LIST). Hello, my name is \_\_\_\_\_, and I'm conducting a survey for the City of Kirkland to find out how people in your area feel about some of the different issues facing them. We are not trying to sell anything, and are collecting this information on a scientific and completely confidential basis.

---

### Annexation Variable

Pre-Annexation	59%
Post-Annexation	41%

### 1. Are you registered to vote at this address?

Yes	100%
No =====>	<b>TERMINATE</b>
(Don't know/NA)=====>	<b>TERMINATE</b>

### 2. Gender [RECORD BY OBSERVATION]

Male	48%
Female	52%

### 3. For statistical purposes only, what year were you born? [RECORD YEAR - VALID RANGE: 1900-1991: TERMINATE >= 1992] IF "NA" ==> "Would you say you are age..." [READ RESPONSES IN Q4]

### 4. [AGE - CODE AGE FROM PREVIOUS QUESTION]

18 to 24	6%
25 to 34	16%
35 to 44	18%
45 to 59	31%
60+	26%
(Refused)	3%

5.a **[ASK IF SAMPLE=1 (Pre-Annexation)]** How long have you lived in Kirkland? Yrs\_\_\_ [IF <12 MONTHS RECORD AS 1 YR]

<5 Yrs	20%
5 to 10 Yrs	25%
11 to 20 Yrs	27%
20+ Yrs	28%

5.b **[ASK IF SAMPLE = 2 (Post-Annexation)]** Were you aware or not that you live in an area recently annexed by the City of Kirkland, that is your area recently became part of the City of Kirkland?

Yes	100%
-----	------

**[IF Q5.b=2 NO/DON'T KNOW, THEN READ INFORMATION STATEMENT]**

**[INFORMATION STATEMENT]** In November 2009, a majority of voters in the areas of Juanita, Finn Hill and Kingsgate voted to annex to the City of Kirkland. The annexation became effective on June 1st, 2011. The City of Kirkland assumed responsibility for services previously provided to the area by King County such as police, parks and roads services.

6. What neighborhood do you live in? **[READ LIST IF NECESSARY]**

North Juanita (North of NE 124th)	15%
Finn Hill	14%
Kingsgate (also known as Evergreen Hill)	9%
South Juanita (South of NE 124th)	8%
Central Houghton	8%
North Rose Hill (North of NE 85TH)	7%
South Rose Hill (south of NE 85TH)	6%
Totem Lake	5%
Norkirk	4%
Bridle Trails	4%
Market	3%
Moss Bay	3%
Juanita (general)	2%
Highlands	2%
Downtown	1%
Kirkland	1%
High Woodlands	1%
Lakeview	<1%
Holmes Point	<1%
Inglemoore	<1%
Everest	<1%
Furrlock	<1%
Other	3%
Don't Know/NA	4%

## 7. How would you rate Kirkland as a place to live? Would you say it is...?

Excellent	35%	
Very Good	50%	→85%
Satisfactory	11%	
Only Fair	3%	→4%
Poor	1%	
(Don't Know/NA)	--	

## 8. What do you like best about living in Kirkland? \_\_\_\_\_ [1 RESPONSE]

Convenience/ (General location)	23%
Small town feel/Community/Neighborhood	19%
Access to water	11%
Beautiful scenery/Peaceful/Clean	8%
Safety	7%
Close to parks/recreation	6%
Nice place to live (general positive)	5%
Family/Raised here	3%
Close to Seattle	2%
Close to Downtown	2%
Close to work	2%
Schools	2%
Other	4%
Nothing	2%
Don't Know	3%

## 9. When you think about the way things are going in Kirkland, what if anything concerns you? [1 RESPONSE]

Development /Over development/Growth	15%
Traffic/Infrastructure	7%
Budget/Spending	6%
Police/Issues with Police	5%
Taxes	4%
Leadership issues/Management	3%
Totem Lake	3%
Housing	2%
Education/Schools	2%
More Businesses/Leaving	2%
Garbage services	2%
Parking	1%
Cost of living	1%
Park Place	1%
Snow removal/plow	1%
Other	8%
No/None/Nothing	28%
Don't Know	8%

Please tell me how you think Kirkland City government is doing in each of the following areas. Use a scale of excellent, good, only fair, or poor. If you aren't sure one way or the other, please just say so.

**[BEFORE EACH: How would you rate (Insert QX)? [PROMPT IF NESESARRY: Would you say it is excellent, good, only fair, or poor]**

SCALE	Excellent	Good	Only Fair	Poor	(Don't Know)	Net Positive
-------	-----------	------	-----------	------	--------------	--------------

**[RANDOMIZE]**

10.	the job the City doing overall					
	10%	58%	18%	5%	9%	
	<b>POSITIVE=====&gt;68%</b>		<b>22%&lt;=====NEGATIVE</b>			<b>+46%</b>
11.	the job the City is doing managing the public's money					
	5%	28%	24%	8%	36%	
	<b>POSITIVE=====&gt;33%</b>		<b>32%&lt;=====NEGATIVE</b>			<b>+1%</b>
12.	the job the City does keeping citizens informed					
	12%	50%	22%	7%	8%	
	<b>POSITIVE=====&gt;62%</b>		<b>29%&lt;=====NEGATIVE</b>			<b>+33%</b>
13.	the job the City does delivering services efficiently					
	16%	53%	17%	5%	9%	
	<b>POSITIVE=====&gt;69%</b>		<b>22%&lt;=====NEGATIVE</b>			<b>+46%</b>
14.	the job the City does focusing on the priorities that matter most to residents					
	5%	41%	20%	9%	24%	
	<b>POSITIVE=====&gt;46%</b>		<b>29%&lt;=====NEGATIVE</b>			<b>+17%</b>

**[END RANDOMIZE]**

15. I'm going to read you a list of services and functions provided by the city. For each one, please tell me how important that city function is to you and your household. Use a scale of 1 to 5, where 1 means that it is "not at all important" and 5 means it is "extremely important."

SCALE	1	2	3	4	5	(Don't Know)	Mean
	Not important			Important			

[RANDOMIZE]

a. Managing traffic flow	3%	5%	18%	38%	36%	-	<b>4.0</b>
b. Maintaining streets	1%	2%	15%	39%	43%	-	<b>4.2</b>
c. Recreation programs and classes	8%	10%	30%	32%	18%	1%	<b>3.5</b>
d. City Parks	2%	2%	18%	35%	43%	1%	<b>4.1</b>
e. Fire and emergency medical services	1%	-	5%	16%	77%	-	<b>4.7</b>
f. Police services	2%	3%	9%	24%	61%	1%	<b>4.4</b>
g. Support for neighborhoods	4%	9%	21%	36%	23%	6%	<b>3.7</b>
h. Attracting and keeping businesses in Kirkland	4%	3%	15%	32%	45%	1%	<b>4.1</b>
i. Pedestrian safety	3%	4%	11%	32%	50%	-	<b>4.2</b>
j. Bike safety	11%	11%	23%	27%	26%	2%	<b>3.4</b>
k. Availability of sidewalks and walking paths	3%	7%	19%	36%	36%	-	<b>3.9</b>
l. Support for arts in the community	8%	14%	32%	30%	15%	1%	<b>3.3</b>
m. Community events	10%	14%	36%	32%	9%	-	<b>3.2</b>
n. Zoning and land use	3%	6%	28%	29%	28%	6%	<b>3.8</b>
o. Recycling and garbage collection	1%	2%	13%	36%	48%	-	<b>4.3</b>
p. Emergency preparedness	2%	3%	18%	28%	46%	3%	<b>4.2</b>
q. Protecting our natural environment	4%	2%	17%	34%	42%	1%	<b>4.1</b>
r. Services for people in need	3%	5%	19%	33%	35%	5%	<b>4.0</b>

[END RANDOMIZE]

16. Using the same list, please tell me how well you think the city is doing in each area. Use an A thru F grading scale where A means Excellent, B means Above Average, C is Average, D is Below Average, and F is Failing.

SCALE	A	B	C	D	F	(Don't Know)	GPA
	Excellent			Failing			
<b>[RANDOMIZE]</b>							
a. Managing traffic flow	9%	46%	29%	9%	4%	3%	<b>2.5</b>
b. Maintaining streets	13%	42%	34%	7%	2%	2%	<b>2.6</b>
c. Recreation programs and classes	17%	39%	16%	5%	1%	21%	<b>2.8</b>
d. City Parks	28%	47%	16%	3%	1%	5%	<b>3.0</b>
e. Fire and emergency medical services	47%	31%	8%	2%	1%	11%	<b>3.4</b>
f. Police services	39%	35%	11%	4%	3%	7%	<b>3.1</b>
g. Support for neighborhoods	11%	31%	28%	4%	3%	23%	<b>2.6</b>
h. Attracting and keeping businesses in Kirkland	10%	27%	28%	14%	5%	17%	<b>2.3</b>
i. Pedestrian safety	27%	44%	18%	4%	1%	6%	<b>3.0</b>
j. Bike safety	13%	38%	25%	7%	2%	16%	<b>2.7</b>
k. Availability of sidewalks and walking path	14%	47%	26%	6%	2%	4%	<b>2.7</b>
l. Support for arts in the community	17%	38%	22%	5%	1%	17%	<b>2.8</b>
m. Community events	16%	41%	25%	4%	1%	15%	<b>2.8</b>
n. Zoning and land use	4%	26%	25%	9%	6%	29%	<b>2.2</b>
o. Recycling and garbage collection	45%	39%	10%	2%	2%	2%	<b>3.3</b>
p. Emergency preparedness	14%	29%	18%	5%	2%	32%	<b>2.7</b>
q. Protecting our natural environment	17%	43%	21%	4%	2%	13%	<b>2.8</b>
r. Services for people in need	9%	28%	20%	4%	1%	38%	<b>2.6</b>
<b>[END RANDOMIZE]</b>							

17. With the demand for City services increasing faster than the City's revenue would you choose to...?  
**[RANDOMIZE]**
- |   |     |  |
|---|-----|--|
| Increase taxes to meet the demand for city services | 36% |  |
| <b>OR</b>   |     |  |
| Keep taxes the same and reduce city services        | 48% |  |
| <b>[END RANDOMIZE]</b>                              |     |  |
| (Neither)   | 5%  |  |
| (Don't Know/ NA)                                    | 10% |  |
18. Thinking about the types of stores, goods and services available in Kirkland... would you say that you are?
- |   |     |      |
|---|-----|------|
| Very satisfied with the availability of goods & services    | 21% | →81% |
| Satisfied   | 60% |      |
| Dissatisfied  | 14% | →17% |
| Very dissatisfied with the availability of goods & services | 3%  |      |
| (Don't Know/NA)   | 2%  |      |
19. In general, how safe do you feel walking alone in your neighborhood during the day?
- |                 |     |      |
|-----------------|-----|------|
| Very Safe       | 71% | →98% |
| Safe            | 27% |      |
| Somewhat Unsafe | 1%  | →1%  |
| Very Unsafe     | --  |      |
| (Don't know/NA) | --  |      |
20. And how safe do you feel walking alone in your neighborhood after dark?
- |                 |     |      |
|-----------------|-----|------|
| Very Safe       | 34% | →79% |
| Safe            | 45% |      |
| Somewhat Unsafe | 16% | →20% |
| Very Unsafe     | 4%  |      |
| (Don't know/NA) | 2%  |      |
21. In general, how satisfied are you with your neighborhood's infrastructure such as streets and sidewalks, and roadside landscaping?
- |                       |     |      |
|-----------------------|-----|------|
| Very satisfied        | 27% | →82% |
| Somewhat satisfied    | 55% |      |
| Somewhat dissatisfied | 14% | →18% |
| Very dissatisfied     | 4%  |      |
| (Don't know/NA)       | 2%  |      |

Next I am going to read a list of services that some Kirkland citizens feel need to be improved. Each of these would require a tax or fee increase to provide the necessary funding. As I read each one, tell me whether you would support or oppose increasing local taxes for that purpose. Tell me whether you Strongly Support, Somewhat Support, Somewhat Oppose or Strongly Oppose each one. The first one is...

**[RANDOMIZE]**

22.	Maintaining existing parks		
	Strongly support	39%	→74%
	Somewhat support	35%	
	Somewhat oppose	14%	→25%
	Strongly oppose	11%	
	(Don't know/Refuse)	1%	
23.	Maintaining Streets		
	Strongly support	29%	→73%
	Somewhat support	44%	
	Somewhat oppose	14%	→25%
	Strongly oppose	11%	
	(Don't know/Refuse)	1%	
24.	Increasing Neighborhood Traffic Safety		
	Strongly support	21%	→60%
	Somewhat support	39%	
	Somewhat oppose	21%	→37%
	Strongly oppose	16%	
	(Don't know/Refuse)	3%	

**[END RANDOMIZE]**

25. If you were asked to support a tax measure in 2012 and had to choose one of these three measures, which would you be most likely to support: **(RANDOMIZE)** maintaining existing parks, maintaining streets, or increasing neighborhood traffic safety **(END RANDOMIZE)** or would you be unlikely to support any of these measures?

Maintaining existing parks	32%
Maintaining Streets	24%
Increasing Neighborhood Traffic Safety	14%
None	24%
(More than one)	5%
(Don't know/NA)	1%

The following are things that some people have done to prepare their household for disasters or emergencies? As I read each one, just say yes if you have done that at your home. The first one is...

**[RANDOMIZE]**

- |     |   |     |
|-----|---|-----|
| 26. | Stored three days of food and water for use in the event of an emergency.                   |     |
|     | Yes   | 70% |
|     | No  | 29% |
|     | (Don't Know/NA)   | 1%  |
| 27. | Put together a kit for the car, with things like food, flashlight, blankets, & tire chains. |     |
|     | Yes   | 48% |
|     | No  | 52% |
|     | (Don't Know/NA)   | --  |
| 28. | Established a plan to communicate with friends or relatives out of state.                   |     |
|     | Yes   | 51% |
|     | No  | 47% |
|     | (Don't Know/NA)   | 2%  |
| 29. | Have active, working smoke detectors in your home.  |     |
|     | Yes   | 96% |
|     | No  | 4%  |
|     | (Don't Know/NA)   | 1%  |

**[END RANDOMIZE]**

- |     |   |     |
|-----|---|-----|
| 30. | In general, how well-informed would you say you are about Kirkland City government? Would you say you are...? |     |
|     | Well Informed   | 11% |
|     | Somewhat informed   | 46% |
|     | Not very informed   | 43% |
|     | (Don't know/NA)   | --  |

31. What is your primary source of information for finding out what is going on with Kirkland City government? **[ASK OPEN ENDED]**
- |                                     |     |
|-------------------------------------|-----|
| (Kirkland Reporter)                 | 31% |
| (City Newsletter)                   | 16% |
| (Kirkland/City Website)             | 10% |
| (City Television Channel)           | 6%  |
| (Word of mouth)                     | 6%  |
| (City email list)                   | 6%  |
| (Neighborhood association meetings) | 5%  |
| (Local Blogs)                       | 3%  |
| (Mail)                              | 2%  |
| (Radio)                             | 2%  |
| (Twitter)                           | 1%  |
| (Kirkland Journal)                  | 1%  |
| (Facebook)                          | 1%  |
| (Other)                             | 3%  |
| (None)                              | 5%  |
| (Don't know/NA)                     | 3%  |

Finally, I'd like to ask you a few questions for statistical purposes only.

32. Which the following best describes you at this time? Are you...?
- |                                   |     |
|-----------------------------------|-----|
| Self-employed or a business owner | 17% |
| Employed In The Public Sector     | 10% |
| Employed In Private Business      | 36% |
| Not Working Right Now             | 14% |
| Retired                           | 21% |
| [Don't know/NA]                   | 2%  |
33. Which of the following best describes your household?
- |                                 |     |
|---------------------------------|-----|
| Single with no children at home | 26% |
| Couple with no children at home | 29% |
| Single with children at home    | 7%  |
| Couple with children at home    | 33% |
| Other                           | 1%  |
| [Don't know/NA]                 | 3%  |

34. Which of the following best describes your race or ethnic background?
- |                                   |     |
|-----------------------------------|-----|
| African American                  | 1%  |
| Asian / Pacific Islander          | 4%  |
| American Indian / Native American | <1% |
| Caucasian                         | 85% |
| Hispanic / Latino                 | 2%  |
| Other                             | 3%  |
| [Don't know/NA]                   | 4%  |
35. Do you own or rent the place in which you live?
- |                 |     |
|-----------------|-----|
| Own/(Buying)    | 76% |
| Rent            | 20% |
| [Don't know/NA] | 4%  |
36. Finally, I am going to list four broad categories. Just stop me when I get to the category that best describes your approximate household income - before taxes - for 2011.
- |                            |     |
|----------------------------|-----|
| \$50,000 or less           | 22% |
| Over \$50,000 to \$75,000  | 14% |
| Over \$75,000 to \$100,000 | 13% |
| \$100,000 to \$150,000     | 21% |
| Over \$150,000             | 12% |
| [Don't know/NA]            | 18% |
37. Do you have a cell phone or not?
- |           |     |
|-----------|-----|
| Yes       | 92% |
| No        | 6%  |
| (Refused) | 2%  |
- [IF Q37=2-RESPONDENT DOES NOT HAVE CELLPHONE SKIP TO END]**
38. How much do you rely on your cell phone? Would you say you rely on your cell phone **[READ RESPONSES]**
- |  |     |
|--|-----|
| All the time - it's your only phone              | 33% |
| A great deal - it's your primary phone           | 30% |
| Some - you use it occasionally                   | 22% |
| Very little - you mostly have it for emergencies | 14% |

**THANK YOU!**



**CITY OF KIRKLAND**  
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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Director of Finance & Administration  
Ellen Miller-Wolfe, Economic Development Manager

**Date:** January 29, 2014

**Subject:** NEXT STEPS FOR CITY HALL

### **RECOMMENDATION:**

Staff will provide a briefing on the current City Hall space planning process, alternatives to renovation, and seek City Council direction. This memorandum provides options and issues for relocating City Hall for Council consideration to assist in determining the next steps related to City Hall.

### **BACKGROUND DISCUSSION:**

#### *Introduction*

Space to accommodate City functions has been an issue for a number of years. In 2001, the 505 Market Street building was purchased as a short-term solution to overcrowding at City Hall. Since at least 2002, Kirkland has been studying how to best meet the City's space needs. The 2002 space needs study projected needs with and without annexation and, at that time, determined that the current City Hall site could not accommodate the long-term needs if annexation occurred and suggested the possibility of a separate Public Safety Building, with subsequent modifications to City Hall to meet the needs of other functions. Actions on facilities were deferred pending the outcome of the annexation study at that time.

In 2007, the City conducted another feasibility study to examine the cost/benefit of remodeling an existing space for a Public Safety Building in the event that annexation occurred. At that time, the City was still in the process of studying the feasibility of annexation and deferred facilities decisions until a decision was made on whether to pursue the annexation. In 2008, the City Council passed a resolution indicating that they would not be placing the annexation before voters in 2009. At that point, the City began working with architectural consultants to develop conceptual plans to expand City Hall to meet the City's needs on this site (with the Municipal Court remaining in its current location).

In 2009, in part due to the State Legislature's approval of the annexation sales tax credit to incentivize large annexations, the City Council continued to study annexation, which included a facilities funding analysis to accommodate the staff and equipment necessary to serve the larger City. In November 2009, the annexation was approved by the voters, with an effective date of June 1, 2011, which brought planning and financing facilities needs to the forefront of the discussion. In 2009, the City renovated the City Hall Annex to accommodate some of the staffing added to serve the potential annexation areas in the short term, with the intent of that facility serving as a community meeting space in the longer term.

In June 2010, the City Council received an update on the City facilities needs to meet annexation demands, which resulted in the purchase of the former Costco Home site for a new Public Safety Building and a preliminary financing plan to construct that facility as well as modifications to City Hall and the Maintenance Center. A more detailed funding plan was presented to the City Council on February 10, 2012 for the Public Safety Building, Maintenance Center renovations, and City Hall renovations, as summarized in the table below.

Source	PSB	MC	City Hall	Total
<i>REET 1</i>	2,200,000			2,200,000
<i>General Fund Cash</i>	631,407			631,407
<i>Building &amp; Property Reserve</i>	1,566,019			1,566,019
<i>Facilities Expansion Reserve</i>	800,000			800,000
<i>Capital Contingency</i>		50,000		50,000
<b>Subtotal Capital Reserves</b>	<b>5,197,426</b>	<b>50,000</b>		<b>5,247,426</b>
CTED Grant	325,496			325,496
NEC Funds	294,837			294,837
Facilities Sinking Fund	975,255	291,558	695,424	1,962,237
Deferred/Closed CIP Projects	402,078		101,314	503,392
Proceeds from Sale of Property			3,500,000	3,500,000
My Home Wholesale Rent	450,000			450,000
Interest Earnings	202,783			202,783
Maintenance Bay to PSB from MC	400,000	(400,000)		0
BAB Debt Proceeds (net of issuance)	33,304,390	1,568,442		34,872,832
Future Debt Issuance			5,713,262	5,713,262
<b>Potential Available towards Facilities</b>	<b>41,552,265</b>	<b>1,510,000</b>	<b>10,010,000</b>	<b>53,072,265</b>

Since that time, the focus has been on construction of the Public Safety Building, which is expected to be completed by July 2014, although short-term investments were made at the Maintenance Center and preliminary planning for City Hall renovations was initiated.

#### *City Hall as an Economic Catalyst*

In December of 2012 the Council asked the staff to explore whether the City Hall's approximately 100,000 square feet of Class A office needs could be a catalyst for the Totem Lake Business District. The Council asked if City Hall were sold and the \$10 million that would otherwise be spent on renovation were allocated to a new building, could that investment in a new City Hall spark redevelopment at Totem Lake Malls or elsewhere in the Business District.

At the February 8, 2013 City Council Retreat, a "Preliminary Analysis of Potential Relocation of City Hall to Totem Lake" was presented (Attachment A). The conclusion of the analysis was that the Totem Lake Business District was too large for the City Hall by itself to generate redevelopment. Staff concluded the analysis with the recommendation that the City continue with the City Hall project planning. The Council authorized further project planning but asked the City Manager to also initiate conversations with owners of the Parkplace development to see whether City Hall might help provide a "critical mass" for that project to proceed. Those conversations occurred, but while Touchstone was willing to house City Hall as a tenant, they did not view City Hall as a tipping point. Touchstone subsequently sold its ownership interest to Prudential. City staff have had several conversations with Prudential. Prudential is also interested in leasing for City Hall, but does not view City Hall as the catalyst for a decision.

City staff also completed a conceptual design study to determine the space needs for the functions that would remain at or relocate to City Hall after the Police Department relocates to the Public Safety Building. Staff is seeking direction whether to proceed with design for the

renovation of City Hall or further explore the feasibility of relocating City Hall as a catalyst for economic development.

### *Funding Update*

An update of the financing plan is provided below as a context for this discussion. At this stage, the estimated funding for the projects in total has not changed, with the exception of adding the bid alternatives totaling \$389,584 which was approved by Council in February 2013 using additional REET I (\$259,031) and interest earnings (\$130,553) and the completion of the Firing Range at the Public Safety Building, which was approved in November 2013 using additional General Fund resources, primarily from under-expenditures in the Police Department budget. Some of the allocations of the funding sources have changed due to clarifications of funding restrictions and to recognize cash flow needs:

- Clarified that the Department of Commerce grant that was used in part to purchase the existing Municipal Court facility requires that all proceeds from the sale of that facility be used toward the Public Safety Building.
- The initial issuance of the Build America Bonds assumed that most of the proceeds would be used on the Public Safety Building, but \$1.56 million was allocated to the Maintenance Center. While the Maintenance Center has completed initial space planning, no major projects are underway. In the interest of expending the bond proceeds to avoid arbitrage rebate testing, the total bond proceeds will be spent on the Public Safety Building, with reallocating of resources to the Maintenance Center project.
- There has been some improvement in the real estate market since the 2012 analysis and it now seems likely that the City will at least recoup its purchase price for the Municipal Court Building and that the 505 Market Street building could be sold for at least \$1.5 million. This improvement has resulted in a reduction to the amount that is assumed to be borrowed for City Hall renovation to \$5 million.

The revised funding allocation and the expenditures for all three projects through the end of 2013 are summarized in the table below.

Source	PSB	MC	City Hall	Total
<i>REET 1</i>	388,015	1,568,442	502,574	2,459,031
<i>General Fund Cash</i>			631,407	631,407
<i>Building &amp; Property Reserve</i>			1,566,019	1,566,019
<i>Facilities Expansion Reserve</i>	800,000			800,000
<i>Capital Contingency</i>		50,000		50,000
<b>Subtotal Capital Reserves</b>	<b>1,188,015</b>	<b>1,618,442</b>	<b>2,700,000</b>	<b>5,506,457</b>
CTED Grant	325,496			325,496
NEC Funds	294,837			294,837
Facilities Sinking Fund	975,255	291,558	695,424	1,962,237
Deferred/Closed CIP Projects	402,078		101,314	503,392
Proceeds from Sale of Property	2,700,000		1,500,000	4,200,000
My Home Wholesale Rent	450,000			450,000
Interest Earnings	333,336			333,336
Maintenance Bay to PSB from MC	400,000	(400,000)		0
BAB Debt Proceeds (net of issuance)	34,872,832			34,872,832
Future Debt Issuance			5,013,262	5,013,262
<b>Potential Available towards Facilities</b>	<b>41,941,849</b>	<b>1,510,000</b>	<b>10,010,000</b>	<b>53,461,849</b>
General Fund - Firing Range	1,272,000			1,272,000
<b>Revised Total Available towards Facilities</b>	<b>43,213,849</b>	<b>1,510,000</b>	<b>10,010,000</b>	<b>54,733,849</b>
Actuals as of 12/31/2013	(30,598,572)	(332,761)	(131,448)	(31,062,781)
<b>Funding Remaining as 12/31/2013</b>	<b>12,615,277</b>	<b>1,177,239</b>	<b>9,878,552</b>	<b>23,671,068</b>

For purposes of this discussion, approximately \$9.8 million (including the \$5 million in debt) is assumed to be available toward the renovation of City Hall, recognizing the costs expended to date and pending invoices related to the conceptual design study.

### *Criteria for Evaluating Alternatives*

At this juncture, it makes sense to revisit the strategic issues of whether relocation of City Hall can serve as a catalyst for major economic development activity. To evaluate the pros and cons of the alternatives, there are several criteria to be considered:

**Lease versus Ownership** – In the past, the City has chosen to own versus lease the majority of its municipal facilities, including City Hall. In some examples of city halls located in redeveloped malls, such as Voorhees Town Center in New Jersey, the city is a tenant of the mall under a lease agreement. If ownership of City facilities is an important consideration, it may limit some options.

**Willingness of Potential Partners** – The City Manager and Economic Development Manager conduct regular status calls with the two major redevelopment sites in Kirkland, Totem Lake Mall owned by Coventry and Parkplace owned by Prudential. In both cases, the owners have indicated that they do not want to sell a portion of the site to the City and that the potential of City Hall as a tenant does not directly impact their decision to proceed, since City Hall is not large enough to be the primary anchor tenant. However both owners are interested in considering City Hall as a potential tenant, but at market rates. If this continues to be the case, any possible relocation timing would be dependent on the timing of the overall development, which could result in significant delays. As both projects evolve, the opportunity to lease space can continue to be a subject of discussion.

**Economic Catalyst Potential** – As part of the February 8, 2013 Retreat discussion, Ellen Miller-Wolfe, the City's Economic Development Manager, conducted interviews with local commercial brokers and developers on the question of whether moving City Hall would be an economic catalyst in Totem Lake, with the following result:

*"Simply moving city hall from point A to point B is unlikely to spur much more than a temporary increase in construction jobs. The economic benefits are directly proportional to the size and scope of the project within which a new city hall building is placed. The consensus among local real estate brokers and developers is that if revitalizing Totem Lake was not a primary objective, it would be better for Kirkland's economic vitality overall to keep City Hall downtown. ....A city hall alone is not a panacea for what ails Totem Lake and ... the City is best to confine itself to infrastructure improvements and amenities to attract redevelopment of Totem Lake."*

To further explore the question:

*Could the relocation of City Hall be a catalyst for economic development in either Downtown or Totem Lake?*

Chris Fiori, principal at Heartland, LLC has graciously agreed to attend the Council Retreat to assist the City Council in its deliberation regarding the disposition of City Hall from a real estate perspective – whether to move forward on the remodel, or participate in a development in Totem Lake or downtown with the anticipation that public participation could ignite development in one of these districts.

Heartland, LLC is a multi-disciplinary team of professionals with extensive experience in market and financial analysis, urban planning, law, finance, real estate valuation, development, design,

public policy, transactions and venture structures. They have owned, managed and invested in real estate and provided a range of real estate services on projects across the country and internationally. More information is available at their website: <http://www.heartlandllc.com/>. Chris is familiar with Kirkland, having participated in the Urban Land Institute (ULI) Totem Lake Study, as well as the ongoing Transfer of Development Rights (TDR) and Light Industrial Study (LIT), both of which focus on zoning and incentives for development in Totem Lake and other locations in Kirkland. Further background on Chris is contained in Attachment B.

The main questions that Chris has been tasked to comment on and discuss with the Council are as follows:

- Stand-alone sites versus being part of a larger development. What is the scale of economic development we want to affect?
- City Hall is already downtown. What are the benefits of moving it to another downtown location like Parkplace? What are the challenges?
- Totem Lake is a mixed use district with a variety of uses, office being a relatively small proportion (38% office vs. 62% industrial). However, high tech office is proposed in the zoning of PARMAC (SW quad) and also 160,000 sf building is currently included in the master plan for mall redevelopment, both of which could be locations for a city hall. What are the benefits of moving the city hall to TL? What are the challenges?
- Are there examples that Kirkland can draw from that are successful relocations of city hall affecting a downtown or mixed use district?
- Is it a worthwhile consideration to think on a larger scale than an office building – e.g. a civic center given the obsolescence of other city properties, the need for covered pool, etc. to gauge the economic development impact of relocating city property?
- Can City tenancy or ownership impact private redevelopment? If so, how, and how might these options differ?
- In light of current and forecasted market conditions, can we expect new revenue would allow us to reimburse ourselves for additional costs? (\$ depends on whether we lease or own)
- How does a developer analyze a development opportunity? What are the elements that he or she considers and how would partnership with a city be viewed?

**Impact on Local Businesses** – City Hall houses several hundred City employees that patronize downtown businesses and brings a large number of potential customers to downtown in the form of citizens accessing services at City Hall. While relocating City Hall to the vicinity of Parkplace would still keep the employees and traffic in downtown, relocation to Totem Lake would move that economic activity. What would positively impact Totem Lake could negatively impact downtown, at least until a new, private development on the City Hall property was completed.

**Community Acceptance** – The response of the surrounding community to any proposed redevelopment of the City Hall site, or potentially the relocation of City Hall, would need to be taken into consideration when evaluating options.

**Impact on City Revenues** – Moving City Hall to an existing retail/commercial location would remove that location from the property tax rolls (unless the City was a tenant) and eliminate any sales or business tax generated by the location. While a portion of the property tax loss would be offset by the private redevelopment of City Hall, it is difficult to predict whether increased economic activity would offset those losses.

### *Cost/Benefit Considerations*

Two key considerations factor into the cost/benefit analysis of the options: the value of the City Hall properties and competing demands for capital funding.

**Value of City Hall** – For purposes of comparing options, the City requested that CBRE, a large commercial real estate services firm with a large presence in the greater Seattle area, to update the opinion of value for the City Hall properties under different land use scenarios. Their report is included as Attachment C. The table below summarizes the estimated value of the City Hall properties, including the annex, under a variety of potential uses:

#### **Estimated Value of City Hall Properties**

<b>Land Use</b>	<b>Range of Sale Values</b>
Traditional/Government Office	\$12.0-14.0 million
Single Family	\$12.9 million
Multifamily for Rent (Apartments)	\$7.5-9.4 million
Multifamily for Sale (Condominiums)	
Current Zoning	\$9.4-12.0 million
Up-zoned to 36 units/acre	\$18.6-23.0 million

The highest and best use that would maximize the value of the City Hall properties is to up-zone to 36 units/acre from the current capacity of about 18 units/acre. This action could prove controversial from a community acceptance standpoint. This estimate of \$18.6 million to \$23.0 million would be in addition to the \$9.8 million identified for the City Hall renovation described earlier, resulting in potential available funding of \$28.4 million to \$32.8 million.

The values assume that the City would sell the City Hall annex, the 6,000 sq. ft. 1923 former Session Funeral Home, which the City renovated in 2009 for \$1.8 million. The project integrated historic preservation, public art, green building (LEED Gold certification), and public spaces for the short term purpose of providing office space for City staff post annexation and the long-term goal of providing public meeting and event space. If this square footage is removed from the estimates, the resulting reduction is approximately 7.5%.

**Competing Demands for Capital Funding** – As part of the Kirkland 2035 comprehensive planning update, the City is in the process of updating master plans for Transportation, Parks, Recreation and Open Space (PROS) including evaluation of an indoor pool/recreation center, Juanita Drive, Totem Lake Park, and the Cross Kirkland Corridor (CKC). All of these plans will identify substantial capital improvement needs that will need to be prioritized to fit within funding constraints or new funding sources (likely voted) will need to be identified. Additional funding for a relocation of City Hall would need to be weighed against the funding requirements of these other plans. [Note that all of the cash flow from the retirement of existing non-voted debt has already been committed to servicing the debt on the Public Safety Building Build America Bonds.]

### *Evaluation of Options*

CBRE was asked to evaluate relocation market alternatives in the vicinity of Totem Lake and Parkplace. The detailed analysis is contained in Attachment D. The estimated development costs for each site are summarized as follows:

### Estimated Development Costs of Alternate Sites

<b>Parkplace Vicinity</b>	<b>Estimated Cost</b>	<b>Funding Shortfall</b>
Purchase Site in Parkplace	\$55.6 million	\$22.8 million
Wells Fargo	\$54.9 million	\$22.1 million
Microsoft (Bungee/MRM)	\$62.0 million	\$29.2 million
<b>Totem Lake Vicinity</b>		
Liquid Lime Shopping Center	\$41.7 million	\$8.9 million
Bank of America Site	\$41.9 million	\$9.1 million
Existing Touchstone Bldg.	\$40.0 million	\$7.2 million

The funding gap, assuming the most aggressive valuation for the City Hall properties at \$23 million plus the \$9.8 million budgeted for renovation, is \$22.1 million to \$29.2 million. The gap is smaller, but still significant in Totem Lake, with the gap ranging from \$7.2 million to \$9.1 million.

#### *Comparison to City Hall Remodel*

The conceptual design study for the City Hall remodel has been completed. The study addressed a list of objectives that were identified as follows:

##### Tier 1

- Perform Deferred Maintenance – Over the past several years, the City has deferred several facilities sinking fund projects scheduled for City Hall, awaiting decisions related to annexation and the Public Safety Building and the results of the conceptual design study to determine if the current facility could meet the City's needs. These projects include replacement and upgrades to the mechanical (HVAC) and electrical systems, re-sealing of the exterior skin, selected window replacements, carpeting, painting, door frames, hot water heaters, etc. The funding set aside in reserve toward these needs is part of the financing of the proposed renovation. In the event that City Hall is relocated, which will likely take several years to plan and execute, some of these projects will need to occur to keep the current facility in sound operating condition.

##### Tier 2

- Move Human Resources and Parks & Community Services to City Hall – The purchase of the 505 Market Street building in 2001 was intended to be a short-term measure to relieve overcrowding at City Hall. Staff believes there are efficiencies to be gained by bringing the Human Resources and Parks & Community Services Departments back to City Hall from this offsite location. The sale of the 505 Market St. building is one of the sources of financing for the project.
- Move Public Works CIP Engineering to City Hall – With the move of Police to the Public Safety Building, the lower level of the City Hall Annex will be empty. If the CIP Engineering group were relocated back to City Hall, Annex could become community/public meeting space as originally envisioned. Alternatively, the CIP group or some other City Hall function could move to the lower level, leaving the upper level for meeting space.
- Remodel "Main Street" to Enhance the Customer Experience – Several of the recommendations in the "Development Services Organizational Study" address making more of a "one stop shopping" experience for development customers. At the same time, consolidating some counter functions should result in efficiencies, both in space utilization and processing, and improve building security.

- Upgrade the Council Chambers – The current configuration of the City Council Chambers does not provide flexibility to use the space for different types of activities, given the sloped floor and the fixed seating and table in the well. An upgrade to the chambers could include changing the footprint and configuration to add flexibility, as well as upgrade the audio/visual equipment.
- Dedicated Emergency Operations Center (EOC) – The current City EOC is located in the Peter Kirk Room and requires set-up in the event of an emergency, which delays the ability of the City to respond in a coordinated manner. The establishment of a dedicated EOC would ensure that operations can begin quickly and the room could also serve as a training room in non-emergency circumstance since it will contain a significant number of computer work stations.
- Provide Space for Growth in Staffing – The conceptual design study provides for projected growth in City staffing for a five to ten year period. The ability to accommodate growth includes moving to a more efficient furniture system and relocating functions to spaces that can better fit their longer term needs.
- Rewiring and Relocating of the Server Room – The City currently houses several of its network servers at the City of Bellevue due to limitation to space and cooling capacity in the current server room. A new server room could be built to current standards and house the City's servers on-site, which would result in some efficiencies.
- Expand Parking Capacity – City Hall currently relies on street parking and use of the church parking lot to supplement its parking needs. The agreement with the church expires in 2016 and there is the potential for the City to make use of the properties to the South of City Hall to expand parking on site. One benefit of this parking is that it could be made available as free parking for downtown after City business hours, which are the busiest parking hours in the central business district.

To accomplish all of the Tier 1 and Tier 2 items, the study estimated a budget of approximately \$20 million, which is well outside the funding available. As a result, a scenario was estimated of what could be accomplished within the \$10 million budget. This budget would accomplish the preventative maintenance and relocating the 505 Market Street functions within the Police Department vacated area, renovate the City Council Chambers, reconfigure the reception area, re-wire with the server room in the existing location, and reconfigure the existing parking areas. The CIP Engineering group would remain in the City Hall Annex and the downstairs area would provide space for some expansion and there would not be a dedicated EOC, but the Peter Kirk Room could still serve that purpose. We would continue to house some of our servers at the City of Bellevue and continue to use our existing furniture system.

The \$10 million scenario accomplishes many of the objectives of the remodel, but a detailed design would need to be completed to confirm these estimates. If the decision is made to proceed with the remodel, this design phase would begin as soon as possible.

### *Conclusion and Recommendations*

The renovation of City Hall to accommodate annexation resources has been contemplated for several years. If relocation is considered, it will likely take a number of years and may be dependent on the timing of major redevelopment projects. Given that timeline, the deferred maintenance projects would need to be completed and the other operational efficiencies may prove worthwhile. Based on these factors, staff recommends proceeding with the design phase of the City Hall renovation within the \$10.0 million budget. Proceeding with the design phase still allows the City to explore other options without delaying the City Hall renovation. At the conclusion of the design phase, the Council will have a final opportunity to decide the future of City Hall prior to issuing debt and authorizing construction to proceed.

## Preliminary Analysis of Potential Relocation of City Hall to Totem Lake

City Council Retreat

February 8, 2013

Objective: Provide a catalyst for redevelopment of Totem Lake business district

Concept: Relocate City Hall to Totem Lake Area, sell existing site and either purchase a suitable building or build to suit

### Background

- Current City Hall property
  - 70,258 square foot building
  - 6,000 sf in annex
  - 6 parcels for total of 225,748 sf or 5.18 acres
  - Currently zoned PLA 7 with density of up to 18.2 units/acre
  - Proposed renovation with available funding of \$10,000,000
  
- City Hall Annex
  - 6,000 square feet
  - Renovated 1923 Session Funeral Home
  - Completed in 2009 for \$1.8 million
  - Integrated historic preservation, public art, green building and public spaces
  - Achieved LEED Gold certification
  - Planned uses
    - Short term – City Hall staff
    - Long term – Public meeting and event space
  - City Hall annex investment and historic preservation suggests maintaining that facility
  
- Potential value of City Hall Property
  - Highest and best use is multi-family condominium with up-zone suggested to maximize value

Option	Sale Proceeds	Total Available Funding
Sell City Hall and Land Only	13,349,000	23,349,000
Sell all land except annex at current zoning	10,461,000	20,461,000
Upzone to 36 units per acre and sell annex	20,692,000	31,892,000

- Cost to Purchase or Build New Facility

Option	Cost
Purchase and renovate 70,000 sf building	22,709,000
Purchase and renovate available building south of Parmac (114,000 sf)	29,225,000
Purchase and renovate 100,000 sf building (e.g. 405 corporate)	30,852,941
Build to suit with surface parking (purchase 6 acres)	37,175,000
Build to suit with structured parking and demolition of existing structure	43,625,000

- Issues to consider
  - Sale and/or up-zone of City Hall Property will take time and public involvement
  - Major rethinking of City Hall should be given adequate study which precludes realizing any short term improvements in City Hall (co-location and sale of 505 Market; consolidation of development services counter functions; upgrade of server room; re-use of vacated Police space in 2014)
  - If the City relocates City Hall, the City would want to own the building and land (rather than be a tenant)
  - Impact on downtown of moving major employer (City)
  
- Assessment of viability of objective
  - Interviews with local commercial brokers and developers:  
*"Simply moving city hall from point A to point B is unlikely to spur much more than a temporary increase in construction jobs. The economic benefits are directly proportional to the size and scope of the project within which a new city hall building is placed. The consensus among local real estate brokers and developers is that if revitalizing Totem Lake was not a primary objective, it would be better for Kirkland's economic vitality overall to keep City Hall downtown. ....A city hall alone is not a panacea for what ails Totem Lake and ... the City is best to confine itself to infrastructure improvements and amenities to attract redevelopment of Totem Lake."*
  - Other examples of incorporating civic buildings in redevelopment have been based on existing viable private project with which to partner
  - There are limited available properties in Totem Lake and no raw land sufficient for a City Hall; property purchase would need to include purchase of existing building with demolition
  - Totem Lake Mall property is still in litigation and future use and ownership are uncertain
  - An alternative to consider is relocating City Hall to Park Place
  - City Hall is intensive land use, especially with surface parking which may not be consistent with high density vision of Totem Lake
  - Berk study on Totem Lake (scheduled to be completed by June) could look at this question more closely
  
- City Manager Recommendation
  - Continue with City Hall project planning
  - If Council wants to continue study, consider incorporating question into Berk study regarding feasibility of relocating City Hall in Totem Lake
  - Evaluate alternative investments in Totem Lake that may be better suited to achieve the objective

# Chris Fiori

*Principal & Project Director*



## SUMMARY OF PROFESSIONAL EXPERIENCE

As a Principal and Project Director at Heartland, LLC, Chris blends financial analytics with public policy and business strategies to advise clients on a wide array of real estate and planning initiatives. He manages multi-disciplinary internal and external teams engaged in predevelopment financial analysis, policy analysis, property acquisitions and dispositions, and development management. Prior to joining Heartland, Chris worked for the Corporate Executive Board in Washington, DC where he was a senior associate within the firm's wealth management consulting practice. .

Chris completed a HUD Community Development Fellowship while working as an acquisitions analyst for National Equity Fund, a low-income housing tax credit syndicator. .

## EDUCATION

Master of Urban Planning  
Concentration in Real Estate  
Finance and Development  
*University of Washington*

Master of Public  
Administration  
*University of Washington*

Honors B.A. Political Science  
*Gonzaga University*

## CERTIFICATIONS/ AFFILIATIONS

Licensed Real Estate Broker  
*Washington State*

*ULI  
Member*

*Runstad Center, Affiliate Fellow  
(2013-2014)*

*PRSC  
Growing Transit North Corridor  
Task Force (2011-2013)*

*Seattle Planning Commission  
(2004-2010)*

## RELEVANT PROJECT EXPERIENCE

### Seattle Housing Authority - Yesler Terrace

- Financial Analysis
- Deal Structure Analysis

### City of Seattle - South Lake Union TDR Analysis

- Financial Feasibility
- Public Policy Analysis

### Capitol Hill - TOD Station

- Financial Analysis
- Strategy Development

### Indigo@66 - Roosevelt Station Area Multi-family Land Investment, Predevelopment

- Underwriting
- Land Acquisition
- Predevelopment Project Management

HEARTLAND



Attachment C

## OPINION OF VALUE

KIRKLAND CITY HALL | 123 FIFTH AVENUE

UPDATED JANUARY 2014



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# CBRE

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**\*This Opinion of Value has been updated from the initial submittal in February 2013. All material modifications have been highlighted in red font.**

## DISCLAIMER

*The foregoing price opinion has been prepared by a real estate broker/salesperson in the State of Washington, licensed pursuant to Chapter 18.85 of the Revised Code of Washington. The price opinion has not been prepared by a State licensed or certified appraiser, pursuant to Chapter 18.140 of the Revised Code of Washington, and is not intended to be an appraisal of the market value of the property, as defined in that Chapter, nor to comply with the standards set forth therein.*

*This broker opinion of value or broker's price opinion of Kirkland City Hall (123 5<sup>th</sup> Ave), Lake & Central, and Marina Park, Kirkland, WA, prepared for the City of Kirkland is based upon information obtained from the City of Kirkland and/or others and is for their use. While we do not doubt its accuracy, we have not verified the information and make no guarantee, warranty or representation about it.*

**THIS VALUATION ANALYSIS OR BROKER OPINION OF VALUE IS NOT AN APPRAISAL AND HAS NOT BEEN PERFORMED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE. NEITHER YOU, NOR ANY THIRD PARTIES, MAY RELY ON THIS ANALYSIS FOR ANY TAX PURPOSES, ESTATE WORK, LITIGATION, LENDING OR ANY OTHER MATTER OTHER THAN YOUR DIRECT USE IN CONNECTION WITH A CONTEMPLATED TRANSACTION.**

## LOCATION

The subject property is located at 123 Fifth Avenue, Kirkland, WA. The property comprises six parcels, the largest of which is being used as the Kirkland City Hall. The additional parcels are being used as a community center, multifamily housing and other uses.

## AREA MAP



## KIRKLAND DEMOGRAPHIC MAKEUP

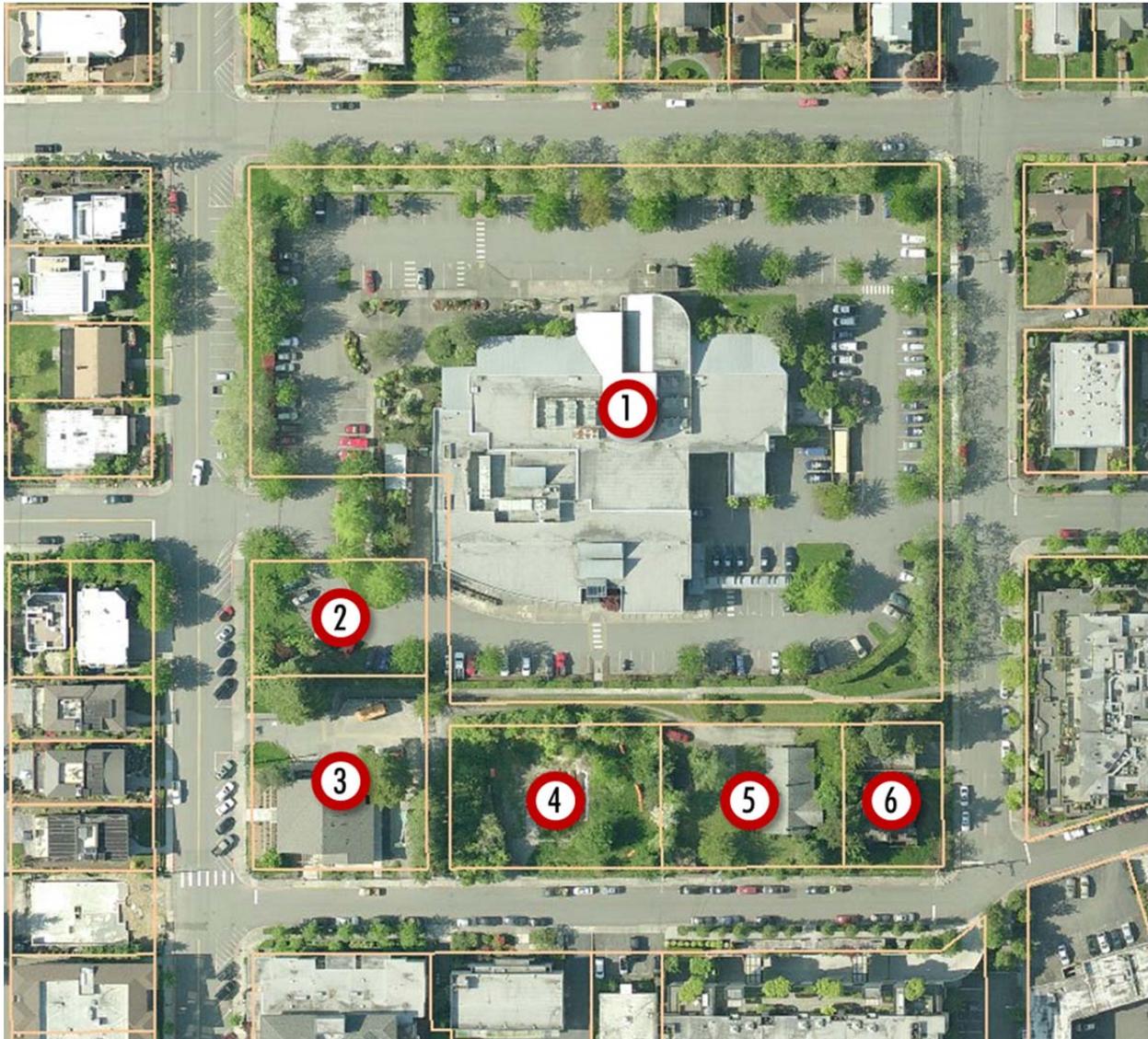
2013 Estimated Population	83,583
2018 Estimated Population	88,485
Growth 2013-2018	+5.86%
2013 Estimated Households	35,821
2018 Projected Households	38,116
Growth 2013-2018	+6.41%

Source: Nielsen

## PROPERTY PROFILE

The subject property consists of six separate parcels totaling 5.2 acres, all zoned PLA 7A.

### SITE OVERVIEW: SIZE & ZONING



Address	Parcel #	Zoning	Land Acreage	Land Sq. Ft.
1. 123 Fifth Avenue	3885808355	PLA 7A	3.74	162,768
2. N/A	3885808525	PLA 7A	0.23	10,230
3. 310 1 <sup>st</sup> Street	3885808550	PLA 7A	0.39	17,050
4. N/A	3885808600	PLA 7A	0.35	15,300
5. 136 3 <sup>rd</sup> Avenue	3885808615	PLA 7A	0.30	13,192
6. 144 3 <sup>rd</sup> Avenue	3885808616	PLA 7A	0.17	7,208
			<b>5.18</b>	<b>225,748</b>

Source: King County Assessor's Office

**USE: UNDER CURRENT ZONING**

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All six sites are currently zoned PLA 7A, which provides a wide array of possible uses:

- Detached Dwelling Units
- Detached, Attached, or Stacked Dwelling Units
- Mini-School or Mini-Day-Care
- Assisted Living Facility

The following uses are allowed, but only through a required review process:

- Church
- School or Day Care Center
- Convalescent Center or Nursing Home
- Public Utility
- Government Facility or Community Facility

**DENSITY: UNDER CURRENT ZONING**

---

**MULTIFAMILY FOR SALE (CONDOMINIUMS):** Condominium development is allowed under the current zoning. The current code provides for 2,400/SF of land area for each unit. This would allow for approximately 94 units or 18.15 units per acre. The value of this property is significantly determined by the density allowed. Setbacks, parking, landscaping and height restrictions will ultimately determine the allowable density.

**MULTIFAMILY FOR RENT (APARTMENTS):** Apartment development is allowed under the current zoning. The current code provides for 2,400/SF of land area for each unit. This would allow for approximately 94 units or 18.15 units per acre. The value of this property is significantly determined by the density allowed. Setbacks, parking, landscaping and height restrictions will ultimately determine the allowable density.

**ASSISTED LIVING/NURSING HOME:** Assisted Living use is allowed in this zoning for purposes of density, the code states that two assisted living units shall constitute one dwelling unit. Therefore, under assisted living use up to 188 units may be achievable on this property. Setbacks, parking, landscaping and height restrictions will ultimately determine the allowable density.

**SINGLE FAMILY:** Single Family development is allowed under the current zoning. The current code provides for minimum lot sizes of 3,600/SF. This would allow for a maximum of 63 lots or 12.1 lots per acre.

**GOVERNMENT:** Government Use in this zoning is allowed through a Required Review Process. Additional lot coverage can be achieved up to 70% lot coverage, however parking and landscaping requirements will limit the eventual FAR that can be achieved on the property. Typically suburban office buildings with surface parking will be able to achieve .35 to .5 FAR. This property would not be able to achieve significant increase in square footage under current zoning. Setbacks, parking, landscaping and height restrictions will ultimately determine the allowable density.

**OFFICE:** Office Use in this zoning is not allowed. If it were allowed, additional lot coverage could be achieved up to 70% lot coverage, however parking and landscaping requirements will limit the eventual FAR that can be achieved on the property. Typically suburban office buildings with surface parking will be able to achieve .35 to .5 FAR. This property would not be able to achieve significant increase in square footage without significant changes to the current zoning codes. Setbacks, parking, landscaping and height restrictions will ultimately determine the allowable density.

## TRADITIONAL/GOVERNMENT OFFICE

Kirkland is the Puget Sound Area's most stable office submarket. **Vacancy rates are 8.1%** and Class A office rents will range from \$20.00-\$35.00/SF NNN, with the upper end of this range being associated with waterfront related properties. Although **1.3M SF is planned** in this submarket, developers are reluctant to break ground without significant preleasing.

The Kirkland City Hall property highest and best use would not be office development at this time. With the significant residential neighborhood surroundings, lack of demand by office development and current zoning restrictions as it relates to this use; we would not anticipate this property future as a Class A office project, corporate headquarters or alternative Government property.

### MARKET

#### Q4 2013 Kirkland Office Market Highlights:

Total Inventory	1,465,805 RSF	Class A Gross Asking Rent	\$38.95/RSF
Total Vacant SF	118,682 RSF	Construction Deliveries	0 RSF
Total Vacancy	8.1%	Under Construction	180,000 RSF
Total Absorption	(22,561) RSF	Planned Development	1,282,000 RSF

#### Proposed Developments:

Kirkland Park Place	Touchstone	425 Placeplace Ctr	1,200,000 RSF
Google Expansion	SRM	500 7 <sup>th</sup> Ave S	180,000 RSF
Lake Street Place	Stuart McLeod	130 Lake St	120,000 RSF
Park Place North	Gramor	621 5 <sup>th</sup> Ave	59,690 RSF
<b>Total Proposed SF</b>			<b>1,544,690 RSF</b>

### MARKET COMPARABLES

#### Lease Comparables

Tenant	Lease Start	Size	Term	NNN Rent	Free Rent
Summit Group Solutions @ Plaza at Yarrow Bay	Q4 2012	3,357 RSF	60 Months	\$23.50	3 Months
Directors Mortgage @ Plaza at Yarrow Bay	Q3 2012	2,945 RSF	36 Months	\$24.00	2 Months
RBC Wealth Mgmt. @ Carillon Point	Q4 2012	10,500 RSF	60 Months	\$28.00	0 Months
Go Daddy @ Carillon Point	Q3 2013	9,020 RSF	84 Months	\$28.00	1 Month

**Office Sales Comparables:**

Kirkland 405	Nov 2012	79,760 SF	\$13,849,900	\$173/SF
Arris Building	June 2012	50,000 SF	\$8,600,000	\$172/SF
Continental Plaza	June 2013	72,954 SF	\$24,500,000	\$336/SF
10510 Northup	June 2013	51,290 SF	\$17,300,000	\$337/SF
<b>Average Price/SF</b>				<b>\$255/SF</b>

**VALUATION****Comparable Method**

	Size	Value/SF	Total Value
Office	56,206 RSF	\$200.00/SF	\$11,241,200
Basement	14,052 RSF	\$150.00/SF	\$2,107,800
Value	70,258 RSF	\$190.00/SF	\$13,349,000

**Income Capitalization Method**

	Size	Rent/RSF	NOI
Office	56,206 RSF	\$20.00	\$1,124,120
Basement	14,052 RSF	\$15.00	\$210,780
Total	70,258 RSF	\$19.00	\$1,334,900
less: Vacancy	@ 5.0%		(\$66,745)
Adjusted NOI			\$1,268,155
Capitalized Value	@ 6.5%		\$19,510,077
less: Stabilization Costs			
Downtime	@ 12 Months		(\$1,334,900)
Office Tenant Improvements	@ \$50/RSF		(\$2,810,300)
Basement Tenant Improvements	@ \$100/RSF		(\$1,405,200)
Fees	@ \$10/RSF		(\$702,580)
Total			(\$6,252,980)
Net Value		\$188.69/SF	\$13,257,097

**CONCLUSION**

It is anticipated that value for office and government use for the Kirkland City Hall Property would be in the \$12M – \$14M range. Without significant increased density and height through up-zoning, it is not anticipated that this would generate the highest and best use for this property.

## SINGLE FAMILY

The Single Family market in Kirkland has quickly stabilized over the past year. The inventory has dropped considerably and demand has been quite steady. The East of Market neighborhood ("Norkirk") continues to be a desirable area and values have increased \$25,000 - \$100,000 per lot over the last year. There are few major project developments in this neighborhood, with the majority of construction coming in the form of tear downs for new home construction. Values will continue to increase with demand. This properties' A+ location, combined with views, would likely result in an optimal location for Single Family home development.

### MARKET EVALUATION

#### Q4 2013 Single Family Market Highlights

	<i>Today</i>	<i>1 Year Ago</i>
Total Inventory	96 3.23%	93 -
Median List Price	\$714,500 9.92%	\$650,000 -

#### VALUATION

Total Land SF	225,748 SF	225,748 SF	225,748 SF
Total Acres	5.18 Acres	5.18 Acres	5.18 Acres
Lot Size	3,600 SF	5,000 SF	7,200 SF
Lots/Acre	12.1 Lots	8.7 Lots	6.1 Lots
Maximum Lots	62.7 Lots	45.1 Lots	31.4 Lots
Less: Lot Loss Development @ 15%	-9.4 Lots	-6.8 Lots	-4.7 Lots
Buildable Lots	53.3 Lots	38.4 Lots	26.7 Lots
Value per Lot	\$275,000	\$375,000	\$550,000
	\$300,000	\$400,000	\$575,000
	\$325,000	\$425,000	\$600,000
Less: Development Costs/Profit @ 25%	-\$68,750	-\$93,750	-\$137,500
	-\$75,000	-\$100,000	-\$143,750
	-\$81,250	-\$106,250	-\$150,000
Net Value per Lot	\$206,250	\$281,250	\$412,500
	\$225,000	\$300,000	\$431,250
	\$243,750	\$318,750	\$450,000
Value	\$10,993,125	\$10,800,000	\$11,013,750
	\$11,992,500	\$11,520,000	\$11,514,375
	\$12,991,875	\$12,240,000	\$12,015,000

**CONCLUSION**

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Value for the Kirkland City Hall Property from a Single Family perspective will not achieve the same level as either development of Condominiums or Apartments. The maximum achievable value under current market conditions is **\$12.9M** for 53 lots with an average lot size of 3,600 SF.

## MULTIFAMILY FOR RENT (APARTMENTS)

The Apartment market in Kirkland has continued to stabilize over the past few years. Few units have been completed over the past 4-5 years and demand and rents have remained stable. There are three projects that are currently under construction, which will add **319 units to the inventory**. **Two additional projects** are currently in the planning stage of the development process.

### MARKET

#### Dupree & Scott Market Info

Current Vacancy	4.2%	Actual rent	\$1,695/month
2012 Market Vacancy	5.5%	Avg. Unit Side	916 RSF
5-Year Avg. Vacancy	5.7%	Actual Rent per RSF	\$1.84/RSF

#### Under Construction

Project	Address	Units	Acres	Price/Unit	Purchase Price
South Kirkland Park & Ride Mixed Use	3801 108 <sup>th</sup> Ave	243	-	-	-
White Swan	324 Central	76	.63	\$59,210	\$4,500,000

#### Planned Apartment Projects

Project	Address	Sales Date	Acres	Purchase Price	Units	Price/Unit
Crab Cracker	452 Central	Pending	1.11	-	297	-
Portola Village	631 Market	Pending	1.23	-	143	-

#### Density

Project	Address	Sales Date	Units	Units/Acre
101 Kirkland Ave	101 Kirkland Ave	2007	66	101.7
128th on State	128 State St	2006	123	81.9
Watermark	530 2nd Avenue	1997	60	73.8
Crea Juanita Village	9740 NE 119 <sup>th</sup> Way	2003	211	73.3
Chelsea at Juanita Village	11720 97 <sup>th</sup> Ln NE	2001	196	69.2
White Swan	324 Central	Pending	72	114.2
<b>Average Units per Acre</b>				<b>85.7</b>

**MARKET COMPARABLES****Land Sale Comparables**

<i>Project</i>	<i>Address</i>	<i>Sales Date</i>	<i>Acres</i>	<i>Purchase Price</i>	<i>Units</i>	<i>Price/Unit</i>
101 Kirkland Ave	101 Kirkland Ave	2007	0.65	\$7,800,000	66	\$118,182
Merrill Gardens	201 Kirkland Ave	2007	0.81	\$10,000,000	115	\$86,957
<b>Average</b>						<b>\$102,570</b>

**Under Construction Apartment Projects**

<i>Project</i>	<i>Address</i>	<i>Sales Date</i>	<i>Acres</i>	<i>Purchase Price</i>	<i>Units</i>	<i>Price/Unit</i>
Juanita Village Lot 5	10801 97 <sup>th</sup> Ln NE	2011	2.33	\$9,850,000	196	\$50,225
White Swan	324 Central	2013	.63	\$4,500,000	76	\$59,210
The Waterbrook	11810 98 <sup>th</sup> Ave NE	2011	1.24	\$3,600,000	96	\$37,500
<b>Average</b>						<b>\$48,978</b>

**VALUATION**

<b>Units/Acre</b>	18.2 Units
<b>Total Land SF</b>	225,748 SF
<b>Total Acres</b>	5.18 Acres
<b>Land SF/Unit</b>	2,400 SF
<b>Max Buildable Units</b>	94 Units
<b>Price per Unit</b>	
\$60,000	\$5,640,000
\$80,000	\$7,520,000
\$100,000	\$9,400,000

**CONCLUSION**

Current zoning would allow for 94 units to be developed on the property. 101 Kirkland Avenue was originally planned as a condominium project, but as a result of the downturn, the project was completed as an Apartment. The land cost for this project was \$118,000/Unit. Merrill Gardens was an Assisted Living facility, completed at \$87,000/Unit. The White Swan development achieved \$60,000/Unit for land cost.

Apartment development is normally completed at an overall lower cost than condominiums. The cost of land is a key factor of apartment construction. Overall vacancy rates have dropped below 5%, rents have increased and the near term supply should fit within a healthy equilibrium. In a forward thinking approach to value (12-36 months), if apartment development would be considered on the Kirkland City Hall Property, value range would be anticipated between \$80,000 to \$100,000/Unit. Under current zoning, value would be anticipated at \$7.5M – \$9.4M.

Once again, density is a huge factor in the valuation of the Kirkland City Hall Property. If higher density could be achieved through up-zoning (e.g. 36 Units/Acre) values could be achieved between \$14M – \$18.6M.

#### Up-Zone Valuation Matrix

Units/Acre	24 Units	36 Units	48 Units
<b>Total Land SF</b>	225,748 SF	225,748 SF	225,748 SF
<b>Total Acres</b>	5.18 Acres	5.18 Acres	5.18 Acres
<b>Land SF/Unit</b>	1,819 SF	1,213 SF	909 SF
<b>Max Buildable Units</b>	124 Units	186 Units	248 Units
<b>Price per Unit</b>			
\$60,000	\$7,440,000	\$11,160,000	\$14,880,000
\$80,000	\$9,920,000	\$14,880,000	\$19,840,000
\$100,000	\$12,400,000	\$18,600,000	\$24,800,000

## MULTIFAMILY FOR SALE (CONDOMINIUMS)

The Condominium market in Kirkland has begun to stabilize. As you can see below, the inventory of available units on the market has decreased from 49 units in 2012 to 45 today. There has not been a condominium project completed in Kirkland since Leland Place was completed in 2007-2008. Interest rates continue to be at an all-time low and there is limited supply of inventory, however condominium development has been slow to recover due to perceived demand, major project financing challenges, project insurance challenges, and overall risk in comparison to apartment development.

### MARKET

#### Q4 2013 Condo Market Highlights

	Today	1 Year Ago
Total Inventory	45 -8.16%	49 -
Median List Price	\$345,000 14.05%	\$302,500 -

### MARKET COMPARABLES

#### Land Sale Comparables

Project	Address	Sales Date	Acres	Purchase Price	Units	Price/Unit
101 Kirkland Ave	101 Kirkland Ave	2007	0.65	\$7,800,000	66	\$118,182
Merrill Gardens	201 Kirkland Ave	2007	0.81	\$10,000,000	115	\$86,957
Leland Place	631 Market	2007	0.49	\$2,128,000	25	\$85,120
<b>Average</b>						<b>\$96,753</b>

#### Density

Project	Address	Sales Date	Units	Units/Acre
Kirkland Central	211 Kirkland Ave	2006	110	115.4
Plaza on State	122 State St	1995	81	48.8
Boulevard Condo	375 Kirkland Ave	2007	119	72.0
Brezza	225 4th Ave	1997	75	82.2
Park 34	319 3rd St	1998	12	56.2
Marina Heights	134 Central Way	1996	21	36.3
Waters Edge	905 Lake Street S	2000	13	5.5
Shumway Condo	215 5th Ave S	1997	72	16.3
101 Kirkland Ave	101 Kirkland Ave	2007	66	101.7
Merrill Gardens	201 Kirkland Ave	2007	115	141.4
Leland Place	631 Market	2007	25	51.1

**Average Units per Acre                      66.1**

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**VALUATION**


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<b>Units/Acre</b>	18.2 Units
<b>Total Land SF</b>	225,748 SF
<b>Total Acres</b>	5.18 Acres
<b>Land SF/Unit</b>	2,400 SF
<b>Max Buildable Units</b>	94 Units
<b>Price per Unit</b>	
\$100,000	\$9,400,000
\$120,000	\$11,280,000
\$140,000	\$13,160,000

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**CONCLUSION**


---

Current zoning would allow for 94 units to be developed on the property. The land for Leland Place was at a price of \$85,000/Unit in 2007. 101 Kirkland Avenue was originally planned as a condominium project, but as a result of the downturn, the project was completed as an Apartment. The land cost for this project was \$118,000/Unit.

Density is a huge factor in the eventual value of the Kirkland City Hall property. With anticipated density of 94 units, under current zoning, **in a forward thinking approach to value (12-36 months)**, at \$100,000 to **\$120,000/Unit**, a value is anticipated between \$9.4M – **\$12M**. If higher density could be achieved through up-zoning (e.g. 36 Units/Acre) values could be achieved between \$18.6M – **\$23M**.

**Up-Zone Valuation Matrix**

<b>Units/Acre</b>	<b>24 Units</b>	<b>36 Units</b>	<b>48 Units</b>
<b>Total Land SF</b>	225,748 SF	225,748 SF	225,748 SF
<b>Total Acres</b>	5.18 Acres	5.18 Acres	5.18 Acres
<b>Land SF/Unit</b>	1,819 SF	1,213 SF	909 SF
<b>Max Buildable Units</b>	124 Units	186 Units	248 Units
<b>Price per Unit</b>			
\$100,000	\$12,400,000	\$18,600,000	\$24,800,000
\$120,000	\$14,880,000	\$22,320,000	\$29,760,000
\$140,000	\$17,360,000	\$26,040,000	\$34,720,000

## CONCLUSION

The Highest and Best Use and the maximum value anticipated for the Kirkland City Hall Property would be as a Condominium development or potentially an Assisted Living Facility. Please note that valuation of the property for use as an Assisted Living Facility requires a specific expertise relative to this type of business, so this has not been accounted for in this Opinion of Value. As a Condominium, **in a forward thinking approach to value (12-36 months)**, it is anticipated a value of **\$19,000,000 to \$23,000,000** could be achieved for the Subject Property with a slight up zoning.

Were the property to be considered available for development, it should be marketed un-priced, and exposed to all Institutional Multi-Family and Assisted Living Developers on the West Coast. This property would be one of the premier development opportunities available in the Puget Sound Area and would draw tremendous interest and therefore value.



# RELOCATION MARKET ALTERNATIVES

**KIRKLAND CITY HALL  
JANUARY 2014**



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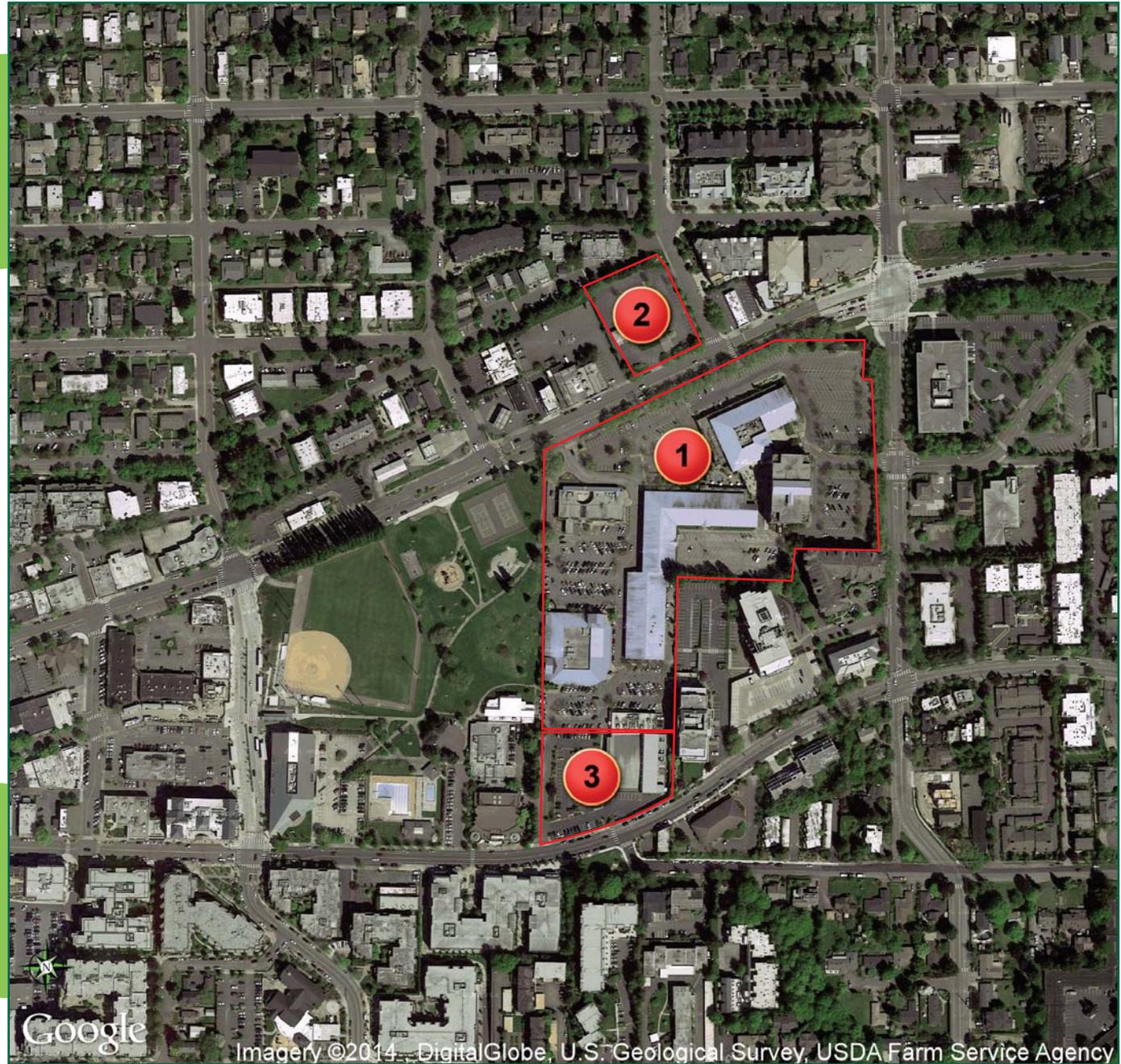
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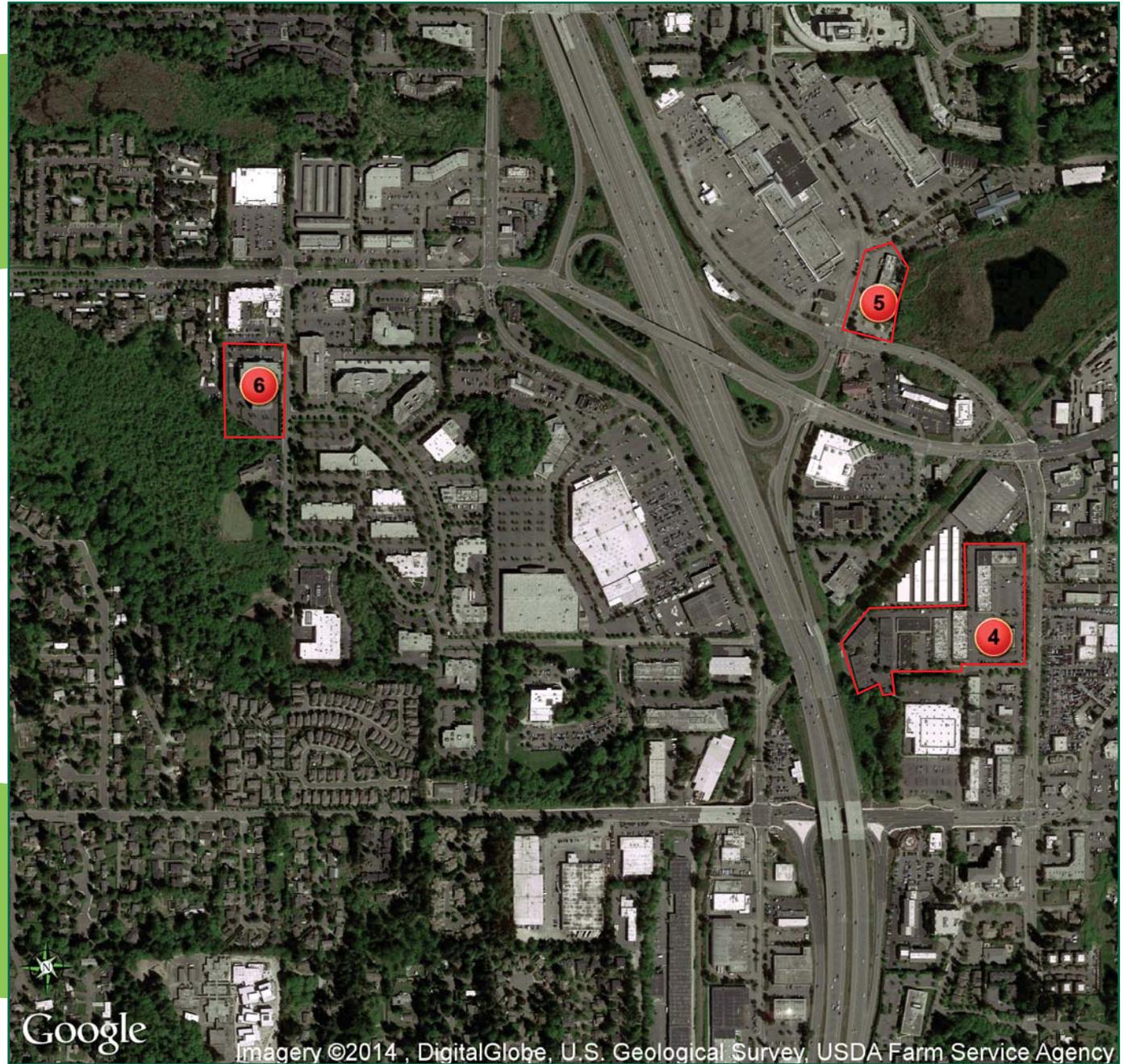
Prepared by: Joe Steele

Layout ID:L01 MapId:1710682

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- 5 Totem Lake - Bank Of America
- 6 Touchstone



Prepared by: Joe Steele

Layout ID:L01 MapId:1710829

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## City of Kirkland City Hall Analysis

### Summary

#### 1.) Identifying Properties:

- Properties identified through the input of City of Kirkland.
- Enhanced list of alternatives through the evaluation of possible future developments in the City of Kirkland.

#### 2.) Value:

- In each case, we evaluated the amount of land needed to accommodate a future City Hall of 100,000 SF.
- Value was established through determining land square footage need and evaluating Floor Area Ratio (FAR) rights of the properties and a market value associated with these rights.
- In addition in certain cases, we determined the value of these properties based on previous or anticipated acquisition value of these properties making assumptions of what level it is estimated that these properties may be acquired for, or adjusting upward assumed values at a percentage over assessed values.

#### 3.) Rough Order of Magnitude (ROM) Cost:

- We made assumptions of Shell Construction Cost, Tenant Improvement (TI) Cost, Parking Cost, and Soft Costs.
- The amount of parking stalls was determined by calculating 4 spaces per 1,000 SF, resulting in 400 parking stalls with the exception of the Touchstone property (#6), which we calculated to be 408 parking stalls based on the building square footage.
- Soft Costs in our analysis was determined by taking 30% of total Building Cost, TI Cost, and Parking Cost for each one of the identified properties; with the exception of the Touchstone property (#6) in which case Soft Costs were calculated to be \$0.
- Tenant Improvement Cost in our analysis was determined by multiplying \$75 per square foot (PSF) by the future City Hall requirement of 100,000 SF. We assumed TI's being a total of \$7,500,000 for each one of the properties selected with the exception of the Touchstone property (#6). We calculated the TI's for this site to be \$100, slightly higher due to reconditioning the existing space for the City Hall requirement; total TI's being \$10,200,000.

Property #	Selected Properties	Building Size SF	Land Size SF	Acquisition Cost	Acquisition Cost PSF
1	Park Place	100,000	40,179	\$55,600,000	\$556
2	Wells Fargo	100,000	50,850	\$54,940,000	\$549
3	Microsoft	100,000	74,200	\$61,956,000	\$620
4	Liquid Lime	100,000	150,000	\$41,661,714	\$417
5	Bank of America	100,000	92,038	\$41,858,360	\$419
6	Touchstone	102,000	149,703	\$39,950,000	\$392

Park Place							
Building Size	100,000 SF					<b>Totals</b>	
Building PSF Cost	\$175.00					\$17,500,000	
TI PSF Cost	\$75.00					\$7,500,000	
Parking Cost		Low	High	Type	375 SF/Stall	400 Spaces	Cost
		\$6,000.00	\$8,000.00	On Grade	0.00%	0	\$0
		\$15,000.00	\$20,000.00	Above Grade	0.00%	0	\$0
		\$25,000.00	\$30,000.00	Underground	100.00%	400	\$12,000,000
		Total Parking Costs					\$12,000,000
							\$12,000,000
Soft Costs	30%						\$11,100,000
<i>*/% of Building Cost, TI Cost, and Parking Cost</i>							
<b>Building Cost Total</b>							\$48,100,000
Price PSF							\$481
<b>Land Size</b>	40,179 SF			<b>Land Price</b>	\$7,500,000		\$7,500,000
Land Price PSF							\$187
Buildable Price PSF							\$75
<b>Total Cumulative Cost</b>							\$55,600,000
Building Price PSF							\$556

**Summary**

• Park Place has 1.8 million total SF and 1.2 million SF of office building area allowed per most recent design. The property was acquired in September of 2007 for approximately \$60,000,000. In our approach to value we utilized a \$75 per SF of building area value for the 100,000 SF requirement. Our analysis shows that the total land cost for this Site is \$7,500,000. Additionally in our approach we calculated that the square footage for land is 40,179 SF based on the proportionate amount of Floor Area Ratio (FAR) of the overall project versus our SF need.

**Positives:**

- Well Located Site in the Kirkland CBD.

**Challenges:**

- Difficult for developer to separate out buildable area for City of Kirkland, from the overall project.
- This property is currently not on the market for sale and will likely be sold only as a total project.

Wells Fargo							
Building Size	100,000 SF					<b>Totals</b>	
Building PSF Cost	\$175.00					\$17,500,000	
TI PSF Cost	\$75.00					\$7,500,000	
Parking Cost							
		Low	High	Type	375 SF/Stall	400 Spaces	Cost
		\$6,000.00	\$8,000.00	On Grade	0.00%	0	\$0
		\$15,000.00	\$20,000.00	Above Grade	0.00%	0	\$0
		\$25,000.00	\$30,000.00	Underground	100.00%	400	\$12,000,000
		Total Parking Costs					\$12,000,000
Soft Costs	30%						\$11,100,000
<i>*/% of Building Cost, TI Cost, and Parking Cost</i>							
<b>Building Cost Total</b>							<b>\$48,100,000</b>
Price PSF							\$481
<b>Land Size</b>	50,850 SF			<b>Land Price</b>	\$6,840,000		<b>\$6,840,000</b>
Land Price PSF							\$135
Buildable Price PSF							\$68
<b>Total Cumulative Cost</b>							<b>\$54,940,000</b>
Building Price PSF							\$549

**Summary**

- Our calculation of land value is based on our understanding of the approximate recent acquisition value, increased by 20%.

**Positives:**

- Well Located Site in the Kirkland CBD.
- FAR for this property lines up well for the City of Kirkland 100,000 SF requirement.

**Challenges:**

- Large infrastructure costs associated with parking needs.
- This property is currently not on the market for sale and under contract with a Multi Family Developer.

Microsoft							
Building Size	100,000 SF					<b>Totals</b>	
Building PSF Cost	\$175.00					\$17,500,000	
TI PSF Cost	\$75.00					\$7,500,000	
Parking Cost		Low	High	Type	375 SF/Stall	400 Spaces	Cost
		\$6,000.00	\$8,000.00	On Grade	10.00%	40	\$320,000
		\$15,000.00	\$20,000.00	Above Grade	0.00%	0	\$0
		\$25,000.00	\$30,000.00	Underground	90.00%	360	\$10,800,000
		Total Parking Costs					\$11,120,000
							\$11,120,000
Soft Costs	30%						\$10,836,000
<i>*% of Building Cost, TI Cost, and Parking Cost</i>							
<b>Building Cost Total</b>							<b>\$46,956,000</b>
Price PSF							\$470
<b>Land Size</b>	74,200 SF		<b>Land Price</b>	\$15,000,000			<b>\$15,000,000</b>
Land Price PSF							\$202
Buildable Price PSF							\$150
<b>Total Cumulative Cost</b>							<b>\$61,956,000</b>
Building Price PSF							\$620

**Summary**

- Our analysis of land value is based on the input from the existing owner of the property as well as value of the future development of this project.

**Positives:**

- Well Located Site in the Kirkland CBD.

**Challenges:**

- FAR availability for this site does not match well with City Of Kirkland Requirement. The developer projects a building of up to a 230,000 - 250,000 SF on this site.
- This property is currently not on the market for sale.

Totem Lake Liquid Lime							
Building Size	100,000 SF					<b>Totals</b>	
Building PSF Cost	\$150.00					\$15,000,000	
TI PSF Cost	\$75.00					\$7,500,000	
Parking Cost		Low	High	Type	375 SF/Stall	400 Spaces	Cost
		\$6,000.00	\$8,000.00	On Grade	75.00%	300	\$2,400,000
		\$15,000.00	\$20,000.00	Above Grade	25.00%	100	\$2,000,000
		\$25,000.00	\$30,000.00	Underground	0.00%	0	\$0
		Total Parking Costs				\$4,400,000	\$4,400,000
Soft Costs	30%						\$8,070,000
<i>*(% of Building Cost, TI Cost, and Parking Cost)</i>							
<b>Building Cost Total</b>							<b>\$34,970,000</b>
Price PSF							\$350
<b>Land Size</b>	150,000 SF		<b>Land Price</b>	\$6,691,714			<b>\$6,691,714</b>
Land Price PSF							\$45
Buildable Price PSF							\$67
<b>Total Cumulative Cost</b>							<b>\$41,661,714</b>
Building Price PSF							\$417

**Summary**

• In our approach, we calculated the square footage of land to be 150,000 SF based on the need of a 100,000 SF future building. We anticipate that this project will be a more of a garden office project with lower cost of construction and less parking infrastructure. Using the method of a 20% increase over the assessed value of a portion of the site, we calculated that this land would cost \$6,971,714. Using the same approach to value the total value of the site would be approximately \$18,058,080.

**Positives:**

- Lower cost alternative due to garden office type development.
- The remaining portion of the site over and above the office need could be used for additional municipal needs.
- Easy access to public transportation in the area.

**Challenges:**

- This property is currently not on the market for sale.

Totem Lake BOA								
Building Size	100,000 SF					<b>Totals</b>		
Building PSF Cost	\$150.00					\$15,000,000		
TI PSF Cost	\$75.00					\$7,500,000		
Parking Cost		Low	High	Type	375 SF/Stall	400 Spaces	Spaces	
		\$6,000.00	\$8,000.00	On Grade	50.00%	200	\$1,600,000	
		\$15,000.00	\$20,000.00	Above Grade	50.00%	200	\$4,000,000	
		\$25,000.00	\$30,000.00	Underground	0.00%	0	\$0	
		Total Parking Costs					\$5,600,000	\$5,600,000
Soft Costs	30%						\$8,430,000	
<i>*% of Building Cost, TI Cost, and Parking Cost</i>								
<b>Building Cost Total</b>							<b>\$36,530,000</b>	
Price PSF							\$365	
<b>Land Size</b>	92,038 SF		<b>Land Price</b>	\$5,328,360			<b>\$5,328,360</b>	
Land Price PSF							\$58	
Buildable Price PSF							\$53	
<b>Total Cumulative Cost</b>							<b>\$41,858,360</b>	
Building Price PSF							\$419	

**Summary**

- Our calculation of land value is based on assessed value, increased by 20%.

**Positives:**

- Located near future Totem Lake Park.
- Lower cost alternative due to assumed land value.
- Easy access to public transportation in the area.

**Challenges:**

- Wetland concerns for the overall project.
- Concern that this site may not meet the overall SF requirement due to height restrictions.
- This property is currently not on the market for sale.

Touchstone							
Building Size	102,000 SF					<b>Totals</b>	
Building PSF Cost	\$291.67					\$29,750,000	
TI PSF Cost	\$100.00					\$10,200,000	
Parking Cost		Low	High	Type	375 SF/Stall	408 Spaces	Cost
		\$6,000.00	\$8,000.00	On Grade	0.00%	0	\$0
		\$15,000.00	\$20,000.00	Above Grade	0.00%	0	\$0
		\$25,000.00	\$30,000.00	Underground	0.00%	0	\$0
		Total Parking Costs					\$0
Soft Costs	0%						\$0
<i>*/% of Building Cost, TI Cost, and Parking Cost</i>							
<b>Building Cost Total</b>							<b>\$39,950,000</b>
Price PSF							\$392
<b>Land Size</b>	149,703 SF		<b>Land Price</b>	\$0			<b>\$0</b>
Land Price PSF							\$0
Buildable Price PSF							\$0
<b>Total Cumulative Cost</b>							<b>\$39,950,000</b>
Building Price PSF							\$392

**Summary**

• This property is not available and may have existing leases in place that may cause timing concerns. Value was determined by assuming market rents of \$17.50/ SF and a market cap rate of 6%. Total value based on the 2013 assessed value is \$17,225,100, plus an additional 20% increase would achieve a total value is \$20,670,120.

**Positives:**

- Low cost alternative.
- Easy access to public transportation in the area.

**Challenges:**

- Wetland concerns may prevent the construction of additional parking to accommodate City Hall needs.
- Existing Tenant may have leases in place that may be a timing challenge.
- Existing building may not have adequate parking to meet the City requirement.
- This property is currently not on the market for sale.

**CITY OF KIRKLAND**

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001  
www.kirklandwa.gov**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Marilynne Beard, Deputy City Manager

**Date:** January 27, 2014

**Subject:** COUNCIL POLICIES AND PROCEDURES – COUNCIL COMMITTEES

**RECOMMENDATION:**

City Council reviews their policies and procedures regarding Council Committees and provides direction regarding desired changes to be considered for adoption at a regular meeting.

**BACKGROUND DISCUSSION:**

The Finance and Administration Committee is responsible for reviewing proposed changes to Council Policies and Procedures prior to Council consideration. At this time, there are several "pending" policies that were referred to the Finance Committee by the City Council over the past year as well policies that staff recommends updating. These include:

- Proclamations
- Council Committee Meetings and Minutes
- Social Media
- Council Communications
- Email Storage Protocols

In addition, the Council Policy and Procedure Manual needs to have a general update to remove outdated sections and to reflect policy changes adopted by Council to date. The purpose of this memo is to provide background and options for Council Committees.

**Council Committees**

The existing Council Policies and Procedures Manual contains the following language (there is a grammatical error in the second sentence must be fixed by adding the word "that" before "are appointed") which was adopted by Council Resolution R-4960 on January 15, 2013:

***3.8 CITY COUNCIL COMMITTEE APPOINTMENTS******Purpose and Relationship to City Council***

*The purpose of Council Committees is to review matters in detail and to make recommendations to the full Council for possible Council actions. Council Committees may be standing committees or ad hoc committees are appointed for special or time-limited subjects. Ad hoc committees are disbanded when they complete their assigned task.*

*There are five standing Council Committees:*

- *Finance and Administration*
- *Public Safety*
- *Community Planning, Housing and Economic Development*
- *Public Works, Parks and Human Services*
- *Legislative*

*Committee topics are developed through a collaborative process between the City Council and staff or by referral by the City Council. All topics referred to Council Committees will have final consideration before the full Council after receiving a recommendation from the Council Committee. The chair of each Council Committee is responsible for reporting to the City Council at a regular meeting the topics discussed and results of the committee's most recent meeting. Meeting minutes for every Council Committee meeting will be posted to the City Council's internal web page along with a list of current and future topics being discussed by each committee.*

### ***Appointment Process***

*Council Committee appointments are generally for a two-year period. Unless a vacancy occurs, Council Committee appointments are made every even-numbered year to coincide with the Council selection of the Mayor. Immediately following the first regular Council meeting in even-numbered years, City Council members should let the Mayor know about their interests in serving on the various City Council and regional committees. The Mayor and Deputy Mayor will then meet to consider committee appointments and they will develop a recommended list of committee appointments. This list of recommended appointments will then be presented at the second City Council meeting in January for Council's consideration at which time the committee appointments will be made by the City Council.*

*If a vacancy should occur during the year, this appointment opportunity should be announced at a Council meeting. Those Council members that are interested in filling this position should let the Mayor know before the next City Council Meeting. The Mayor and Deputy Mayor will make a recommendation for City Council's consideration to fill this vacancy at that following Council meeting.*

## ***COUNCIL COMMITTEES***

<b><i>Committee/Topic Areas</i></b>	<b><i>Staff</i></b>
<b><i>Finance and Administration</i></b> <ul style="list-style-type: none"> <li>• <i>Finance and budget</i></li> <li>• <i>Utility rates</i></li> <li>• <i>Human Resources and Performance Management</i></li> <li>• <i>Technology</i></li> <li>• <i>Public Records</i></li> <li>• <i>Council Policies and Procedures</i></li> </ul>	<i>Director of Finance and Administration</i>
<b><i>Public Safety</i></b> <ul style="list-style-type: none"> <li>• <i>Police</i></li> <li>• <i>Fire and Emergency Medical Services</i></li> <li>• <i>Municipal Court</i></li> <li>• <i>Emergency Management</i></li> <li>• <i>Code Enforcement</i></li> </ul>	<i>Deputy City Manager</i>
<b><i>Legislative</i></b> <ul style="list-style-type: none"> <li>• <i>State and Federal Legislative Agenda and Monitoring</i></li> </ul>	<i>Intergovernmental Relations Manager</i>

<ul style="list-style-type: none"> <li>• <i>Liaison with State and Federal Elected Officials</i></li> </ul>	
<p><b><i>Economic Development and Community Planning</i></b></p> <ul style="list-style-type: none"> <li>• <i>Business Retention and Recruitment</i></li> <li>• <i>Business Roundtable</i></li> <li>• <i>Tourism</i></li> <li>• <i>Events</i></li> <li>• <i>Development Services (permitting)</i></li> <li>• <i>Long Range Planning</i></li> <li>• <i>Housing</i></li> </ul>	<p><i>Planning and Community Development Director and Economic Development Manager</i></p>
<p><b><i>Public Works and Parks</i></b></p> <ul style="list-style-type: none"> <li>• <i>Public Works operations and CIP</i></li> <li>• <i>Parks Operations and CIP</i></li> <li>• <i>Parks planning</i></li> <li>• <i>Environment</i></li> <li>• <i>Utilities</i></li> <li>• <i>Facilities and Fleet</i></li> <li>• <i>Human Services</i></li> </ul>	<p><i>Public Works Director and Parks and Community Services Director</i></p>

Since the adoption of Resolution R-4960, the City Council has varied slightly by renaming one of the committees and modifying the committee appointment process to include recommended committee chairs. The Council has also indicated it would like to have a discussion about whether committee meetings should be open to the public. With regard to open meetings, the Council asked for a summary of other the practices of other cities in this regard. Staff surveyed other cities in Washington and received responses from 20 cities. A summary of the research is included as Attachment A. Common themes that emerged included:

- Council Committees are general composed of three or fewer members and are advisory to the City Council. Council Committees cannot make decisions on behalf of the Council.
- Council Committee meetings are almost all open to the public and are noticed as such. Bothell is the only City that responded that does not have open public committee meetings. However, public testimony is generally not taken at Council Committee meetings.
- Committee members are recommended by the Mayor and confirmed by the Council.
- Although most cities’ committee meetings are open to the public, actual attendance of the public is infrequent.

Kirkland’s Procedures

Kirkland Council Committees consist of three councilmembers. As such, they do not constitute a quorum of the Council and they have no legislative decision making authority. On occasion, an additional Councilmember will attend a committee meeting and, in that case, notice of the meeting is published and the meeting is open to the public. Meeting minutes, including pending agenda items are posted to CouncilNet (the City Council’s internal webpage). At each regular City Council meeting, committee chairs provide a verbal report about the committee’s meeting. Meeting minutes are occasionally requested by the public and are made available to comply with the public records law.

If the City Council wanted to change its practice and make Council Committees open to the public, the Council Policies and Procedures would need to be updated. At a minimum, the policy should be updated to reflect the correct committee titles, committee chair selection process and other minor edits to reflect current practice. Council should also decide on whether to take public testimony at open committees. Council should also consider protocols relating to a fourth Council member attending a noticed committee

meeting. Although the meetings would be publicly noticed, it might alter the purpose and intent of committees if Council quorums occurred in committees without specific guidelines.

Draft Revised Policies and Procedures

A proposed revision is offered as Attachment B to begin the conversation at the retreat. The revision updates the committee names and the appointment recommendation process for committees and chairs by the Mayor and Deputy Mayor. The revision also proposes to open committee meetings to the public and requires that they be noticed, but does not allow for public testimony at committees. If recommendations for changes are developed at the retreat, revised Policies and Procedures should be brought back to a future Council meeting for formal adoption.

A related request was also made for a list of all topics pending before the Council Committees. Pending items are not established for all committees. However, copies of the most recent Council Committee minutes that show future agenda topics are included as Attachment C.

CITY	TYPE	POP	STANDING COUNCIL COMMITTEES	MEET	PURPOSE ROLE	OPEN TO PUBLIC	APPOINT PROCESS	OTHER NOTES
Bellevue	Council Mgr	132,100	Currently None Previously in the past	1/month	Advisory	Yes	Council	
Bothell	Council Mgr	34,460	Public Safety Economic Development Human Services	as needed as needed as needed	Advisory Advisory Advisory	No* No* No*	Council Council Council	*only if fourth councilmember attends *only if fourth councilmember attends *only if fourth councilmember attends
Des Moines	Council Mgr	29,730	Environment Municipal Facilities Public Safety & Transportation Finance & Economic Development	1/month 1/month 1/month 1/month	Advisory Advisory Advisory Advisory	Yes Yes Yes Yes	Mayor Mayor Mayor Mayor	
Kirkland	Council Mgr	81,730	Finance Public Safety Economic Development	1/month 1/month 1/month	Advisory Advisory Advisory		Council Council Council	
Leavenworth	Mayor Council	1,970	Public Works Parks Economic Development Finance			Yes Yes Yes Yes	Mayor Mayor Mayor Mayor	3 Council members per committee plus Mayor and City Administrator and any relevant staff
Lynden	Mayor Council	12,730	Finance Public Safety Public Works Community Development Parks	regular regular regular regular regular	Advisory Advisory Advisory Advisory Advisory	Yes Yes Yes Yes Yes	Mayor Mayor Mayor Mayor Mayor	Meeting schedule is published annually

CITY	TYPE	POP	STANDING COUNCIL	MEET	PURPOSE	OPEN TO PUBLIC	APPOINT	OTHER NOTES
			COMMITTEES		ROLE		PROCESS	
Mountlake Terr	Council Mgr	20,160	Board and Commission		Review		Recommend	Committee of the whole concept with two council member sub-committees
			Finance	2/month	Review		Recommend	
Olympia	Council Mgr	48,480	Finance		Advisory	Yes	Council	
			Land Use		Advisory	Yes	Council	
			General Government		Advisory	Yes	Council	
Redmond	Mayor Council	55,840	Public Administration and Finance	pre-Council	Advisory	Yes		
			Public Safety	pre-Council	Advisory	Yes		
			Planning and Public Works	pre-Council	Advisory	Yes		
			Parks and Human Services	pre-Council	Advisory	Yes		
			Regional Affairs	pre-Council	Advisory	Yes		
Renton	Mayor Council	95,540	Finance	2/month	Recommend	Yes	Council	
			Public Safety	2/month	Recommend	Yes	Council	
			Community Services	2/month	Recommend	Yes	Council	
			Utilities	2/month	Recommend	Yes	Council	
			Planning and Development	2/month	Recommend	Yes	Council	
			Transportation and Aviation	2/month	Recommend	Yes	Council	
			Committee of the Whole	2/month	Recommend	Yes	Council	
Sammamish	Council Mgr	48,060	Finance		Advisory	Yes		
			Public Safety		Advisory	Yes		
			Community & Economic Development		Advisory	Yes		
Sedro-Woolley	Mayor Council	10,610	Public Safety	as needed	Advisory		Mayor	
			Utilities	as needed	Advisory		Mayor	
			Finance and Personnel	as needed	Advisory		Mayor	
			Parks and Recreation	as needed	Advisory		Mayor	
			Planning	as needed	Advisory		Mayor	
Sumner	Mayor Council	9,520	Finance		"do pass"	Yes	Council	
			Land Use		"do pass"	Yes	Council	
			General Government		"do pass"	Yes	Council	

CITY	TYPE	POP	STANDING COUNCIL	MEET	PURPOSE	OPEN TO	APPOINT	OTHER NOTES
			COMMITTEES		ROLE	PUBLIC	PROCESS	
Sunnyside	Council Mgr	16,200	Finance & Administration		Advisory	Yes		
			Public Works		Advisory	Yes		
			Public Safety		Advisory	Yes		
Tacoma	Council Mgr	200,400	Economic Developmnet	2/month	"do pass"	Yes	Mayor	4 Council members per committee; mayor sits on several committees
			Enviroment & Public Works	2/month	"do pass"	Yes	Mayor	
			Government Performance & Finance	2/month	"do pass"	Yes	Mayor	
			Neighborhoods & Housing	2/month	"do pass"	Yes	Mayor	
			Pub Safety/Human Serviesc/Education	2/month	"do pass"	Yes	Mayor	
Tumwater	Mayor Council	18,300	Public Works	2/month	Advisory	Yes	Mayor	
			General Government	1/month	Advisory	Yes	Mayor	
			Public Safety	1/month	Advisory	Yes	Mayor	
			Budget and Finance	1/year	Advisory	Yes	Mayor	
West Richland	Mayor Council	13,080	Utility	as needed	Advisory			
			Finance & Personnel	as needed	Advisory			
			Planning	as needed	Advisory			
			Economic Development	as needed	Advisory			

**Possible edits to existing policy:****3.8 CITY COUNCIL COMMITTEE APPOINTMENTS****Purpose and Relationship to City Council**

The purpose of Council Committees is to review matters in detail and to make recommendations to the full Council for possible Council actions. Council Committees may be standing committees or ad hoc committees **that** are appointed for special or time-limited subjects. Ad hoc committees are disbanded when they complete their assigned task.

There are five standing Council Committees:

- Finance and Administration
- Public Safety
- **Community**-Planning, **Housing** and Economic Development
- Public Works, Parks and Human Services
- Legislative

Committee topics are developed through a collaborative process between the City Council and staff or by referral by the City Council. All topics referred to Council Committees will have final consideration before the full Council after receiving a recommendation from the Council Committee. The chair of each Council Committee is responsible for reporting to the City Council at a regular meeting the topics discussed and results of the committee's most recent meeting. Meeting minutes for every Council Committee meeting will be posted to the City's **internal website** along with a list of current and future topics being discussed by each committee.

**Appointment Process**

Council Committee appointments are **generally** for a two-year period **or until a successor committee is appointed**. Unless a vacancy occurs, Council Committee appointments are made every even-numbered year to coincide with the Council selection of the Mayor. Immediately following the first regular Council meeting in even-numbered years, City Council members should let the Mayor know about their interests in serving on the various City Council and regional committees. The Mayor and Deputy Mayor will then meet to consider committee appointments and they will develop a recommended list of committee appointments **and committee chairs**. This list of recommended appointments will then be presented at the second City Council meeting in January for Council's consideration at which time the committee appointments will be made by the City Council.

If a vacancy should occur during the year, this appointment opportunity should be announced at a Council meeting. Those Council members that are interested in filling this position should let the Mayor know before the next City Council Meeting. The Mayor and Deputy Mayor will make a recommendation for City Council's consideration to fill **the** vacancy at **the** following Council meeting.

**Council Committees** ~~COUNCIL COMMITTEES~~

The standing Council Committees are:

Committee/Topic Areas	Staff
<p><b>Finance and Administration</b></p> <ul style="list-style-type: none"> <li>• Finance and budget</li> <li>• Utility rates</li> <li>• Human Resources and Performance Management</li> <li>• Technology</li> <li>• Public Records</li> <li>• Council Policies and Procedures</li> </ul>	<p>Director of Finance and Administration</p>
<p><b>Public Safety</b></p> <ul style="list-style-type: none"> <li>• Police</li> <li>• Fire and Emergency Medical Services</li> <li>• Municipal Court</li> <li>• Emergency Management</li> <li>• Code Enforcement</li> </ul>	<p>Deputy City Manager</p>
<p><b>Legislative</b></p> <ul style="list-style-type: none"> <li>• State and Federal Legislative Agenda and Monitoring</li> <li>• Liaison with State and Federal Elected Officials</li> </ul>	<p>Intergovernmental Relations Manager</p>
<p><b><u>Planning and Economic Development and Community Planning</u></b></p> <ul style="list-style-type: none"> <li>• Business Retention and Recruitment</li> <li>• Business Roundtable</li> <li>• Tourism</li> <li>• Events</li> <li>• Development Services (permitting)</li> <li>• Long Range Planning</li> <li>• Housing</li> </ul>	<p>Planning and Community Development Director and Economic Development Manager</p>
<p><b><u>Public Works, and Parks and Human Services</u></b></p> <ul style="list-style-type: none"> <li>• Public Works operations and CIP</li> <li>• Parks Operations and CIP</li> <li>• Parks planning</li> <li>• Environment</li> <li>• Utilities</li> <li>• Facilities and Fleet</li> <li>• Human Services</li> </ul>	<p>Public Works Director and Parks and Community Services Director</p>

The City Council may appoint ad hoc committees as needed.

**Council Committee Meetings**

All meetings of Council Committees will be open to the public. The regular meeting date, time and location of the meeting will be published annually. Committee meetings held on a different date or time will be considered a special meeting of the committee and notice of the meeting will be published.

Public testimony will not be taken during committee meetings.

## 2014 Council Committees Future Topics

### Finance

- Council Policy & Procedures Follow Up
- Permit Fee Full Cost Recovery Process
- Development Services Fee Model Update
- 2015-16 Budget
- 2014-18 CIP Update

### Legislative

- Prior to session – Legislative Agenda Development
- During Session agenda is prepared just prior to each meeting
  - Review status of City’s legislative priorities
  - Discuss upcoming hearing schedule
  - Review bill tracker (non-priority legislation)

### Planning, Housing and Economic Development

- Comprehensive Plan update
  - Economic Development Element (including big picture look at economic development – requested by Amy Walen)
  - Land Use Element (including future of business districts and land use adjacent to CKC)
  - Totem Lake Plan (including neighborhood boundaries)
- Potential Zoning Code amendments associated with building sprinkler requirements
- Residential parking zones – e.g. Lake Ave. W. (requested by Amy Walen)
- Transfer of Development Rights study
- Waterfront optimization (?) (Joint Meeting with LTAC/TDC)
- Neighborhood plans – potential for simplifying
- Potential Transit Oriented Development at Kingsgate park and ride
- Development fee study
- SEPA thresholds – based on new state regulations
- ARCH issues – e.g. potential new funding source
- Cross Kirkland Corridor economic development including business and tourism potential and zoning issues
- Development Services Study progress report
- New zoning tables.
- Mitigating construction impacts to Park Lane businesses (requested by Amy Walen)
- Economic Development Work Plan
- Findings: Light Industrial Study
- Broadband Study
- Follow-up Transportation Symposium
- Totem Lake Master Plan – Meet with Owners

### **Planning and Economic Development (continued)**

- Business Satisfaction Survey
- Downtown Parking

### **Public Safety**

- EPSCA/NORCOM Briefing
- EMS Funding Allocations
- Fire/EMS Reporting Practices
- Response to Group Homes and Assisted Living Facilities (annual)
- Public Safety Building Updates (ongoing)
- Fire Strategic Plan Update (ongoing)
- Prevention-based efforts in Public Safety
- Public Safety Volunteers Programs
- Long term cost of education incentives
- Crisis Intervention Training and Diversion and Intercept Program
- Emergency Preparedness Containers in the Neighborhoods
- Police Dispatch and Response Times (Pre and Post-NORCOM)
- Downtown Activity/Transit Center (annual)
- Quarterly Fire/EMS Response Data
- DUI, Public Drunkenness and Over-serving (annual report)
- Crime Statistics Report (annual report prior to general publication)
- False Alarm Prevention Update (annual)
- Public Safety Performance Measures
- Fire Hydrant Maintenance and Enforcement (5/30/13)
- Fire call response reporting protocols

### **Public Works, Parks, and Human Services**

- Enlarging Human Services Advisory Committee scope
- Sidewalk Access regulations & incentives & Sidewalk Maintenance Program
- Meeting w/LWSD & Foundation
- CDBG Direct grant city status
- Emergency Sewer Program
- Water Comp Plan
- Park Lane Construction Business Issues
- Juanita, Evergreen Hill, Finn Hill (JEF) Funding
- Sewage Disposal Agreement
- Trip Reduction GTEC
- School Walk Routes
- Job Order Contract (JOC)
- NE 85th Channelization



**CITY OF KIRKLAND**  
Department of Finance & Administration  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Director of Finance & Administration  
Kyle Butler, Budget Analyst

**Date:** February 3, 2014

**Subject:** SEATTLE PAID SICK TIME ORDINANCE BACKGROUND

### **BACKGROUND DISCUSSION:**

This memorandum provides background information to support a City Council discussion at the February 21 Retreat about the City of Seattle Paid Sick and Safe Time Ordinance. In addition, data regarding how many businesses in Kirkland might be impacted if the City Council were to adopt a similar program is provided.

### **Potential Benefits of Paid Sick Time**

Paid sick time (also referred to as sick leave or paid sick leave) guarantees workers paid time off to stay home when they are sick. Depending on how they are written, such policies can also allow paid sick time to be used to care for sick family members, to attend routine doctor or medical appointments, or to address health and safety needs related to domestic violence or sexual assault. The City of Kirkland provides comprehensive paid sick time to its employees.

An analysis from the Bureau of Labor Statistics (BLS) in 2009 found that nationally, around 39 percent of American workers in the private sector do not have paid sick leave and around 79 percent of workers in low-wage industries do not have paid sick time. Nationally, the food service and hotel industries are often highlighted as not providing paid sick days for workers.

Paid sick leave advocates argue that providing paid sick time can reduce employee turnover, increase employee productivity, and reduce the spread of contamination in the workplace and the community. The Centers for Disease Control (CDC) recommend that workers stay home if they are sick and keeping sick kids out of school. Without paid sick time, workers often report to work while ill, either because they can't afford to lose wages or in some cases because they fear consequences from the employer for missing work due to illness. Sick workers spread illness throughout the organization, resulting in lost wages and lost productivity for many employees. Sick workers also risk passing illnesses on to customers. In addition, parents without sick leave often cannot take time off to care for sick children, sending them to school instead. When sick children attend school, they are poor learners and spread illnesses such as the flu, which compounds the negative effects through a larger population. Advocates contend that the economic and societal cost of not having paid sick leave outweighs the economic cost to businesses to provide paid sick leave.

### City of Seattle Paid Sick and Safe Time Ordinance

Effective September 1, 2012, City of Seattle implemented its Paid Sick and Safe Time Ordinance, which sets minimum requirements for employees working within Seattle City limits. Attachment A contains a summary of the program from the City of Seattle's website and more detailed information can be found at: <http://www.seattle.gov/civilrights/SickLeave.htm>.

In short, employers with 5 or more employees are required to provide employees within the Seattle City limits with the following mandatory leave levels:

City of Seattle Sick Leave Tiers in PSST Ordinance	
	Annual sick leave hours required
Exempt (less than 5 FTEs)	0
Tier 1 Employer (5-49 FTEs)	40
Tier 2 Employer (50 - 249 FTEs)	56
Tier 3 (250 or more FTEs)	72

**Attachment B** provides some of the key statistics that the City of Seattle gathered in a business survey conducted by the University of Washington.

### Potential Impacts of the Seattle Ordinance in Kirkland

A rough estimate of potential wage impacts has been generated assuming that Kirkland adopted Seattle's ordinance and the impacts on our businesses would follow Seattle's. Note that this latter assumption would need to be tested if additional analysis was conducted, given the substantial differences between the scale of Seattle and Kirkland business bases.

Kirkland's in-City employment within the Seattle tiers is summarized in the table that follows.

Kirkland In-City Business Data		
Business size	# of Businesses	FTEs
Less than 5 FTEs	3,916	5,526
5 - 49 FTEs	817	10,357
50 - 249 FTEs	80	8,005
250 or more FTEs	7	5,336
<b>Subtotal: 5 or more FTEs</b>	<b>904</b>	<b>23,698</b>
Grand Total	4,820	29,224

Potential Impact in Kirkland (Estimates)		
Eligible FTEs	23,698	In-City FTEs 5 or more
% without sick leave	35.9%	Based on City of Seattle survey data
FTEs gaining sick leave	8,509	Estimated FTEs impacted
New sick leave hours	447,670	Avg/FTE = 52.61 hours
Hourly wage range (low/high)	\$9.32 to \$33.15	Low=min. wage/High=Seattle avg. wage
Annual cost of sick leave	\$4.2 - \$14.8 million	Based on hourly wage range

Note that this rough estimate only includes businesses within the Kirkland city limits, but the Seattle Ordinance applies to any company that has employees that spend more than 240 hours per year within the city limits. Based on the limited data we have available for Kirkland, outside City businesses were not included in the estimate. Another issue that would require added research if outside City businesses were included would be how the City would enforce such a provision.

Clearly this cost analysis does not include the potential positive economic and social benefits of paid sick leave being provided to workers who do not currently have it. Nor does it cover all of the potential negative costs to businesses. Staff would need to do much more detailed analysis of the economic impacts of paid sick time in cities like Seattle and San Francisco before Kirkland staff could reach a conclusion on whether paid sick time was a net positive economic policy for the City.

This summary was not intended to be a comprehensive evaluation of paid sick time. If the City Council is interested in pursuing this concept further, a considerable amount of additional research would be required. Stakeholders for both sides of the issue would need to be contacted and asked to provide input and information on both the benefits and drawbacks of mandatory leave. It is likely that the City would also want to conduct a statistically valid survey to refine the impacts on local businesses. Key questions would include how many current Kirkland businesses with 5 or more FTEs already provide some amount of paid sick leave, what wages are paid by Kirkland businesses, the impact of sick workers on local businesses, and the attitude of Kirkland businesses and residences towards mandatory paid sick time.

At the retreat, staff will be looking for Council direction as to whether and how to proceed on the issue.

## Seattle Paid Sick and Safe Time Ordinance

### Overview

- Begins on September 1, 2012.
- Provides paid sick and safe time (PSST) for employees working within Seattle City limits.
- Sets minimum requirements for accrual, use, and carryover of PSST.
- Requires employer notification and tracking of PSST.
- Offers basic job protections for employees who use PSST.
- New law is enforced by Seattle Office for Civil Rights.

### What is PSST?

**SICK TIME** can be used for:

- Personal illness or preventative care.
- Care for a family member's illness or preventative care (child, grandparent, parent, parent-in-law, spouse and registered domestic partner).

**SAFE TIME** can be used for:

- Survivors of domestic violence, sexual assault or stalking.
- Closure of workplace or child's school or place of care by public official to limit exposure to infectious agent, biological toxin or hazardous material.

### Who is covered?

- Employees who perform work in Seattle:
  - Full-time, part-time, temporary, and occasional-basis employees.
  - Employees who telecommute in Seattle.
  - Employees who stop in Seattle as a purpose of their work.
- Excludes:
  - Federal, state, or county government employers
  - Employees who work or telecommute outside of Seattle.
  - Employees who travel through Seattle.
  - Students enrolled in a work study program.
  - Two year exemption for new small and medium-sized employers (Tier 1 and Tier 2)

General Information	Small (Tier 1) Employer	Medium (Tier 2) Employer	Large (Tier 3) Employer
Full Time Equivalent (FTEs)	More than 4-49 employees	More than 49 to 249 employees	250 or more employees
Accrual of paid sick/safe time	1 hour / 40 hours worked	1 hour / 40 hours worked	1 hour / 30 hours worked
Use of paid sick/safe time	40 hours / calendar year	56 hours / calendar year	72 hours / calendar year
Carryover of unused paid sick/safe time	40 hours / calendar year	56 hours / calendar year	72 hours / calendar year

**Other facts:**

- **Accrual begins** on September 1, 2012 or when the employee is hired after this date.
- **Accrual based on hours worked in Seattle** including overtime for non-exempt employees.
- **Accrual for occasional employees begins** after they have worked 240 hours in a calendar year. Accrual begins on the 241<sup>st</sup> hour; employees are covered for current and following calendar year.
- **Use begins** after 180<sup>th</sup> calendar day from the beginning of employment.
- **Hour-long increments:** PSST can be used in hour-long increments.
- **Carry-over:** Employees permitted to carry over unused hours to the next calendar year.
- **Frontloading permitted** for accrual, use and carry over.
- **Combined or universal leave** (aka Personal Time Off / PTO) policies are permitted, provided they comply with the PSST Ordinance.
- **Cash out option:** If employer allows, employees have the voluntary option to cash out unused PSST.
- **Rate of pay:** Same hourly wage that employee would have earned during time PSST was taken.
- **Excludes lost tips and commissions** that employee might have received when PSST was taken.
- **No waivers:** Employees cannot waive their right to PSST (except collective bargaining agreements).
- **Separation from employment:** PSST reinstated if an employee is rehired within 7 months by the same employer.
- **Other laws:** Ordinance does not preempt or limit application of federal, state or other local laws.
- **Other laws:** PSST can be coordinated with other leave laws such as FMLA, Domestic Violence Leave, Workers Compensation etc.

**How does an employee request use of PSST?**

- **Foreseeable leave:** A written request at least 10 days in advance of leave (unless employer's policy requires less notice.)
- **Unforeseeable leave:** Give notice "as soon as practicable" (in compliance with the employer's policy for unforeseeable leave).
- **Paid safe time:** end of first day of for domestic violence, sexual assault or stalking.
- **Employer policies:** Employer can require employees to follow their rules about giving notice.

**Employee documentation for use of PSST:**

- 1-3 consecutive days: Employee **not** required to provide documentation.
- More than 3 consecutive days: Employer may require documentation (e.g. statement from healthcare professional that sick time was necessary).
- **Clear instance or pattern of abuse:** Employer may ask for documentation for absences that are shorter than 3 days.
- **Privacy:** Employer cannot require statement regarding the nature of the illness or other private medical information (but FMLA and ADA may apply and permit such inquiries).
- **Payment for documentation:**
  - **If employer does not offer health insurance:** Employer and employee each pay 50% of the cost to obtain documentation (services by health care professionals and facilities, prescribed testing and transportation service providers).
  - **If employee declined health insurance:** Employee is not entitled to reimbursement.
- **Paid SAFE time for domestic violence, sexual assault or stalking:**
  - Police report.

- Court order.
- Documentation that the employee or employee's family member is experiencing domestic violence, sexual assault, or stalking.
- Employee's written statement is acceptable documentation by itself.
- Confidential – no explanation required of the nature of the situation or reason for taking leave.

#### **PSST and employer attendance policies:**

- **Absence control policies:** PSST cannot be counted as an absence that may result in discipline.
- **Clear instance or pattern of abuse:** Employer can take reasonable action (e.g. discipline) for:
  - Repeated absences.
  - Absences that precede or follow regular days off, or some other pattern without valid reason.
  - Obtaining or using paid sick time improperly.

#### **PSST notice and record-keeping requirements:**

- **Notice:** employers are required to provide notice to all employees who work in Seattle, regardless of employer tier size or location. Notice must be:
  - Conspicuous and accessible.
  - Physical and/or electronic.
- **Notification:** Employers must provide notification of available PSST each time wages are paid:
  - By paystub and/or online.
- **Record keeping:** Employers must retain PSST records for two years that indicate:
  - Employee hours worked in Seattle.
  - Accrued PSST by employee.
  - Use of PSST by employee.

#### **Retaliation protection**

- **Retaliation is illegal.** Employers are prohibited from disciplining or discriminating against employees who have exercised their rights under the Ordinance.
- **Employee and third-party complaints are permitted.**
- **Broad protection against retaliation:** Anti-retaliation provision applies to **ALL** employers with one or more employees.

#### **Collective Bargaining Agreements (CBA):**

- **Waiver of rights is permitted:**
- In CBA or MOA (Memorandum of Agreement).
- Must be in clear and unambiguous language.
- Must include a specific reference to the Ordinance.

#### **City of Seattle employees:**

- **PSST Ordinance applies to City of Seattle employees:**
  - Most City employees already receive PSST benefit.
  - City policies regarding temporary employees have been changed to comply with the Ordinance.

**City of Seattle PSST Ordinance Details and Business Survey Results**

<b>Assumptions about eligible FTEs (City of Seattle business survey)†</b>	
Percent of employers offering sick leave/PTO to full time, part time, temp and occasional employees:	3.0%
Percent of employers offering sick leave/PTO to full time and part time employees only:	34.6%
Percent of employers offering sick leave/PTO to full time employees only:	<b>35.3%</b>
Percent of employers offering no sick leave/PTO to any employee:	<b>27.1%</b>
Total	100%
<hr/>	
Percentage of FTEs that are part time (Seattle)	<b>25%</b>
Assumed percent of FTEs that would be eligible for paid sick leave/PTO under ordinance*:	<b>35.9%</b>

† Data from City of Seattle Paid Sick and Safe Time Ordinance Evaluation Project study by Jennifer Romich of UW

\*  $0.271 + (0.353 * 0.25) = 0.359$

<b>Seattle PSST ordinance's applicability to major industries†:</b>	
	<b>% of employers subject to the ordinance</b>
<b>All employers:</b>	37.6%
<b>By industry:</b>	
Accommodation and Food Service	63.4%
Administration and Waste management	34.9%
Arts, Entertainment and Recreation	15.6%
Construction	36.1%
Everything Else	46.3%
Health Care and Social Assistance	38.1%
Manufacturing	55.6%
Other Services	27.1%
Professional, Scientific and Technical Services	31.6%
Retail Trade	33.0%
Transportation, Warehousing	37.5%

†Data from City of Seattle Paid Sick and Safe Time Ordinance Evaluation Project study by Jennifer Romich of UW

Average hourly earnings for Seattle-Bellevue-Everett Metro Area (BLS, 2013)	\$33.15
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## CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.kirklandwa.gov

### MEMORANDUM

**To:** Kurt Triplett

**From:** Ellen Miller-Wolfe, Economic Development Manager

**Date:** February 6, 2014

**Subject:** Totem Lake Accomplishments

### BACKGROUND:

#### Snapshot of Totem Lake

The Totem Lake Neighborhood and Urban Center is a vital employment, retail and service area for the City of Kirkland and the surrounding region. It is the City of Kirkland's largest employment center and the highest revenue generator of all Kirkland business districts with 29.3% of sales tax collected in the city.

Totem Lake Sales Tax Revenue				
	Annual Total	\$ Increase over previous yr.	% Growth over previous yr.	% of City Sale's Tax
2010*	\$ 3,957,271	\$ 160,560	4.2%	30.9%
2011*	\$ 3,969,493	\$ 12,222	0.3%	29.6%
2012	\$ 4,413,300	\$ 443,807	11.2%	29.8%
2013	\$ 4,857,068	\$ 443,768	10.1%	29.3%

\*Pre-Annexation (June 1, 2011)

\*Citywide sales tax revenue is \$14.81M

Designated an urban center by the State Growth Management Planning Council in 2003, the Totem Lake district is anticipated to double in population and triple in employment by 2031, but thus far, has not met its targets. As the city's only *urban center*, the district is the focus of regional growth, and in that regard is expected to incorporate high density housing (15 households per gross acre) and employment (15,000 jobs within a half mile of a transit center or 50 employees per gross acre). Current plans call for 2902 new households and 8600 new jobs in Totem Lake.

	Totem Lake	Totem Lake Percentage of City	City Wide	Planned for
Business Licenses	869	17.5%	4970	
FTE Count	10701	36.6%	29235	
Employee Count	11793	36.1%	32691	8,600 new jobs

## CHALLENGES

An inadequate infrastructure, the weakest aspects being storm drainage, traffic and bicycle/pedestrian circulation and access to and from the region's major interstate highway, I-405, are challenges to Totem Lake's success. A moribund mall whose ultimate disposition has been in play for the last several years given the recession and continuing litigation among its owners, has cast a shadow on surrounding redevelopment. Property values are substantially lower than downtown and other neighboring business districts. On the one hand, low values allow businesses to pick up properties cheaply and retrofit them, but the same low values do not attract major investment. Moreover, fierce competition for office high tech development by amenity-rich areas with future HCT in Redmond and Bellevue, as well as Kirkland's own Parkplace development, make substantial additional office space in Totem Lake a distant reality.

## TOTEM LAKE ACCOMPLISHMENTS:

### Public Improvements and Incentives Pre-2010

In 2003 when Totem Lake was designated an urban center, areas were zoned to accommodate the projected growth in housing and employment. A transit center, serving Kirkland's largest employer, Evergreen Hospital, and an anticipated revitalized mall (mixed use center), was one of the first improvements to be developed following the designation, along with a Sound Transit flyer stop (HOV access from I-405), and the redevelopment of NE 128<sup>th</sup> Street, a portal to the hospital and other health care businesses.

In 2009, the southwest quadrant of Totem Lake (Parmac) was rezoned to accommodate tall buildings with the hope that the new classification would incentivize high technology industries to move to Totem Lake.

The City also focused on master planning in cooperation with the two largest land owners, Evergreen Hospital and Totem Lake Malls. The City entered into master plans with both. In the case of the hospital, construction has proceeded with a new campus, populated by 3000 employees. In the case of the malls, the City also adopted a development agreement to allow for added density, goods and services. Unfortunately the recession and private party litigation has prevented the redevelopment of the Totem Lake Malls.

### 2010 and Beyond – The Totem Lake Action Plan

In 2010 the City hosted a symposium on Totem Lake that brought together the City Council and private stakeholders and citizens to understand why Totem Lake had not met its potential. Many ideas were generated and the symposium participants challenged the City to take action and make investments. The City Council responded by recommitting to Totem Lake and on December 7, 2010, unanimously approved Resolution 4856

([www.kirklandwa.gov/totemlakebusinessdistrictupdates](http://www.kirklandwa.gov/totemlakebusinessdistrictupdates)) adopting the Totem Lake Action Plan, a work plan to address the major impediments to Totem Lake's optimum performance. The Action Plan directed all departments to reprioritize work programs, budgets and capital dollars to improve Totem Lake. A copy of the spreadsheet listing the major initiatives from the Action Plan may be found by following the link below.

<http://www.kirklandwa.gov/Assets/CMO/CMO+PDFs/Totem+Lake+Action+Plan.pdf>.

Included in the Action Plan was the requirement for a quarterly newsletter to keep the stakeholders and public informed, and the result was "Totem Lake On Track". The first Totem Lake link above also connects to the complete list of Totem Lake On Track bulletins. The City has also reported out periodically on Totem Lake accomplishments in other venues such as the Kirkland Reporter, Totem Lake Conversations and the Chamber of Commerce Luncheons.

### Totem Lake Investments

In the last three years, the City has invested tens of millions of dollars in public improvements in Totem Lake. Some are completed, others are still underway. Highlights include:

\$43M for the purchase and renovation of the Costco Home building into the new Public Safety Building near Fred Meyer (scheduled completion, 2014)
\$7.4M to improve circulation by adding the NE 120 <sup>th</sup> St. connector, a missing piece of the TL grid (projected completion, 2014)
\$5M to purchase the Cross Kirkland Corridor (CKC), an abandoned railroad ROW connecting Kirkland through Totem Lake, with the goal of converting it for multi-modal use for bikes, pedestrians and transit (completed, 2012)
\$4.5M for stormwater infrastructure improvements to mitigate flood events in Totem Lake (Completed 2013)
\$3.6M design and construction of a gravel Interim Trail on CKC through Totem Lake (Scheduled completion, 2014)
\$500K for CKC Master Plan (Scheduled completion, 2014)
\$82K Totem Lake Park Master Plan (Completed, 2013)
\$2.34M purchase of the Yuppie Pawn Shop to help implement the TLP Master Plan (2014)

In addition, the City has provided more zoning flexibility – increasing height in certain areas, decoupling some development from infrastructure fees, and liberalizing uses on the first floor of commercial developments. Interim zoning put in place in 2013 allows for entertainment and dining uses along the CKC and curtails expansion of less activating uses like storage areas.

The City continues to focus on Totem Lake with studies aimed at incentivizing development including a recent study of Transfer of Development Rights (TDR) and TDR's potential to catalyze redevelopment. Currently the City is studying the commercial and light industrial areas to determine whether zoning is appropriate for the realities of the TL market both now and into the future. Results of that study will be presented to the Council in March, but the initial finding is that high end office use in Parmac is not likely to happen until saturation occurs in Redmond, Bellevue and downtown Kirkland. This may highlight the need for the City to rethink Parmac as part of the Comprehensive Plan update.

The City also is pursuing further implementation of Totem Lake Park, CKC corridor development, and looking at where broadband investment might benefit areas of Totem Lake that are underserved or whose value would increase with the addition of fiber.

### Investments are Working

The results of the recommitment have been promising, with new investment in Totem Lake by over 100 businesses that range from cutting edge aerospace, to new testing facilities, new wineries, art galleries, indoor recreation and other fitness facilities – family-wage employment coupled with the amenities that make business districts attractive. Trending now are several

breweries that are interested in the traffic that a refurbished Cross Kirkland Corridor will bring. Sales tax generated by the addition of one auto dealer, Rairdon, and the expansion of two existing dealerships, Ford/Hyundai and Toyota/Volkswagon has helped Kirkland recoup sales tax since recession lows. The future looks bright, but the City will continue to need to build out infrastructure and incentivize development to attain it.