



CITY OF KIRKLAND

Planning and Community Development Department

123 Fifth Avenue, Kirkland, WA 98033 425.587.3225

www.kirklandwa.gov

MEMORANDUM

Date: February 27, 2013

To: Kurt Triplett, City Manager

From: Paul Stewart, Deputy Planning Director
Eric Shields, Planning Director

Subject: Adoption of the 2013-2015 Planning Work Program (File NO. PLN 13-00010)

Recommendation

Approve the 2013-2015 Planning Work Program by either:

- Adopting the attached resolution approving the work program in the same form as reviewed at the joint meeting between the City Council and Planning Commission; or
- Revising the attached resolution to remove the MRM PAR (Task 2.1) from the work program. At its February 27 meeting, the Planning Commission discussed the MRM PAR and concluded that it would be preferable to review the request as part of the Comprehensive Plan update beginning this year and concluding at the end of 2014.

Background

The City Council and Planning Commission held a joint meeting at the [February 19, 2013 study session](#). At that meeting the Council reviewed the proposed 2013-2015 Planning Work Program as recommended by the Planning Commission. The Council and Commission also reviewed lessons learned from the Central Houghton/Everest Business District process, received an overview of the proposed list of Zoning Code amendments, and discussed the upcoming Comprehensive Plan update and neighborhood plans.

Council members expressed general agreement with the work program as proposed. There was considerable discussion about neighborhood plans, so staff has inserted a specific work program task related to neighborhood plans (noted as Task 1.8). This item will be discussed as part of the overall Comprehensive Plan update but given the interest in this, staff has included it as a separate sub-task.

Planning Commission Recommendation on MRM PAR (Task 2.1)

The proposed Planning Work Program reviewed by the Planning Commission at its [January 10 study session](#) included the MRM PAR as Task 2.1. This was reflected in the work program presented to the City Council on February 19.

On February 28th the Planning Commission met in a [study session](#) to begin reviewing the MRM PAR. The purpose of that study session was to define the boundaries of the study area. The MRM property is located south of Park Place at 434 Kirkland Way and is zoned CBD-5. Other properties to the east are also within CBD-5 (See Attachment 3).

A letter had been submitted to the Planning Commission by Brent Carson representing Davidson, Searles and Associates - an adjacent property owner at 520 Kirkland Way –

suggesting that the PAR be folded into the overall Comprehensive Plan update. During the discussion of the study area boundaries, questions were raised by the Commission on the appropriateness of reviewing this PAR in 2013. A majority of the Commissioners (4 to 1 vote) felt that the MRM PAR raised policy questions that would be better answered and evaluated with information developed as part of the Comprehensive Plan update. Following discussion, a motion was made to recommend to the City Council that the PAR be deferred to the update. A memo from the Commission with its recommendation is included as Attachment 1 to this memo. A response to the Planning Commission's recommendation from the property owner, Joe Razore, is included as Attachment 2.

The MRM PAR was subject to review and discussion in 2011 and again in 2012. MRM submitted the PAR application in December, 2010. The Threshold Review for MRM was conducted in early 2011. At the [March 10, 2011 Planning Commission meeting](#), the Commission voted 5-4 to recommend review of the PAR in 2012 if staff resources were available. At that time, the applicant indicated that the 2012 time frame was acceptable. The majority of the Commission felt there was merit to the request due to the proximity to Park Place and the need for residential development near to the office redevelopment. A minority thought the PAR would detract from other work program tasks or should wait until the Moss Bay Neighborhood Plan update.

At the [April 19, 2011 City Council meeting](#) the Council reviewed the recommendation from the Planning Commission and approved, on a 6-0 vote, proceeding with consideration of the MRM PAR in 2012 provided staff resources were available. This was reflected in the 2011-2014 Planning Work Program that was adopted at the same meeting.

In 2012, staff brought forward the 2012-2014 Planning Work Program. As part of the Commission retreat and joint meeting with the Planning Commission on [April 3, 2012](#), the Planning Commission raised concerns that the PAR would involve a high degree of complexity, take considerable time and require excessive staff resources. The Commission's consensus at that time was that other projects like the neighborhood assessment and Houghton/Everest Neighborhood Center were a higher priority and would prefer to consider the request at a later date if resources were available.

Following the March 22, 2012 joint meeting, the City Council adopted the 2012-2014 Work Program on [May 1, 2012](#). The Work Program showed the MRM PAR being considered in 2012. At that May 1 meeting, City Council members expressed an interest in accelerating work on the Houghton/Everest Neighborhood Center in response to a request by a property owner in the neighborhood. The Houghton/Everest Neighborhood Center project was shown on the Work Program to be undertaken after completion of the MRM PAR. Staff was directed to review the work program and report back at a subsequent meeting.

The adopted work program was brought back to the Council at the [May 15, 2012](#) meeting, at which time staff suggested that the Houghton/Everest Neighborhood Center could be moved to 2012 if the MRM request were moved to 2013. The applicant for the MRM request agreed to this and the City Council approved the work program revision.

In early 2013 staff began work on the PAR and scheduled the review by the Planning Commission at the February 28 meeting to determine the study area. It was at that meeting

that the Commission voted to recommend deferral. Vice Chair Jon Pascal will be at the March 19 Council meeting to present the Commission's recommendation.

This item was brought to the Council's Planning & Economic Development Committee on March 11. The Committee discussed the issue and has recommended that the MRM PAR go forward this year as a matter of fairness to the applicant since the Council had previously agreed to undertake this review in 2013. The Committee also suggested that the study area include all of CDB-5 in order to look at all properties within that zone.

Attachments

- Attachment 1 – Planning Commission memo
- Attachment 2 – Letter from Joe Razore, MRM applicant
- Attachment 3 – CDB 5 Map



CITY OF KIRKLAND
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
123 FIFTH AVENUE, KIRKLAND, WA 98033 425.587.3225
www.kirklandwa.gov

MEMORANDUM

Date: March 4, 2013
To: Kirkland City Council
From: Jon Pascal, Vice Chair, Kirkland Planning Commission
Subject: Recommendation on MRM Private Amendment Request (PAR)
(File No. ZON11-00006)

I. Recommendation

The Planning Commission recommends that the MRM PAR located at 424 Kirkland Way be postponed and instead evaluated as part of the Comprehensive Plan update, rather than reviewed separately in 2013.

II. Background

The City Council directed the Planning Commission and staff to study the proposed amendment to the Comprehensive Plan and Zoning Code for CBD 5 as part of the 2013 work program. The proposed amendment would allow a height increase from the current 3-5 story maximum to 8 stories and additional residential uses on the entire site. The existing CBD 5 zoning for this site only allows residential uses within 170' of Peter Kirk Park and limits total residential to 12.5% of the gross floor area of the development.

The MRM PAR was on the Planning Commission agenda for our February 28th meeting so that the appropriate study area for the PAR could be determined. Instead of giving staff direction to move forward with the MRM PAR, the Commission voted (4 to 1) that a recommendation be made to the City Council to postpone this PAR. The Commission feels that the policy questions brought up by the PAR relating to height and land use would be better answered and evaluated as part of the Comprehensive Plan update. This would allow the Commission to review this PAR along with other potential locations for increased development in the context of growth targets and development capacity city-wide. Since the Comprehensive Plan update is beginning this year, the Planning Commission recommends that the project be postponed and included in this process.



March 6, 2013

Kirkland City Council
123 Fifth Avenue
Kirkland, WA 98033

Re: MRM Private Amendment Request (PAR)

Dear Council Members:

This letter asks you to stay the course that you set in 2012, when you directed staff to review the MRM Private Amendment Request.

As I explain in this letter, the Planning Commission's request that you reverse course should not be granted. There is no benefit from reversing course, and there are many drawbacks. Reversing course will threaten a significant opportunity for economic development, job creation and retention, and a new mixed-use project in Moss Bay that will contribute significantly to neighborhood vitality.

Several years ago, my family purchased the Bungie Building at 434 Kirkland Way. The building is currently leased to a high tech tenant, but the building is only one story in height with a mezzanine. At this location, we believe it should be developed in a way that makes a much more significant contribution to the neighborhood and the City.

As many of you will remember, in 2011 I submitted a Private Amendment Request for the property. I have attached a copy of the request to this letter. The request asks that the Comprehensive Plan be amended to allow residential as a primary use, and to allow up to 8 stories in height on the property. Our vision is to provide an exciting, sustainable, well-designed, mixed-use development that does not compete with Park Place, but complements it.

In 2011, the Planning Commission considered the Request and recommended that the PAR be considered in 2012. The City Council adopted the Planning Commission's recommendation, and agreed that it should be considered in 2012. Accordingly, the Council included this PAR on staff's 2012 work program.

Last year, staff asked whether I would be willing to postpone consideration of my request until first thing in 2013, so that staff could consider another PAR first. I agreed to do so in good faith, in light of the fact that staff explicitly committed that my PAR would be at the top of the priority list in 2013.

As of last week, staff has fully lived up to its bargain. I have met with staff regarding review of the application. Staff has initiated the process of preparing an EIS for the proposal (which they have asked that I pay for, and which I have agreed to do). And staff scheduled an initial briefing with the Planning Commission to obtain input as to the scope of the EIS.

However, unfortunately the Planning Commission went beyond the scope of the published meeting agenda. Although it was not on the meeting agenda, the Commission decided (by a 4-1 vote) to ask the Council to postpone consideration of my PAR for two to three years (perhaps longer), and have it reviewed in the context of the upcoming City-wide Comprehensive Plan update.

It has already been over two years since I filed my request and over three since I started initial discussions with staff. Even if the request is considered on the current schedule, a decision is not likely until the end of 2013. Delaying consideration of the request for an additional two to three years will have serious consequences. We are nearing the end of this market cycle. If action on the PAR is delayed until 2015 or beyond, the outcome may be that the site remains undeveloped until 2020 and beyond. The opportunity for economic development, job growth, and neighborhood revitalization will be missed.

Based on numerous inquiries I have received, I know that at this time there is market demand for the type of mixed-use project that approval of this PAR would permit. It is highly questionable whether this market demand will persist for another two to three years. The window of opportunity may well be closed.

The rationale for the Planning Commission's request is that the Comprehensive Plan will generate data relevant to evaluation of the Request. This is not a sufficient rationale to justify further delay. I have offered to pay for an EIS to evaluate my request. The data necessary to evaluate it will be included in that EIS. City-wide Comprehensive Plan data, indeed, will be less helpful, not more, than the site-specific data that an EIS on my specific request will generate.

As I stated above, I ask nothing of the Council tonight except to stay the course, and to allow my PAR to be reviewed according to the schedule the Council set last year. Reversing course is not justified.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Razore', followed by a horizontal line.

Joe Razore

MRM Kirkland, LLC

(an MRM Capital company)

434 Kirkland Way Private Amendment Request

Answers to Questions

A. *Description of Proposal:*

The 434 Kirkland Way property is located on the north side of Kirkland Way just east of the Kirkland Performance Center. The site area is approximately 73,938 SF and is currently developed with a one story office building and parking lot. The existing building and paving cover virtually the entire parcel.

All properties adjacent to the subject site are developed including the Kirkland Park Place mixed use project to the north, Peter Kirk Park and the Kirkland Performance Center to the west, Kirkland Way to the south and two large office buildings, the Emerald Building and Continental Plaza, to the east.

The site is located in the Moss Bay Neighborhood and is currently zoned CBD-5. Mixed use development is supported by both the Comprehensive Plan and the zoning Code.

The purpose of this request is to request changes to the Moss Bay Comprehensive Plan and to the CBD 5 land use zoning designation.

See attached "Narrative".

B. *Description of the specific reasons for making the proposal:*

To allow for multi-family uses as a primary use and to increase the height limit.

The current CBD 5 land use designation encourages mixed use development including retail, professional office and multi-family. However, under the current zoning, multi-family uses are limited to 12.5% of the gross floor area.

The Park Place development to the north is in the final stages of a comprehensive plan and zoning code change that when complete would include a series of mixed use buildings containing approximately 1,200,000 SF of office, 300,000 SF of retail area, a 175 unit hotel and a 70,000 SF sports center and gym, a total of 1.8 million SF of space. With such an intensive

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amount of retail and office we believe that the neighborhood would benefit if the subject site is designed with multi-family as a primary use and retail/office as a subordinate use. This mix of uses would create a transition between the higher intensity Kirkland Park Place uses and the less intense uses west and south of the site as well as providing a variety of living opportunities for the many people that will work in the new development when complete.

See attached "Narrative".

C. Description of how the proposed amendment relates to the following criteria:

1. The proposal demonstrates a strong potential to serve the public interest by implementing specifically identified goals and policies of the comprehensive plan:

The proposal will provide a balance of architecture and coherence with the Downtown's visual and historic character. The proposed project would be developed around a number of design guiding principles that would serve the public interest by implementing goals and policies of the comprehensive plan. These design guiding principles would also serve to incorporate the project into and enhance the fabric of the Moss Bay Neighborhood and the Downtown's overall pattern. These guiding principles would be as follows:

- A. Site planning to connect to neighborhood
- B. Enhance the pedestrian experience
- C. Integrate vehicle access with the neighborhood
- D. Mix of uses
- E. Modulate for proper scale and mass
- F. Transition to neighboring uses
- G. Sustainability
- H. Include an affordability housing component

See attached "Narrative".

2. The public interest would best be served by considering the proposal in the current year, rather than delaying consideration to a later neighborhood plan review or plan amendment process.

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This proposal should be considered in the current year to allow for the optimal design opportunity for this site to compliment the Kirkland Park Place project which has been considered for 2 years and is nearing final approval.

See attached "Narrative".

3. *The proposal would correct an inconsistency within or make a clarification to a provision of the comprehensive plan.*

This proposal will clarify an inconsistency between the comprehensive plan and the land use code. The comprehensive plan designates this district as a strong employment base and office use should be emphasized. However, within the Park Place center site retail should be a significant component. Limited residential should be allowed as complimentary use. The land use code further limits multi-family development to only 12.5% of gross area, a very minor amount.

The new CBD 5A zoning designation being approved for Kirkland Park Place includes mixed use buildings with approximately 1,200,000 SF of office, 300,000 SF of retail area, a 175 unit hotel and a 70,000 SF sports center and gym, a total of 1.8 million SF of space, and no provision for multi-family housing. This site represents approximately 50% of what was the CBD 5 district and proposes no multi-family. The remaining CBD 5 sites are fully developed with long term projects, mostly office use.

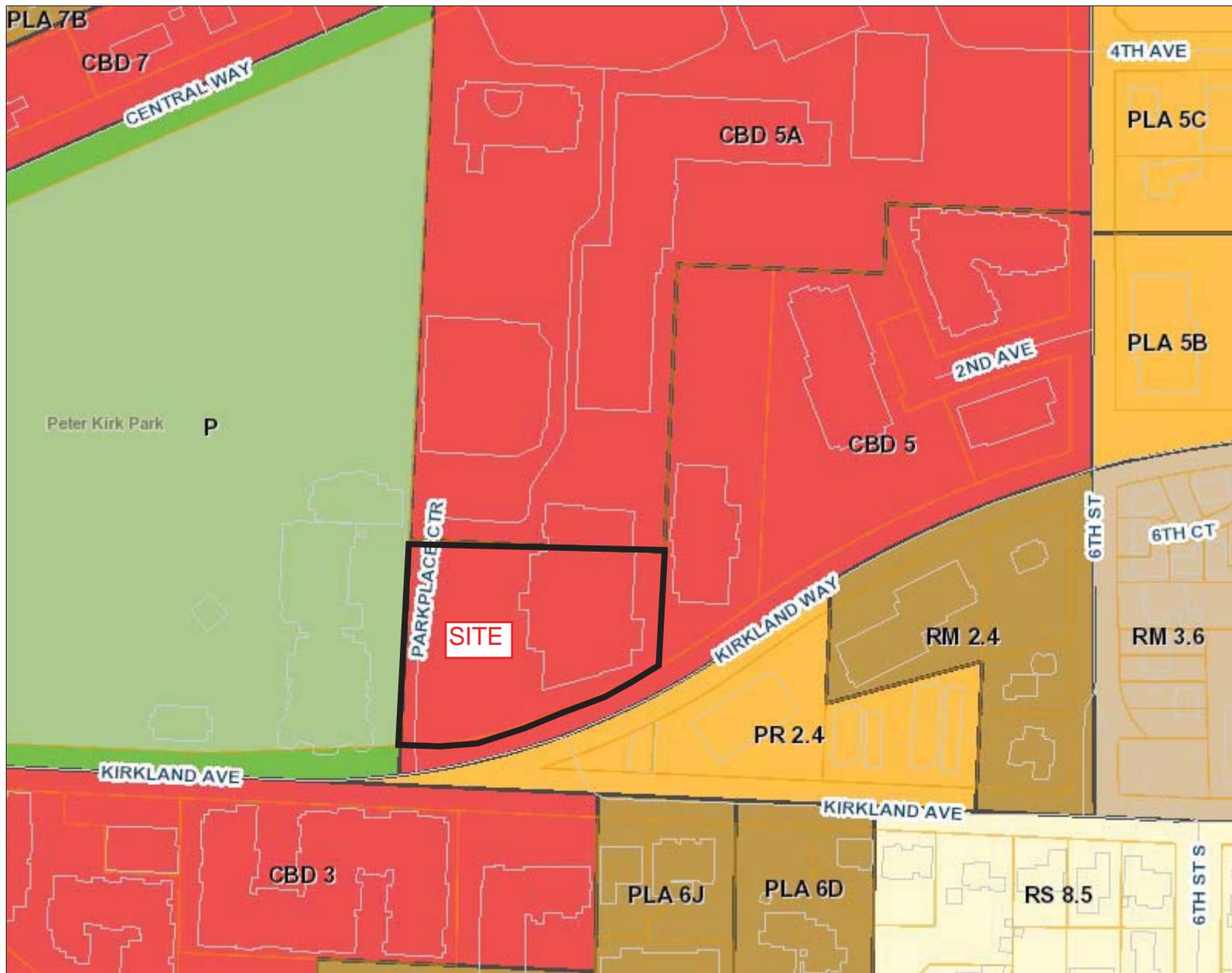
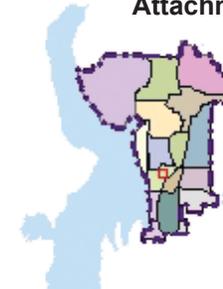
The proposed changes to the land use code will permit multi-family as a primary use. This will allow living units of varying sizes designed to accommodate a mix of family profiles with rents at various levels with the intent that the building can capture many different markets and budgets and could serve many of those that work in the current buildings and the completed Kirkland Park Place project. Addition of a strongly residential project will bring the ratio of housing units into balance.

Lastly, the increase in height from 5 stories to 8 stories will allow for design flexibility and compatibility between the Kirkland Park Place project and the adjacent uses.

See attached "Narrative".



434 Kirkland Way and Surrounding Area



Legend

- City Limits
 - Streets
 - Parcels
 - Buildings
 - Parks
- Zoning
- Commercial
 - Industrial
 - Transit Oriented Development
 - Office
 - High Density Residential
 - Medium Density Residential
 - Low Density Residential
 - Institutions
 - Park/Open Space

1:2,293



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THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes

Zoning and uses surrounding 434 Kirkland Way PAR

RESOLUTION R-4969

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND PERTAINING TO THE ADOPTION OF THE 2013 – 2015 PLANNING WORK PROGRAM.

WHEREAS, the Kirkland City Council and the Kirkland Planning Commission met at a joint meeting on February 19, 2013 to discuss the proposed 2013-2015 Planning Work Program tasks and to set priorities; and

WHEREAS, the Kirkland City Council reviewed a revised work program at the March 19, 2013 regular meeting

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The adopted 2013-2015 Planning Work Program for the City of Kirkland shall be established as shown on Exhibit A to this resolution.

Section 2. This adopted Planning Work Program shall be generally used by the City staff and Planning Commission in scheduling work tasks and meeting and hearing calendars.

Section 3. A copy of this resolution shall be distributed to the Planning Commission, Parks Board, Transportation Commission, Design Review Board, Neighborhood Associations, the Chamber of Commerce and Houghton Community Council.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of ____, 2013.

Signed in authentication thereof this _____ day of _____, 2013.

Mayor

Attest:

City Clerk

