



CITY OF KIRKLAND

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

MEMORANDUM

To: Dave Ramsay, City Manager

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

Date: May 4, 2006

Subject: Public hearing to extend interim fee-in-lieu of parking ordinance (originally adopted as O-3996), File No. MIS05-00019

Recommendation

Hold public hearing to receive testimony on extending the interim fee-in-lieu of parking ordinance. Adopt the interim ordinance for another six-month period. Staff would also ask Council for direction on the key issues noted in the status report below.

Background

On June 7, 2005, the City Council adopted Ordinance 3996 as an interim ordinance modifying the fee-in-lieu parking provisions of the Kirkland Zoning Code. The ordinance increased the parking in-lieu fee (Kirkland Zoning Code Section 50.60.4, attached) from \$6,000 to \$20,000 per stall and established the fee-in-lieu option for more than 10 stalls as being at the City's discretion, rather than its current status as a development right.

This is the second extension of the interim ordinance. The interim ordinance will expire on May 20th, 2006 if not renewed. No fee-in-lieu requests have been filed or are currently anticipated under the interim ordinance.

Status of Permanent Code Amendment

Staff has started the Zoning text amendment process to codify a new fee-in-lieu rate, limit the number of stalls eligible, and a tie the amount to a construction index. The process has been delayed somewhat and become more complicated as three key issues have been discussed with the Planning Commission and Parking Advisory Board:

- A. *Are legal requirements for expenditure of fee-in-lieu contributions a fundamental flaw in the program?*

Under RCW 82.02.020, fee-in-lieu contributions are allowed as voluntary contributions to mitigate a development impact. However, the law requires that payments not expended in five years must be refunded with interest. Although all voluntary contributions to the fund have now been expended on the Library Garage, the City does not have capital plans in place for new parking supply. The implication is that if an applicant used the fee-in-lieu option today to reduce their parking obligation, the City would be required to refund the payment in five years.

Staff will recommend to the Planning Commission that the permanent code amendments should limit the acceptance of all contributions to being at the City's discretion (the interim ordinance allows 10 stalls "by-right") unless there is a planned capital expenditure within five years.

B. *If the program is not being utilized anyway, is it worth keeping it as a placeholder?*

The PAB is discussing alternative sources of funding new parking supply, including on-street parking revenue. The PAB will be discussing ideas with the City Council at their joint meeting in June. The PAB and Planning Commission have indicated an initial inclination to retain the program as a placeholder to see if it can be integrated with a more comprehensive funding policy in the future. Staff agrees with this approach.

C. *Should the Planning Commission consider other amendments to parking regulations as part of the fee-in-lieu amendments?*

At their February 23, 2006 study session on fee-in-lieu amendments, the Planning Commission also deliberated whether the 2002 Zoning Code amendment that exempted retail to restaurant conversions from incurring additional parking obligations in CBD 1, 2, and 8 should be rescinded. The City Council adopted that amendment following a public process that yielded a recommendation from KDA and a unanimous recommendation for the Planning Commission.

The Planning Commission has requested that the PAB review the exemption and make a recommendation to the Commission. Preliminary discussions with the PAB indicate that any such decision should be deferred and considered with other parking management and supply being considered. They anticipate having a better sense of these issues later this summer. The City Council should provide direction as to whether to expand the scope of the fee-in-lieu code amendments to include consideration of parking exemptions.

If the Zoning Code amendments can proceed without a significant expansion of the scope (and related public process), staff would anticipate completing the amendments prior to expiration of this interim ordinance.

ORDINANCE NO. 4050

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE SECOND RENEWAL OF INTERIM PARKING REGULATIONS IN CENTRAL BUSINESS DISTRICT ZONES 1, 2, AND 8.

WHEREAS, the City has the authority to adopt interim zoning ordinances pursuant to RCW 35A.63.220 and 36.70A.390; and

WHEREAS, the Kirkland City Council at its June 7, 2005 Council meeting determined that there is a need for an interim zoning ordinance modifying the parking requirements for Central Business District ("CBD") Zones 1, 2 and 8 and adopted an interim zoning ordinance at said meeting by Ordinance No. 3996, AN INTERIM ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PARKING PROVISIONS IN CENTRAL BUSINESS DISTRICT ZONES 1, 2, AND 8. AND MODIFYING SECTION 50.60 OF THE KIRKLAND ZONING CODE;

WHEREAS, the Kirkland City Council at its November 15, 2005 Council meeting, after a public hearing, extended the interim zoning ordinance for an additional six months; and

WHEREAS, the Kirkland City Council desires to extend the interim zoning ordinance for an additional six month period; and

WHEREAS, pursuant to RCW 35A.63.220, a public hearing was held prior to the adoption of this ordinance.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. The Kirkland City Council makes the following findings:

a. The purpose and intent of this Ordinance is to: (1) increase the fee-in-lieu rate charged for required parking stalls under Kirkland Zoning Code ("KZC") Section 50.60.4.b.1; (2) provide that the fee-in-lieu option of meeting parking requirements is available to applicants only with City approval.

b. Raising the fee-in-lieu rate from \$6,000 to \$20,000 per parking stall is appropriate because the \$6,000 rate has been in place since 1982 and the rate increase will more accurately reflect the current cost of parking development.

c. An applicant's ability to use the fee-in-lieu option should be subject to certain limits and criteria. Use of the option to meet a parking obligation for more than ten parking stalls should require City approval based on whether the City has plans or provisions to expend the fee in a manner consistent with Section 5.50.020 (Off-Street Parking Fund) of the Kirkland Municipal Code.

d. The City is currently implementing a work plan to develop zoning code amendments that specifically address parking in Zones 1, 2 and 8 of the CBD;

e. Until permanent amendments to KZC Section 50.60 regarding parking in Zones 1, 2 and 8 of the CBD can be implemented, there is a need for an interim ordinance.

Section 2. Section 4 of Ordinance 3996 is amended to renew its effect as an interim zoning ordinance for an additional six months. The interim zoning ordinance thereafter may be renewed for one or more six month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal.

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

Section 4. This Ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2006.

Signed in authentication thereof this ____ day of _____, 2006.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney