CITY OF KIRKLAND
CITY COUNCIL

James Lauinger, Mayor • Joan McBride, Deputy Mayor • Dave Asher • Mary-Alyce Burleigh
Jessica Greenway • Tom Hodgson • Bob Sternoff • David Ramsay, City Manager

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

AGENDA
KIRKLAND CITY COUNCIL MEETING
City Council Chamber
Tuesday, May 5, 2009
6:00 p.m. – Study Session – Peter Kirk Room
7:30 p.m. – Regular Meeting

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

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

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

P - denotes a presentation from staff or consultant

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*, Peter Kirk Room
   - *a.* City Council Goals
4. *EXECUTIVE SESSION*
5. *SPECIAL PRESENTATIONS*
   - *a.* Fire Chief J. Kevin Nalder – Swearing In Ceremony
   - *b.* 2008 Solid Waste and Recycling Annual Report
   - *c.* Certificate of Achievement for Excellence in Financial Reporting
   - *d.* Green Tips
6. *REPORTS*
   - *a. City Council*
     - (1) Association of Washington Cities Annual Business Meeting
     - (2) Regional Issues
   - *b. City Manager*
     - (1) 2009 Legislative Update 8
     - (2) Meeting with the Market Neighborhood

(3) Calendar Update

7. COMMUNICATIONS

a. Items from the Audience

b. Petitions

8. CONSENT CALENDAR

a. Approval of Minutes: April 21, 2009

b. Audit of Accounts:

Payroll $

Bills $

c. General Correspondence

(1) Elizabeth Stockard, Regarding Signage at the Carlton Inn

d. Claims

(1) Saad Z. Ghoraishi

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

(1) Victory Garden at Vacant City Property

(2) Surplus Vehicles for Sale

9. PUBLIC HEARINGS

a. Resolution R-4759, Authorizing the City Manager to Execute an Amendment to the Lease Agreement for the Use of the Water District Property by Hopelink

10. UNFINISHED BUSINESS

a. Downtown Retail Strategy

b. Downtown Remaining Zoning Issues

c. Aubry Short Plat Driveway Issue

d. Annexation Resource Needs

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

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

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

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

P - denotes a presentation from staff or consultant

e. SR 520 Variable Tolling Environmental Assessment

f. Snow and Ice Response

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

11. NEW BUSINESS

a. Zoning Code Interpretation: Schools in LIT (Light Industrial Technology) Zones

12. ANNOUNCEMENTS

13. ADJOURNMENT

P - denotes a presentation from staff or consultant

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

MEMORANDUM

To: City Council

From: Dave Ramsay, City Manager

Date: April 23, 2009

Subject: COUNCIL GOALS

RECOMMENDATION:

City Council review the draft report from the goal setting session held at the 2009 annual retreat.

BACKGROUND:

At the retreat held on March 20 and 21, 2009, the Council worked with consultant Lynn Melby to begin development of a strategic plan. Small groups worked on each of the ten goal areas and written notes were provided to the consultant, Lynn Melby. Mr. Melby then drafted a strategic plan document based on the notes. The purpose of this study session is to review and continue to refine the draft document presented by Mr. Melby who will facilitate the Council's discussion at the meeting.

A memo from Mr. Melby is attached along with the draft strategic plan statement and the reports provided by the small groups.

Melby, Cameron & Anderson
Association Management Services
23607 Highway 99, Suite 2C, Edmonds, WA 98020
Voice 425.774.7479 – Fax 425.771-9588 – www.mcamgmt.com

April 22, 2009

MEMO TO: Kirkland City Council
FROM: Lynn L. Melby
RE: Council Retreat Report

Attached is my first draft at the Strategic Plan document. Thanks for your patience. We will take some time on May 5 to review it and do some further refinement.

A couple of things to note about the process since last we met:

- I first did a verbatim report using the sheets each of you turned in or emailed to me to make sure I captured your exact comments.
- I then did a bit of editing and shifting material around to try to come up with a slightly more consistent document for style.
- There were a few comments on the sheets that I didn't understand (for example, I had no idea what PCI was) and had to ask Marilynne Beard for some clarification.
- I then did a third draft which is presented for your review and comment. I know there will be a number of changes you will want to see and a number that need to be made to make it more useful to the City Council, more understandable to your constituents, and more useful to staff implementing it.

On May 5, we will be looking more closely at each of the ten areas addressed in the Plan. There are some modifications that need to be made:

- A few of the Action Items are pretty operational and/or tactical rather than "strategic." While we want to capture those good ideas, I am going to suggest they not appear at the Plan level but be placed in a "parking lot" that can be consulted when discussion is held on actions in each area.
- There are a few areas that are not fleshed out very well (for example, the "Dependable Infrastructure" section) and a few areas where they may be more fleshed out than necessary (for example, the Environment and possibly Parks areas). The goal should be to come up with 3-6 solid Action Items and a Performance Measure for each Action Item.

The objective of your work should be to create a Plan that provides specific direction to the City Council in decision-making and setting priorities. Another objective should be to create a Plan to communicate to your constituents and one that the citizens of Kirkland can understand, embrace and hold the Council accountable for at some level.

I'm looking forward to seeing you on May 5.

LLM:cp

I. Neighborhoods

Value Statement: The citizens of Kirkland experience a high degree of satisfaction with neighborhood zoning and land use regulations, actively participate in policy development and enjoy a strong functional infrastructure in their neighborhoods.

Goal Statement: To continuously seek out and respond to citizen input and maintain the livability of Kirkland's diverse neighborhoods.

Action Items:

1. Conduct a survey of residents to determine the levels of connection and identification with their neighborhoods and encourage discussion of neighborhood options (Resurvey to gauge success).
2. Encourage community participation in their neighborhood by providing opportunities for citizen input and utilizing available and emerging technologies to increase the levels of communication.
3. Monitor community satisfaction levels with capital infrastructure (Sidewalks, school walk routes, parks, etc.)

Performance Measures:

1. At least 90% of residents rate their neighborhoods as a good place to live.
2. At least 90% of residents who participate in neighborhood services programs rate them as good or excellent.
3. At least 90% of respondents are satisfied with capital infrastructure in their neighborhood.

II. Public Safety

Value Statement: Ensuring that all those who live work play and visit in Kirkland are safe is a primary function of city government. This is achieved through a community-based approach that focuses on prevention of problems and a timely response

Goal: To plan for and implement public safety systems that promote safety in our community.

Action Items:

1. Update and implement Fire, Emergency Preparedness and Police strategic plans (update short term and implement medium to long term)
2. Adopt a sprinkler ordinance (short term)
3. Install Red light cameras to reduce red light violations(short to medium)
4. Complete mapping of neighborhoods (short)
5. Complete training of 500 CERT individuals (short)
6. Increase emphasis on community-oriented policing. (med to long)
7. Implement NORCOM (short)
8. Investigate traffic calming devices that would lessen the impediment to emergency vehicles and response times. (med)

Performance Measures:

1. 60% of building fires are contained to area of origin (medium)
2. 90% of Kirkland's residents feel safe walking in their neighborhoods after dark.(community survey) (medium)
3. 90% of response times are within standards established in strategic plans (med)
4. Number of community meetings held
5. Number of citizen volunteers

III. Human Services

Value Statement: Kirkland is a diverse community that respects and welcomes people of all ages, incomes, cultures, ethnicities, faith, abilities, language, and sexual orientation. We partner with local and regional organizations to provide continuous support of human services.

Goal: To provide a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

Action Items:

1. Empower and expand the scope of the Human Services Advisory Committee to identify, educate, and respond to emerging issues that present special human service challenges our citizens (expand role beyond fund dispersal).
2. Support community and neighborhood responses to hunger issues Add a central site in Kirkland for translation services provided through the ERIC
3. Enhance the capacity of the community to support issues of homelessness, including education and outreach to homelessness and use of city facilities
4. Convene a community human services audit/forum regarding needs in Kirkland and community responses (sponsored by Human Services Advisory Committee)
5. Update the Where to Turn in Kirkland brochure to reflect current resources
6. Continue financial support of Eastside Human Services Forum
7. Promote understanding of human services in Kirkland, through education and outreach to schools, faith based institutions, businesses and neighborhood associations
8. Work to bring a one-stop human services campus to Kirkland
9. Track the trends of the One Night Count in Kirkland
10. Explore a partnership with Northwest University to provide a free health clinic.

Performance Measures:

1. Number of events and activities held
2. Pounds of food donated
3. Number of hours human service agencies use city facilities
4. Trends in One Night Count

IV. Balanced Transportation

Value Statement: Key to the effective movement of people and goods is an integrated multi-modal system of transportation that provides alternatives to the single occupancy vehicle and facilitates connections between neighborhoods, public spaces, businesses and the regional transportation system.

Goal Statement: To reduce reliance on single occupancy vehicles.

Action Items:

1. Make Kirkland more pedestrian friendly by improving and expanding the sidewalk system (add ___ feet of new sidewalk per year.
2. Create more permeable sidewalks.
3. Develop more strategic connectivity.
4. Link transportation alternatives with health initiatives.
5. Expand bike path miles and less formal pedestrian corridors such as trails (e.g. Cross Kirkland Trail)
6. Assure the availability of alternative fuels and power for transportation.
7. Create valid measures for transportation mode split.
8. Establish desired levels of mixed use and accessibility to services within neighborhoods.
9. Reduce reliance on single occupancy vehicles by ___%.

Performance Measures:

1. Number of sidewalk feet added per year
2. Number off feet per year of permeable sidewalks added.
3. Percent use of single occupancy vehicles.

V. Parks

Value Statement: An exceptional park and recreational system is integral to the high quality of life in Kirkland. We are stewards of our open spaces and natural areas for the enjoyment of our citizens. A wide variety of recreational opportunities are aimed at promoting the community's health and enjoyment.

Goal: To meet the health and wellness needs of the community, provide recreational opportunities, and promote essential gathering spaces in unique natural areas.

Action Items

1. Construct a Health and Wellness community center. (medium to long)
2. Increase burial plots at the Kirkland Cemetery. (medium)
3. Develop the cross Kirkland Trail. (medium)
4. Increase the connectivity of internal parks and work towards connectivity to regional trails. (medium to long term)
5. Develop McAuliffe goat herd to assist in restoration of our natural areas (medium)
6. Support goals of environmental stewardship.
7. Identify and/or purchase land for a dog park. (medium to long)
8. Develop pea patches at McAuliffe Park (short)
9. Use annexation to develop more recreational and sports fields (medium)
10. Develop a Natural Area Restoration Division with 4 to 6 staff (medium)
11. Develop an Active Living Division that coordinates all active living activities with2 staff (medium
12. Survey community's willingness to support a park bond (short)
13. Conduct fitness audit to address the issues around the national obesity epidemic (short)

Performance Measures:

VI. Diverse Housing

Value Statement: The City's housing stock should meet the needs of a diverse community by providing a wide range of types, styles, size and affordability. The City's housing policies, strategies and investments should be forward-looking in order to achieve the desired level of housing diversity and meet the housing unit targets consistent with the Growth Management Act.

Goal Statement: To develop and implement strategies that promote the construction and maintenance of housing stock that meets a diverse range of incomes and needs.

Action Items:

1. Relate housing supply to employment.
2. Provide mechanisms to allow and promote a variety of housing styles to support our diverse population.
3. Integrate new diverse housing language into every neighborhood plan update.
4. Adopt small lot housing regulations city-wide.
5. Adopt mandatory inclusionary zoning.
6. Encourage preservation of existing housing stock.

Performance Measure:

1. Ratio of jobs in Kirkland to appropriate and affordable housing

VII. Financial Stability:

Value Statement: Citizens of Kirkland should receive a core level of service that meets the community's priorities and that can be funded with predictable revenue. Unpredictable revenue should be utilized to fund capital and special projects.

Goal Statement: To define core service levels, define and measure predictable revenue streams to be used in developing budget and funding core service levels, and determine the size and rules for use of the Rainy Day Fund as a way to maintain service levels in times when predictable revenues fall short

Action Items:

1. Begin discussion and planning to incorporate this approach to financial planning into our thinking and processes.
2. Change the City budget process to reflect the concept of core services and revenues.
3. Educate the public.
4. Engage and involve the citizens.
5. Educate and involve our Boards and Commissions.

Performance Measures:

1. Maintenance of a high credit rating.
2. Numerical relationship between core revenues and levels of service. (i.e. - revenue is sufficient to provide a core level of service)
3. Meet and maintain Rainy Day Fund goals.
4. Survey of citizen priorities.
5. Survey of citizen satisfaction.

VIII. Environment

Value Statement: The quality of life in our community is dependent upon a quality environment. We are committed to the protection of the natural environment through an integrated natural resource management system.

Goal Statement: To promote and adopt sustainable practices that protect our environment for current residents and future generations.

Action Items:

1. Minimize waste that goes to the land fill
    a. Achieve 75% recycling in residential areas,
    b. Achieve 5% or more per year recycling in multifamily areas
    c. Improve food waste recapture for restaurants
2. Maintain and enhance the urban forest
    a. Create and execute a public information campaign on the value of urban forests
    b. Achieve 40% tree canopy
    c. Obtain wildlife habitat certification for the City)
3. Reduce community's carbon emission by 50% by 2020
    a. Increase Transit availability use
    b. Reduce City motor vehicle reliance on petroleum
    c. Reduce electricity consumption
    d. Install LED lights wherever possible,
    e. Generate electricity wherever possible)
4. Adopt water conservation measures
    a. Increase waste water reuse
    b. Increase storm water reuse
    c. Increase reclaimed water
    d. Unhook closed-loop water reclamation in housing developments
5. Improve the City's water quality
    a. Protect, expand and improve wetlands
    b. Eliminate pesticide
6. Support local agriculture
    a. Community Supported Agriculture (CSA)
    b. Add one pea patch per year for the next 10 years

Performance Measures:

1. Percent of waste recycled in single family residential areas.,
2. Percent of waste recycles per year in multifamily areas.
3. Amount of food waste recapture for restaurants
4. Percent change in tree canopy
5. Carbon emissions produced
6. Water usage
7. Number of pea patches.

IX. Economic Development

Value Statement: Kirkland's diverse economy contributes to the financial well-being and service needs of its citizens and supports the ability of the City to provide quality services to residents and businesses.

Vision Statement: To adopt an economic development strategy that provides a stable source of revenue for a range of goods and services and to create jobs that improve the wealth of the community.

Action Items:

1. To make Kirkland a tourism destination.
2. To attract more family wage jobs.

Attract more businesses that have proven success in Kirkland such as information technology and healthcare (Keep Kirkland dollars in Kirkland - Buy Local push.

Performance Measures:

1. Lodging tax
2. Food/beverage sales tax
3. Job growth by sector
4. Business tax revenue.
5. Number of new businesses fitting desired profile.
6. Number of new jobs fitting target business profile.
7. Sales tax dollars imported versus exported (leakage)
   Number of residents who also work in Kirkland.

X. Dependable Infrastructure:

Value Statement: It is essential that the City have a well-maintained infrastructure consisting of an integrated system of roads, sidewalks, water, sewer and surface water systems, parks, technology systems and City buildings. This requires both a commitment to long-term capital improvement investments and on-going attention to systems maintenance.

Goal Statement: To maintain the appropriate level of investment in the City's infrastructure that protects the value of existing assets and provides new assets to meet the growing needs of the community.

Action Items:

1. Create and implement a comprehensive infrastructure replacement and maintenance program with funding mechanisms to improve levels of service, reduce liability, and minimize expense.
    a. Maintain pavement condition index of 65% or higher.
2. Implement a community education program on the challenges and values of maintaining high standards for the City's infrastructure

Performance Measures:

1. Pavement condition index.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
John MacGillivray, Solid Waste Coordinator
Betsy Adams, Education and Outreach Specialist

Date: April 23, 2009

Subject: 2008 SOLID WASTE AND RECYCLING ANNUAL REPORT

RECOMMENDATION

It is recommended that the City Council review and discuss the attached 2008 Solid Waste and Recycling Annual Report. Staff will provide a brief Power Point presentation to highlight the major 2008 Kirkland waste prevention and recycling accomplishments in the single family, multifamily, and commercial sectors along with a preview of 2009 Solid Waste Division work plan.

It is also recommended that the City Council hear a special presentation from Susan Robinson, Director of Public Sector Services, Waste Management, Inc. (WMI) who will highlight Waste Management's major 2008 local and regional accomplishments.

ATTACHMENT 1

Kirkland Solid Waste & Recycling

2008 Annual Report

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Written by the Kirkland Solid Waste Division:
Betsy Adams, Education and Outreach Specialist
John MacGillivray, Solid Waste Coordinator

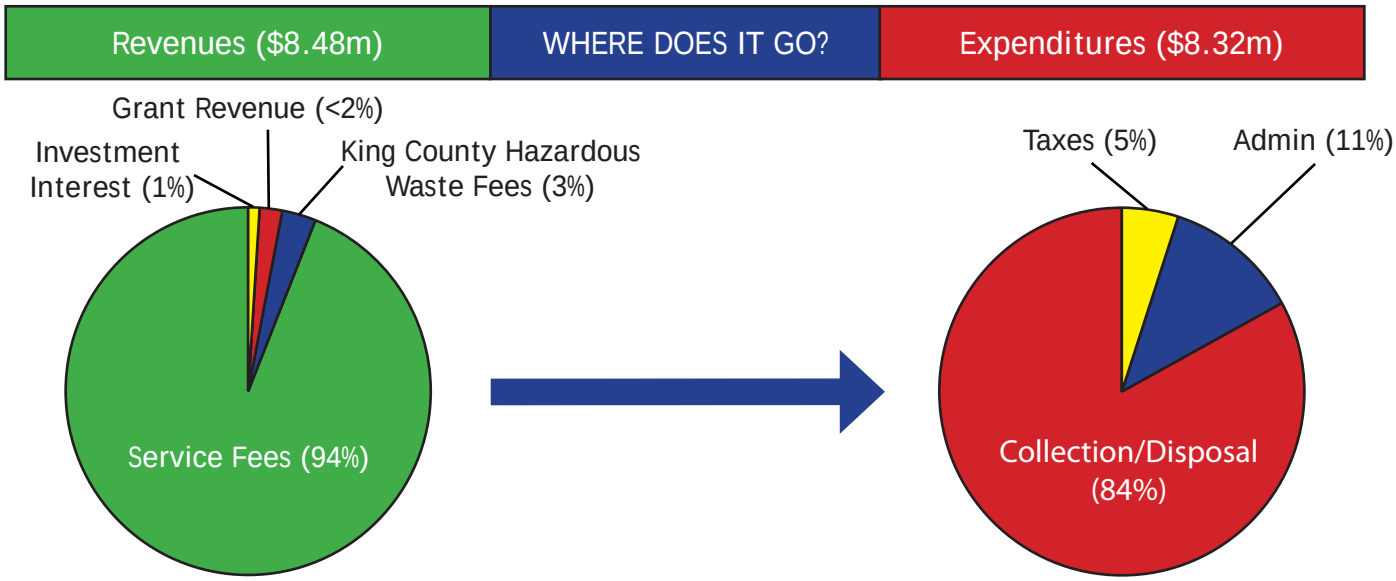
YOUR SOLID WASTE DIVISION

Your Solid Waste Division manages the garbage and recycling generated by residents and businesses within Kirkland's city limits. Simply stated, we're here to ensure that your garbage and recycling containers get dumped every week. But in many ways, it's much more complex than that. We're here to ensure that every Kirkland resident has the information to make educated decisions when it comes to recycling and waste prevention. We're here to innovate and to develop exciting new programs, such as our commercial organics and battery recycling programs, that provide opportunities to divert more materials for reuse or recycling. We're here to advocate for our customers to ensure that our solid waste rates are competitive and our services are second to none.

With the support of a proactive City Council and an advantageous contract with Waste Management, Inc., the City of Kirkland has become a regional leader in recycling and waste prevention. This is evidenced by a single family recycling diversion rate of 69% in 2008 which ranks first in King County among jurisdictions with 500 or more customers. Great strides have been made in terms of the basic services provided to all sectors of the population and a rate structure has been adopted for 2009/2010 that empowers the customer with the ability to control what he or

she pays by acting to reduce waste, recycle more, downsize their container, and save money. City staff has been proactive in securing grant funding to support education and outreach campaigns such as our biannual award-winning Reuse, Recycle, Conserve newsletter and our Business Recycling Program. And with the adage "If you're not at the table, you're on the menu" in mind, City officials and staff have been active participants in regional solid waste system planning and governance committees to ensure that Kirkland's interests are heard and represented.

Through combined efforts, our region has managed to extend the life of the Cedar Hills landfill from an anticipated closure date of 2006 to 2016. With the implementation of even more services, product stewardship programs, and incentives to recycle, we can extend the life even longer - which in turn will keep rates low relative to other waste disposal options, such shipping waste to distant landfills.



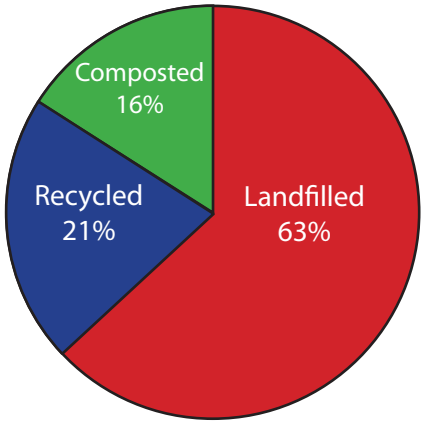
SOLID WASTE AND RECYCLING "AT A GLANCE"

This section provides an overview of the City of Kirkland's solid waste program for 2008.

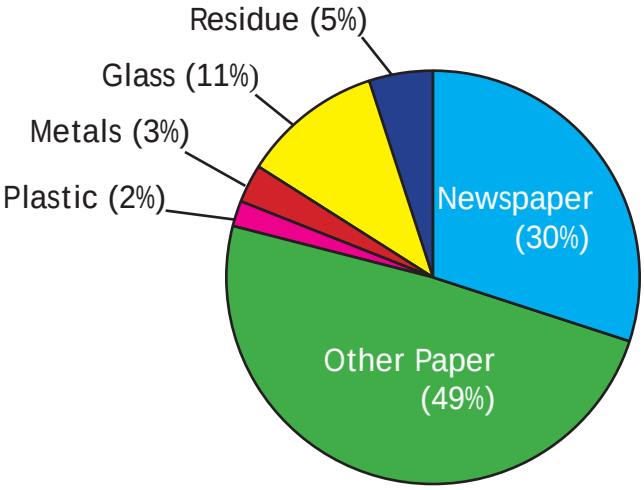
Kirkland's Population in 2008:	48,410
Participants in Solid Waste Program	
Single-family customers:	10,866
Multifamily customers:	501
Commercial customers:	661
Municipal Solid Waste Management	Tons
Landfilled:	28,363.61
Recycled:	9,396.90
Composted:	7,315.91
Total:	45,076.42
Material Collected & Recycled	Tons
Mixed Recycling:	
Newspaper	2792.62
Mixed Paper:	2356.46
Cardboard:	2225.90
PET:	68.97
HDPE-natural:	38.27
HDPE-colored:	48.08
#3-7 Plastics:	52.82
Plastic Wrap:	12.17
Scrap Metal:	69.46
Tin Cans:	119.88
Aluminum:	56.98
Glass:	1072.82
Residue:	482.47
Other Recyclables:	Tons
C&D Debris:	964.84
Textiles:	0
Electronics Scrap:	21.97
Used Motor Oil:	651 gallons
Total Recycling Diversion Rate	36.30%

ENOUGH ALUMINUM WAS RECYCLED IN KIRKLAND IN 2008 TO MAKE ABOUT 3 MILLION NEW CANS.

Kirkland Waste Stream Summary



Kirkland Mixed Recycling Composition[1]



[1] Some materials have been combined. Plastics include PET, HDPE (natural & colored), #3-7 plastics, & plastic wrap. Metals include scrap metal, tin cans, & aluminum. Other Paper includes corrugated cardboard & mixed paper.

SINGLE FAMILY

The single family sector comprises about 90% of the solid waste accounts in Kirkland and a variety of services are available to these customers including:

- Weekly trash collection with variable–sized trash can options
- Weekly all-in-one recycling collection
- Weekly yard and food waste collection
- Curbside electronics collection, and
- Curbside collection of clean, reusable clothing.

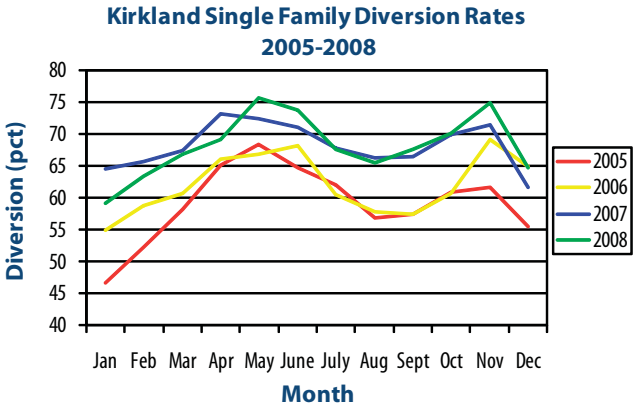
To encourage residential recycling, the City changed its rate structure effective January 1, 2009. The cost of weekly service for 20- and 35-gallon garbage collection carts was reduced while the cost of service for 64- and 96-gallon carts was increased. These rate adjustments give customers more control over how much they spend on waste disposal: customers can save money by downsizing their garbage can and taking greater advantage of the City's free weekly recycling and organics collection.

In an attempt to eliminate some of the barriers to food scrap recycling and divert more food scraps from the waste stream, the Solid Waste division began offering a sample of BioBags (compostable food scrap collection bags) to single-family customers in 2008.

The Reuse, Recycle, Conserve newsletter continues to be a successful tool for distributing environmentally-related information to Kirkland residents. Newsletter topics include everything from environmentally-focused events in the area, to seasonal gardening tips, to information regarding changes in recycling programs. This year we received the Excellence in Communications and Conservation award from the Pacific Northwest Section of the American Water Works Association (PNWS-AWWA) for our Spring 2007 issue of the newsletter.

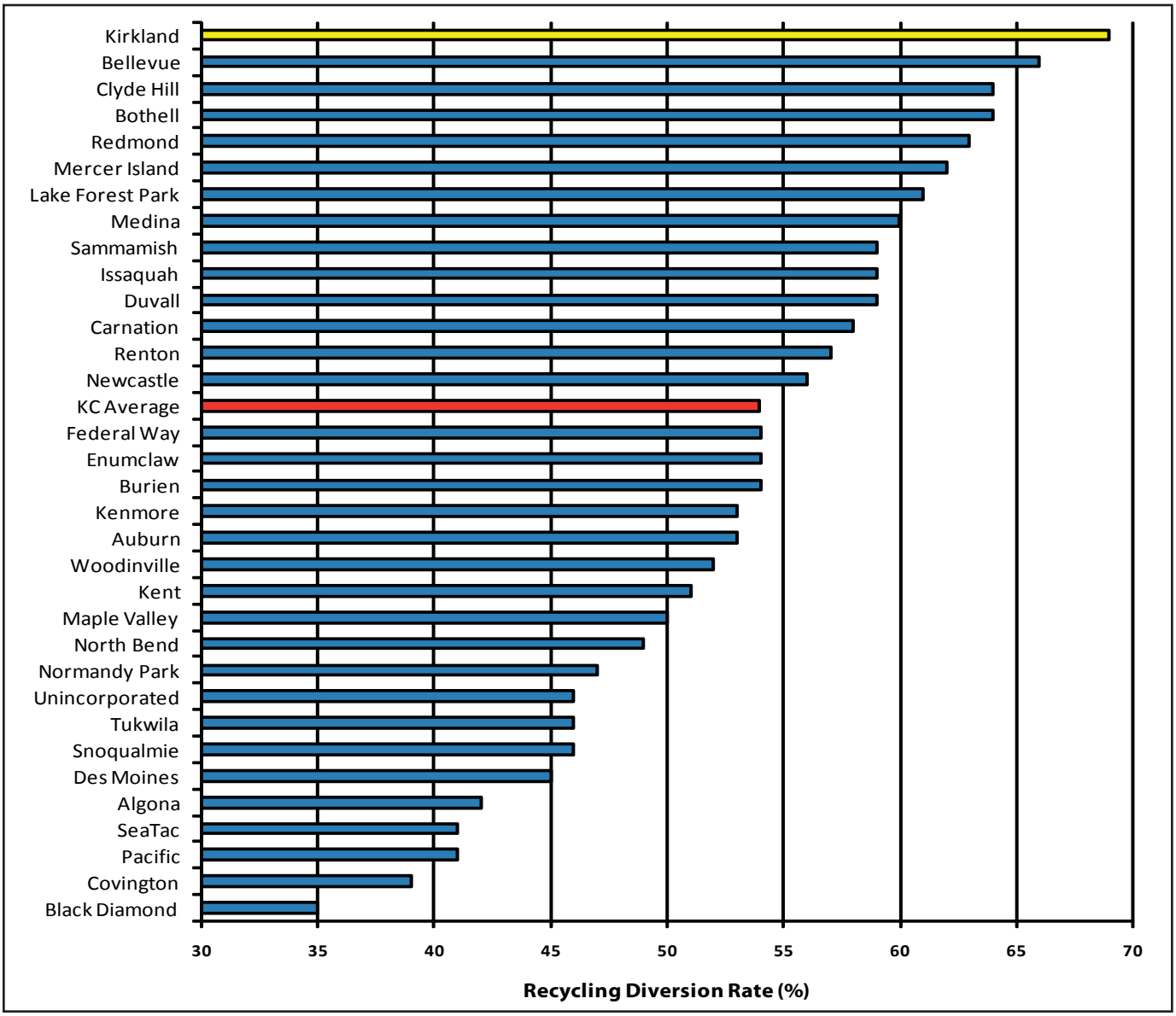
The Diversion Rate "Rollercoaster"

A couple of things become readily apparent in the chart below. One, the single family recycling diversion rate has steadily increased each year since 2005 and two, the defined peaks (spring and fall) and valleys (summer and winter) of the lines. This phenomenon can be attributed to the increased collection of organics material in the spring as our lawns begin to grow and we all begin to whip our yards into shape. Similarly, the spike in the fall months (Oct/Nov) can be attributed primarily to leaves and woody debris blown into our yards. In fact, almost 50% of all the single family organic material is collected in May/June (27% - 1,916 tons) and October/November (22% - 1,539 tons)!



SINGLE FAMILY

2008 King County Single Family Recycling Diversion Rates



For the second consecutive year, Kirkland's single-family recycling diversion rate of 69% is the highest in King County among 33 jurisdictions with 500 or more garbage customers!!! In 2007, Kirkland tied with the City of Bellevue. Kirkland single family residents are also number one in King County by producing the least amount of garbage (only 20 pounds!) per household/per week. On top of that, Kirkland's single-family recycling diversion rate without yard or food waste is also number one in King County at 45%.

Recycling Diversion Rate (RDR) refers to the percentage of the total waste stream that is diverted from the landfill for either recycling or reuse. The commodities included in this percentage include such materials as plastic, metals, newspaper, cardboard, yard waste, and even food scraps. Kirkland has a 69% single family diversion rate which means that almost 7 out of every 10 pounds of solid waste is diverted from the landfill.

MULTIFAMILY

The Kirkland multifamily sector is comprised of about 19,000 Kirkland residents living in 500 condominium, apartment, and mixed-use residential properties. While accounting for only 40% of the residential population in 2008, the multifamily sector actually produced 68% more garbage (3,600 tons) than the single family sector and accounted for only 25% of the non-organic residential recyclables collected.

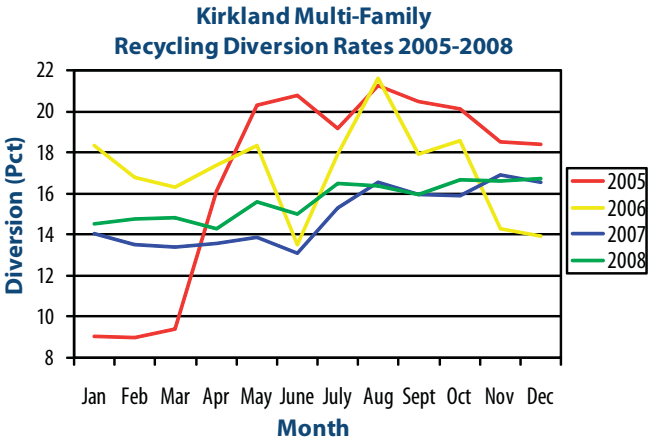
Multifamily properties are provided with the same basic garbage and regular "All in One" recycling service options as the commercial sector. Property managers and homeowners' associations can select from four different cart and seven different dumpster sizes. Recycling services are provided at no extra charge for up to 150% the size of the garbage capacity, providing a built-in incentive to recycle. A new rate structure has been adopted for 2009/2010 that will encourage multifamily customers to downsize from the larger to the smaller garbage containers and take advantage of the extra free recycling volume.

In 2008, the recycling diversion rate for the multifamily sector increased to 15.7% from 14.9% in 2007. While 41 less tons of recyclable material was collected in 2008 relative to 2007, multifamily residents actually disposed of 800 tons less garbage in 2008 compared to 2007. Additionally, the overall combined single- and multi-family residential recycling diversion rate in 2008 increased two percentage points to 31% in 2008. Much of this increase can be directly attributed to waste reduction in the multifamily sector.

The upward trend is expected to continue into 2009 as the City undertakes a new Multifamily Recycling Project intended to increase convenience, recycling capacity, and education (see pages 10-11).

Multifamily Diversion Rates

In contrast to single family, multifamily diversion rates are far less predictable. The cause of a spike in the multifamily rate from one month to the next could be attributed to a recent City education and outreach campaign, more outdoor activity by tenants, the addition of increased recycling capacity, or even simple luck. Fortunately, over the past two years, the volatility of the multifamily recycling diversion rate has been tempered somewhat and gradual increases have been seen from month to month, evidenced by the flattening of the blue and green lines below.



MULTIFAMILY

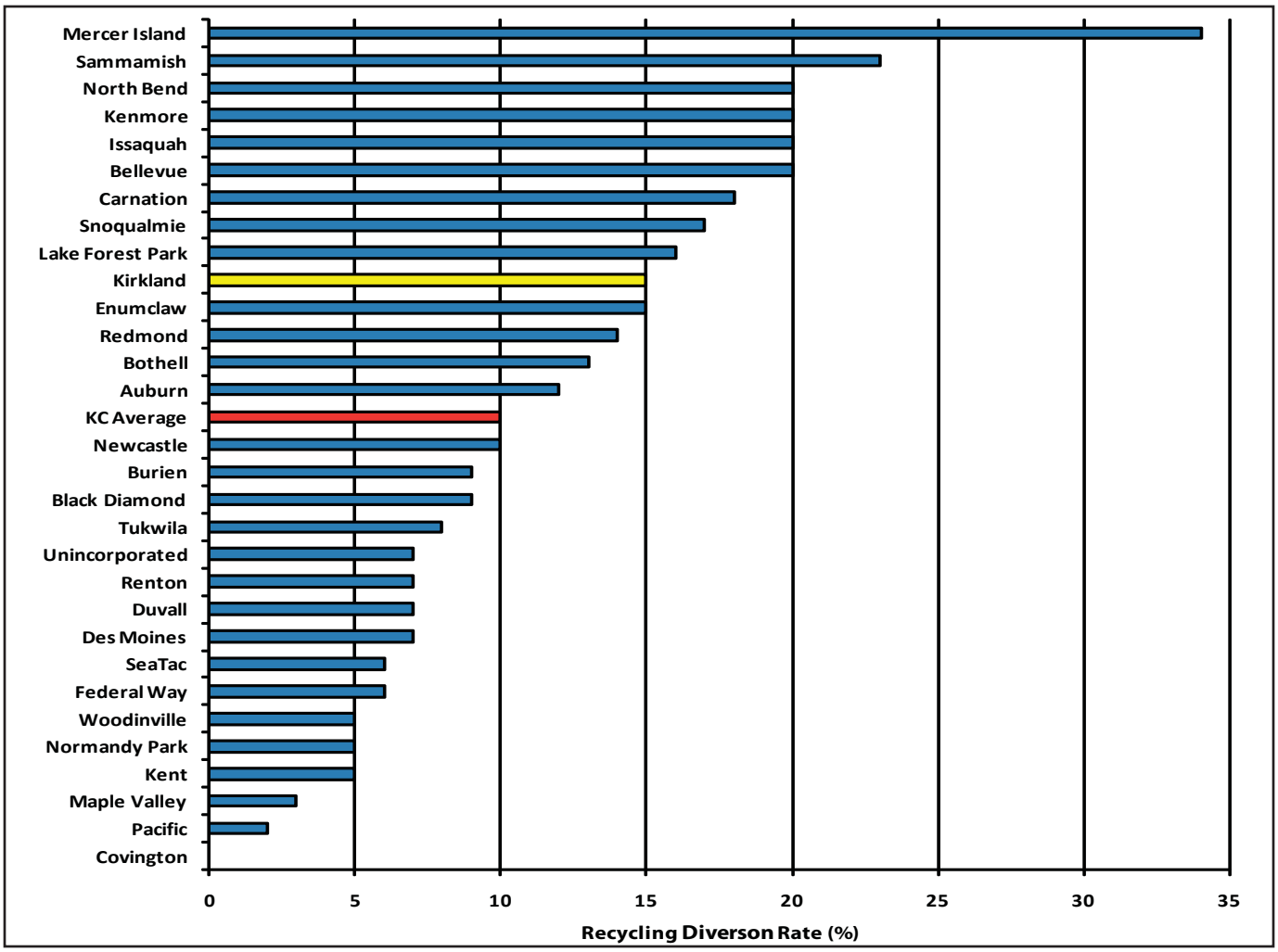
Why is the multifamily recycling diversion rate low?

In comparison to the single family recycling diversion rate, the multifamily recycing diversion rates in King County are quite low. This is due to a multitude of factors.

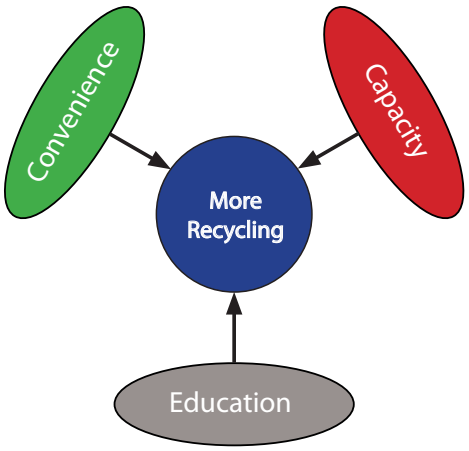
- The single family recycling rate includes the diversion of yard and food waste from the waste stream (over 7,000 tons in Kirkland in 2008). Alternatively, yard and food waste comprises less than one percent of the total multifamily waste stream (55 tons). Yard and food waste collection services are provided at very few multifamily complexes, meaning that the total amount of material able to be diverted from this sector is significantly less than the single family sector.

- Recycling in a multifamily complex has unique challenges including:
  - Lack of space for recycling containers and dumpsters in individual units & common areas
  - Lack of convenience
  - Low awareness and/or motivation by tenants
  - Lack of motivation by property owners and property managers
  - High turnover rate by residents in multifamily complexes

2008 King County Multifamily Recycling Diversion Rates



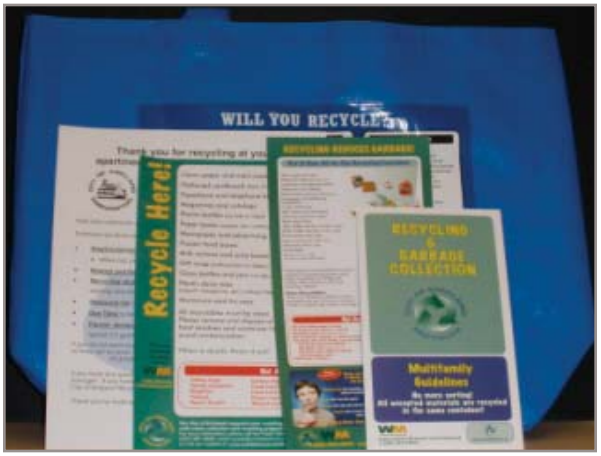
MULTIFAMILY RECYCLING PROJECT



Working in conjunction with the City's waste hauler, Waste Management, Inc., City staff identified every multifamily property in Kirkland and calculated their recycling rate. Properties were divided into percentile groups (or Phases) based upon their recycling rates. The first group to be contacted and offered free recycling assistance was Phase I, each with a 0-10 percent recycling rate. Each property in this group was offered a free assessment by City staff as to how the recycling capacity on their property could be increased at no additional cost.

Running concurrently with the contacts, all multifamily properties were offered free personal-sized recycling containers, filled with information on conservation and recycling, to be used by tenants to transport recyclables from their units to the outside recycling carts or dumpsters. The offer in our biannual Reuse, Recycle, Conserve newsletters and on our webpage was extremely popular and a total of 1,800 containers were distributed to 46 multifamily properties in 2008.

Additionally, four multifamily properties participated in a food scrap recycling pilot intended to determine how the service might be best implemented in the various sizes and shapes of multifamily properties. Each participating complex was provided with one or two lined 96-gallon commercial organics collection carts serviced twice per week and each unit received a free kitchen food scrap container, Biobag liners, and educational materials.



Multifamily Recycling Kit

The City is looking for opportunities to expand the pilot over the course of the first half of 2009. Ultimately, the goal is to offer food scrap recycling to all multifamily properties.

What's on the tap for 2009? We'll be looking to add a couple of more tools to our toolbox by: 1) amending the Kirkland Municipal Code to require all new or significantly-improved multifamily properties to provide adequate space for recycling containers and by adopting and 2) working to support the ban on the disposal of multifamily generated recyclables in the garbage to be included in the updated King County Comprehensive Solid Waste Management Plan.

In contrast to the the recycling diversion rate, the **Recycling Rate** refers to the proportion of recycling capacity relative to garbage capacity. For example, a multifamily property with a 6-cubic yard garbage dumpster and a 4-cubic yard recycling dumpster would have a recycling rate of 40% *(4 yards of recycling divided by garbage plus recycling volume (4/10=40%))*.
The recycling rate is used in the multifamily sector as a way to gauge if customers have adequate space to recycle effectively. In Kirkland, our goal is to assist multifamily properties to achieve at least a 50% recycling rate, wherever possible.

MULTIFAMILY RECYCLING PROJECT

Laurel Park Condominiums
190 units

Before improving their recycling service, Laurel Park had four enclosures with dumpsters for garbage and 25 96-gallon carts for recycling. Many of the carts were mislabeled and frequently overfilled.

Recycling Rate Before **30%**

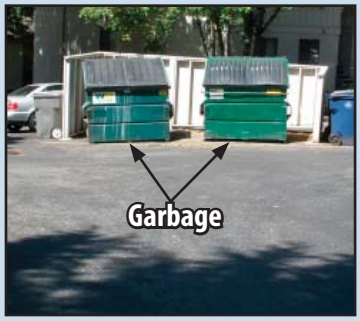
Laurel Park improved their recycling service by replacing recycling carts with higher capacity recycling dumpsters and distributing 60 individual recycling containers to tenants.

Recycling Rate After **49%**

Woodside Terrace Condominiums
132 units

Before improving their recycling service, Woodside Terrace had four enclosures with seven garbage dumpsters and 22 96-gallon recycling carts. Two of the enclosures had two large garbage dumpsters.

Recycling Rate Before **19%**



Property managers replaced the two large garbage dumpsters with two 8-yard recycling dumpsters for a savings of almost $1,600/mo on their garbage bill. Each tenant also recieved a free recycling container from the City.

Recycling Rate After **55%**

COMMERCIAL RECYCLING

The City of Kirkland offers one of the best business recycling programs in the area. Program services include variable garbage service level offerings, free recycling capacity up to 150% the size of garbage service, a free commercial organics program, and a rate structure that gives business owners the opportunity to control costs and save money.

In 2008, the City continued to offer many free recycling services to business owners to encourage them to implement new recycling programs or to improve existing programs. Evidence of success is shown by an increase of 292 tons of commercial recyclables collected from 2007 to 2008. Not only were businesses equipped with free desk side recycling containers and free recycling educational materials, they were also given free on-site, hands-on assistance from a City consultant. Additionally, a commercial organics program is offered in which all Kirkland businesses can elect to recycle their organic material for free.

2008 Commercial Waste Stream Summary	
Landfilled:	14,042.21 tons
Recycled:	2,957.21 tons
Composted:	198.38 tons
CDL (Construction/Demolition/Land-clearing debris)	964.84 tons
Total:	18,162.94 tons
Total Recycling Diversion Rate:	17.37%

The commercial sector recycling diversion rate numbers are not complete given that State law allows commercial properties to negotiate individually with third party haulers for recycling services. Waste Management provides recycling services to about 80 percent of the commercial accounts in Kirkland, so the reported commercial recycling diversion rate of 17.3% is lower than the actual rate. The City does not receive reports of recycling tonnages collected by third-party haulers so the real commercial recycling diversion rate is substantially higher than 17.3%

Commercial Organics Program

	2007	2008
# of participating businesses	31	76
Organic material collected	57.16 tons	198.38 tons

Kirkland's commercial organics program continued to grow in 2008 – 31 business joined the program to bring the total number of participants to 76. The program is part of the City's contract with Waste Management for commercial garbage and recycling collection and all businesses may participate in the program for free. Materials collected in this program include vegetables and fruit, meat, bones, dairy and food-soiled paper. Businesses may have up to two 64-gallon or one 96-gallon cart provided and picked up twice a week for no additional charge. Carts are lined with a biodegradable liner by the Waste Management driver each time they are emptied. Collected organic waste is transported to Cedar Grove to be composted.

COMMERCIAL RECYCLING

Within 8 weeks, materials are broken down into a valuable soil amendment ready for landscaping.

Cedar Grove

Businesses that participate in the program receive tailored assistance including an onsite visit, setup of a food scrap collection system, and supporting literature and container labels.

- In 2008, Kirkland's recycling consultant, Wilder Environmental Consulting, worked with Lake Washington School District's Resource Conservation Manager to begin the rollout of food recycling at seven Kirkland schools to include Franklin Elementary, Juanita Elementary, Lakeview Elementary, Rose Hill Elementary, Twain Elementary, Peter Kirk Elementary, and the International School.

Peter Kirk Elementary

- The City's consultant also worked with Sodexo in 2008 to include food recycling for Kenworth Trucking employees (approximately 500) at their corporate headquarter's cafeteria.

Business Reuse Recycle Conserve Newsletter
Topics included in the 2008 edition of the Business Reuse Recycle Conserve newsletter were the promotion of free recycling, information on assistance and tools available from the City, the annual business recycling collection event, the Green Business Program, Sustainable September, and food recycling.

Business Outreach
2008 was again a very successful year for visiting businesses onsite to help them start or improve recycling programs. Compared to 2007, this year's outreach program assisted more than twice the number of businesses. Embedded recycling, promotional recycling tools to help businesses recycle, and onsite technical assistance proved to be a winning combination in helping commercial recycling.

2008 Business Outreach	
Businesses visited onsite	171
Blue recycling containers distributed with stickers listing what can & cannot be recycled	926
Business Recycling Kits (BRK) distributed	191
New business letters mailed out	330
Newsletters sent out to businesses	2805
Businesses who improved their recycling program (added more materials)	123
Businesses who started a new recycling program	33
Estimated amount of materials diverted annually due to containers distributed in 2008	4340 cubic yards

SPECIAL PROGRAMS AND EVENTS

Battery Recycling Program

2008 was the first full year of Kirkland's battery recycling program. Its continued success was evidenced by the amount of batteries collected through the program – a total of approximately 6650 pounds of batteries were recycled at $1.00 per pound. Batteries are collected at four locations – the Kirkland Library, Kirkland City Hall, the North Kirkland Community Center, and the Peter Kirk Community Center. Batteries collected include household dry cell batteries - alkaline, rechargeable, button, cell phone, and laptop.

Kirkland Library

The City of Kirkland contracts with Total Reclaim to collect batteries from the four drop-off locations every other week. Dry cell batteries are sorted by type and sent by Total Reclaim to Kinsbursky Brothers Inc. in Anaheim, CA.

Material Recover Processes by Battery Type	
Nickel-Cadmium (Ni-Cad) & Nickel Metal Hydride (NiMH)	Batteries are heated in a cadmium recovery furnace. Cadmium is reduced, vaporized & condensed, producing cadmium metal for re-use in Ni-Cad batteries; the nickel-iron remainder become an ingredient in the production of nickel, chromium, & iron alloys used in stainless steel.
Lithium	Batteries are shredded in a caustic solution. Lithium goes into the solution & various metals are filtered and recovered. Lithium in solution is converted to lithium carbonate & sold to companies that make lithium ingot metals & foil for use in lithium batteries.
Alkaline	Batteries are shredded & neutralized in an acid bath. The material is dried & blended with other steel & transported to a steel mill for processing. The zinc recovered by the steel mill is resold as zinc-oxide. The maganese diozide becomes an alloy in the production of steel re-bar.

Special Events in Kirkland

Zero Waste Events

A Zero Waste event is an event where waste is reduced to the greatest extent possible. Solid Waste conducted a Zero Waste event training for City staff and provided support to both City and community groups that hosted Zero Waste events.

Farmers Markets

The Solid Waste Division hosted two Wednesday Market booths and three Friday Market booths in 2008. The booths provided an excellent opportunity to interact with Kirkland residents and answer many questions. Recycling and waste reduction-focused outreach materials were distributed at the booths, including reusable shopping bags that were given to residents in exchange for participation in a short survey.

Solid Waste Division staff also assisted the Kirkland Wednesday Market staff in their efforts to make their Harvest Supper a Zero Waste event.

Harvest Supper Zero Waste Tent

One key improvement at both of the markets this season has been the presence of public ClearStream recycling containers and organics collection carts for vendors. The recycling and organics services were donated by Waste Management and the organics carts, in particular, were heaping full after each market.

Kirkland Uncorked

The Solid Waste Division also hosted an informational booth at Kirkland Uncorked, another excellent opportunity for interaction with Kirkland residents and visitors and to distribute recycling information and reusable shopping bags to patrons who filled out a short survey.

With the help of the Parks Department, 30 garbage/recycling stations were established through-

SPECIAL PROGRAMS AND EVENTS

out the event with ClearStream recycling containers in lieu of the blue recycling carts that were used in 2007. The alternative containers resulted in a significant decrease in the contamination of collected recyclables from 2007. Waste Management donated the garbage and recycling services and containers for the event.

Shopping Bags

In exchange for filling out a short survey, attendees at the farmers markets and Kirkland Uncorked received a free reusable shopping bag made of 100% recycled PET soda bottles. Between these events, approximately 500 reusable shopping bags were distributed.

Reusable Shopping Bag

The survey asked attendees about their opinion regarding the use of plastic shopping bags in Kirkland. Most people surveyed either use both paper and plastic bags (30%) or always use reusable shopping bags (25%).

Finally, when asked "What is the best way to manage plastic bags?" no best management practice predominated over another. Actions that received support included a mandate to either charge a tax (14%) or ban them (16%), an increase in public education (19%), giving away more reusable bags (16%), and recycling bags at the store (14%).

Recycling Collection Events

Recycling collection events are held throughout the year, biannually (spring and fall) for the residential sector and annually (fall) for the business sector. These events provide the opportunity to recycle items that are not accepted in weekly recycling or trash collection and to divert materials from our landfill.

Fall Recycling Collection Event

Residential Recycling Collection Events

The spring collection event was held on April 19th and the fall residential recycling collection event was held on October 11th, both at the Houghton Park and Ride. The popularity of the biannual events is evidenced by the participation of residents and the large amount of material collected at each event. At the spring event, 860 carloads of recyclable material arrived, totaling nearly 51 tons, while at the fall event, participants dropped off 830 carloads of material, totaling nearly 52 tons.

2008 Residential Collection Events		
	Spring	Fall
Computers & Electronics	9.28 tons	N/A
Computer Monitors	272 monitors	181 monitors
Televisions	229 sets	189 sets
Fluorescent Lights	650 lights	1100 lights
Reusable Goods & Textiles	5.9 tons	5.6 tons
Household Batteries	11,330 batteries	13,420 batteries
Metals[1]	N/A	19.65 tons

Business Recycling Collection Event

On September 18th, the annual Business Recycling Collection Event was held at the Totem Lake Mall. The event is specifically tailored to assist Kirkland business owners dispose of difficult-to-recycle items. A total of 203 businesses participated in the event and dropped off 27 tons of recyclable materials and products: a new record for the event.

[1]Includes appliances, ferrous metals, nonferrous metals, electronic equipment

RESOURCES

City of Kirkland Recycling Waste prevention & recycling assistance	http://www.ci.kirkland.wa.us Click on the "Kirkland Recycles" button 425.587.3812
City of Kirkland Battery Recycling Free drop-off sites household dry cell batteries	City Hall – 123 5th Ave North Kirkland Community Center – 12421 103rd Ave NE Peter Kirk Community Center – 352 Kirkland Ave 425.587.3812
Local Hazardous Waste Management Disposal of household hazardous waste such as oil based paints, thinners, oils, & batteries	http://www.govlink.org/hazwaste/house 206.296.4692
What Do I Do With...? Searchable database of recyclers by material type	http://your.kingcounty.gov/solidwaste/wdidw/ 206.296.4466
E-Cycle Washington Free program to recycle televisions, computer monitors, computers, & laptops	www.ecyclewashington.org www.ci.kirkland.wa.us/recycle 1.800.RECYCLE
Take It Back Network Listing of King County vendors who recycle electronics, fluorescent bulbs and computers.	http://www.takeitbacknetwork.org/ 206.296.4466
Online Exchange Sites for exhange of household products & reusable building materials	http://your.kingcounty.gov/solidwaste/exchange/

Printed on 100% Recycled-Content Paper

ATTACHMENT 2

January 30, 2009

Greetings!

We are pleased to present our 2008 Annual report to City of Kirkland. The attached spreadsheet summarizes the tons of material that Waste Management collected in your community during 2008. We've also included highlights of some of the activities and programs that Waste Management has actively engaged in during the past year.

We had a really great year – we implemented several new programs, upgraded our educational materials, expanded our public education programs and made changes in our operations and equipment to reduce GHG emissions. The following is just a snapshot of the many activities that Waste Management has engaged in over the past year:

CNG Truck

1. In November, we began using the state's first compressed natural gas (CNG) garbage and recycling trucks. By the end of 2008, a dozen trucks were on the streets in Seattle and King County with a total of 106 to be on line by April 1, 2009.

2. In December, we began rolling out the areas first comprehensive every-other-week garbage collection program. Renton's dramatic new program promises to change the way that residents think about waste.

3. We completed site audits of more than 1,500 commercial customers in Renton and Issaquah and began to develop our process for reaching out to our commercial customers in Burien. Increasing commercial recycling and outreach continues to be an area of focus for Waste Management.

4. We rolled out our Waste Watch program at our Sno-King and Northwest Districts in February of 2008. By partnering with local police and fire departments, we were able to train over 200 drivers to help keep an eye on our local communities.

5. We continued to improve our municipal reporting. Our dedicated contract compliance and reporting specialist, Ryan Henderson, has completed 6-months of training and has taken over the reigns from Laura Moser. Together, Ryan and Laura have streamlined our system to allow for on time and accurate reporting to our municipal customers.

6. Over the course of the year, we designed and distributed new residential and commercial recycling guidelines and brochures and developed new colorful decals for all of our carts and larger containers.

Residential Guidelines

Commercial Guidelines

7. Over the summer, our staff worked at community events, parades and seminars to educate our communities about sustainability and waste reduction. From car shows, to wine tasting events to 4th of July Celebrations, to races to community festivals, our staff worked to spread the word about recycling, composting and waste reduction.

8. We continued to expand our partnership with Cedar Grove Organics, helping to implement comprehensive food-waste programs at Costco's Issaquah headquarters and at Microsoft's Redmond campus. We have continued to see commercial food waste diversion grow in 2008.

9. WM began offering small business sustainability audits in 2008. These audits help small businesses reduce their water, energy and waste. We hope to grow this effort in 2009.

10. We began an internal employee recognition newsletter called "Above and Beyond" that relies on feedback from our customers.

11. We reached out to our local community newspapers, running regular waste reduction and recycling columns.

12. We rolled out the LEAN (http://www.lean.org/) program at our sites. This program trains employees to look for ways to reduce waste, save energy and foster sustainability.

13. We worked with our customers to meet unique collection needs in dense areas with limited room for garbage and recycling containers. In some alleys, WM worked with customers to consolidate containers resulting in more attractive alleys and additional parking spaces for businesses.

14. WM took the industry lead in communicating our inclement weather policy to our customers during our end-of –the year snow event. Learning from past years, we improved our communications efforts and gained knowledge to make additional improvements for “next time”.

We ended the year in the midst of a sobering economy that has impacted our industry in many ways; not the least of which is the reduced demand for recyclable materials. This promises to be a growing challenge in 2009. We will continue to keep our municipalities updated on recycling markets and our plans for working through this unprecedented economic cycle.

While we are concerned about the economy in 2009, we are encouraged about the continued interest that our customers show in sustainability. As Waste Management continues to work on its goals of increasing recycling, increasing renewable energy production and reducing fuel consumption and emissions from fuel, we are grateful for the efforts that our municipal partners continue to make in reducing our collective carbon footprint.

Please let us know how Waste Management and our staff can expand our participation in your community. Your feedback is essential to our commitment of continuous improvement.

Thank you for the privilege of serving you in 2008. We appreciate your business and look forward to working with you in 2009.

Call me any time!

Susan Robinson
Office: 206-264-3073
Cell: 206-915-9183

Waste Management Annual Report 2008
Communications Summary

Our communication goal for 2008 was simple – do a better job of sharing our good news both internally and externally. With so many new and enhanced programs and special events, we've had a lot to share in 2008. Here's a glance at what we've done to promote recycling and increase public awareness regarding environmental issues.

Sustainable Solutions Newsletters
We developed an external newsletter, *Sustainable Solutions*, for each of our Puget Sound Districts. This quarterly newsletter provides city staff and elected officials with a summary of our many activities – from rolling out a new collection program, introducing new employees, answering commonly asked recycling questions and summarizing our community involvement.

Sustainable Solutions
Waste Management of the Pacific Northwest
WASTE MANAGEMENT Think Green.
Sno-King • January 2009

FROM JEFF MCMAHON, DISTRICT MANAGER

Happy Holidays!

During this time of year, it seems appropriate to take a moment to reflect on the past year, and to look ahead to next year.

2008 was a busy year for Waste Management in the Pacific Northwest:

- *You may have seen Waste Management's Public Education and Recycling Manager, Rita Smith, on KING 5 and KIMO 4 News. Rita has been on several stations over the past year, promoting recycling and waste reduction programs.*
- *We updated our commercial recycling public education – please call us for commercial single stream recycling posters or decals.*
- *We've added to our commercial recycling programs throughout the region.*

Ideas for Reducing Waste During the Holidays

The traditional song calls for people to dream of a white Christmas, but for the conscientious consumer, it can also be a green holiday season. No matter what holiday you celebrate, you can take steps to reduce the annual increase in waste created between Thanksgiving and the New Year.

"If each of us took a few small steps to reduce the waste we produce or increase the amount of materials we recycle during the holidays, we'd save a tremendous amount of materials, energy and landfill space," said Rita Smith, Waste Management's Public Education and Recycling Manager. "There is no shortage of ways to cut down on wastefulness at the holidays."

Composting can reduce the amount of organic waste produced in the home. Holiday meal preparation can generate a large amount of potato peels, fruit rinds, coffee grinds, other vegetable waste and eggshells – almost all of our Puget Sound customers can toss these food scraps straight into their yard waste card for composting.

Above and Beyond
Internally, we added a bi-weekly e-newsletter called *Above and Beyond*. *Above and Beyond* highlights Waste Management employees that portray exemplary customer service. We've highlighted many drivers that have built special relationships with elderly or disables customers to drivers that have picked up litter while on their route. We find that recognizing our top employees increases employee engagement leading to premier customer service. Here's an example of a recent *Above and Beyond* e-newsletter with excerpt from a Sammamish customer:

Above and Beyond
Smile. Care. Know. Own.
WM Think Green.

This letter came to Sno-King District Manager Jeff McMahon from a very happy family in Sammamish. We'll let the letter speak for itself this week.

Dear Mr. McMahon:

Every Thursday morning for the past 16 months has been the same at our house: our 3-year-old son, Benjamin, eagerly awaits the sound of the green Waste Management trucks as they come down the street. The moment the trucks can be heard rounding the corner of our cul-de-sac, small feet are scrambling and tugging at Mom and Dad to come outside to wave hello to Mr. Daniel (Izrailov) and Mr. Suega (Muai), our beloved yard waste and garbage collectors, respectively. We cannot take the time to put coats on or swallow breakfast for fear of missing their drive-by. It matters not that they actually pick up the containers, but only that they wave at Ben with a smile, because at that moment, all is good and the world is as it should be... at least in our home.

One morning several months ago, Mr. Suega surprised and delighted Ben (and Ben's parents!) when he presented him with a die-cast replica of the Waste Management truck. Oh, joy of joys! A real-live truck just like Mr. Suega's! Wow! I can't wait to call Grandma! I can't wait to show my friends! How completely unexpected and wonderful of Mr. Suega to think of Ben and to take the time to make his day - his week - his month so fun! Over the months of our exciting Thursday morning ritualistic race outside to greet the green trucks and their drivers, Ben has developed a profound admiration and respect for Mr. Suega and Mr. Daniel and the work they do, and for the kind and thoughtful people they

"One morning several months ago, Mr. Suega surprised and delighted Ben (and Ben's parents!) when he presented him with a die-cast replica of the Waste Management truck. Oh, joy of joys! A real-live truck just like Mr. Suega's! Wow! I can't wait to call Grandma! I can't wait to show my friends! How completely unexpected and wonderful of Mr. Suega to think of Ben and to take the time to make his day - his week - his month so fun! Over the months of our exciting Thursday morning ritualistic race outside to greet the green trucks and their drivers, Ben has developed a profound admiration and respect for Mr. Suega and Mr. Daniel and the work they do, and for the kind and thoughtful people they are. We are grateful for the example they set for Ben and for the smiles they put on Ben's face each week, and we want to commend and recognize them for this, as well as for the excellent jobs they do for Waste Management. Congratulations to you on the outstanding employees you have in Suega Muai and Daniel Izrailov. We will continue to await their arrival Thursday mornings with great anticipation."

Media Outreach

Over the past year we have had great successes with positive earned media hits throughout the Puget Sound. Here are some examples of our major news stories in 2008.

- February 2008: Earth Friendly Valentines w/ Rita Smith, WM Public Education Manager – Coverage on KOMO 4 News
- April 2008: Waste Watch Training Coverage on KOMO, FOX and KING
- September 2008: Federal Way garbage haulers collecting food bank donations, article in The Seattle Times
- November 2008: How to have a Green Thanksgiving on KOMO News

In Federal Way, a Waste Management Driver collecting food donations for the South King County Multi Service Center.

A student at Dunlap Elementary in Seattle, displays her Valentine created out of everyday garbage and recyclables!

In addition to pitching stories to regional media outlets, Waste Management has built relationships with many smaller community newspapers. These community papers offer great opportunities for Waste Management to offer guest columns that relate directly and are relevant to specific community issues surrounding waste and recycling.

Please refer to the Green Newsroom link on our website, www.wmnorthwest.com for copies of press releases, alerts and coverage Waste Management received in the Puget Sound throughout 2008.

Green tips for Thanksgiving

Thanksgiving is just around the corner and even though we all do a great job of gobbling up our holiday meals, we often find ourselves with a refrigerator full of leftover food.

A leftover turkey and cranberry sandwich may taste good the day after Thanksgiving, but how about the third or fourth day in a row? At that point, most leftovers go into the trash.

The Environmental Protection Agency estimates household waste increases by more than 25 percent during the holiday season. Much of that is food waste.

This year in the City of Redmond, all of that food waste can go into your yard waste

MY TURN

Katie Salinas

From spinach stems to the turkey carcass, all of your food scraps can be turned into compost.

1 Look for organic, local

a family of four, get an eight or ten pound bird instead.

3 Set an environmentally friendly table. Use cloth napkins and reusable dishes, utensils and glasses.

4 Be creative and save money. Make your own holiday centerpieces and wreaths out of items you find in your backyard.

5 Save those potato peels, spinach stems and carrot tops and put them in your yard waste bin. Seafood shells from oysters, clams and crabs can go in too. Even the bones and the leftover turkey carcass can be tossed in with the leaves and branches from your yard. These food scraps will be turned into com-

Advertising

Waste Management was a proud sponsor of the 2008 Puget Sound Business Green Report. The PSBJ Green Reports consisted of quarterly issues that were dedicated to promoting important environmental and business issues. We chose to focus the WM advertising campaign on green issues that our everyday customers can relate to – like how to recycle a fluorescent bulb.

Advertisements are about much more than just brand promotion at Waste Management. Our ads also serve as a mechanism for educating our customers on the environmental significance of recycling, composting and other waste related issues and motivating them to take action.

Nearly all Waste Management residential customers in the Puget Sound can now add food and food-soiled paper into their yard waste cart. In an effort to promote food composting, we have created ads that help customer visualize the impact that their participation can make.

We have published a number of ads directing customers to www.ThinkGreenFromHome.com. WM now offers cost-effective and convenient mail-back programs for fluorescent bulb and battery recycling.

Waste Management Annual Report 2008
Public Education Summary

In 2008, Rita Smith, Public Education Manager and Katie Salinas, Communications Manager, collaborated on the task of updating the Waste Management "look" and streamlining our public education design templates. While updating the public education documents we emphasized the following:

- **Photos & Graphics** – We deemphasized long lists of items accepted in recycling, yard waste and garbage by focusing on photos of items that can be placed in each bin. The photos are not only visually appealing, but they also cross language barriers.
- **Full-Color** - Our new public education documents are printed in full color whenever possible.
- **Waste Reduction Tips** – We've added waste reduction tips to our user guidelines and recycling posters.

In 2008 we created the updated the following public education documents:

- **Commercial Recycling Guidelines and Posters** – Our new Business Recycling Guidelines (see example above) we made available to all of our Puget Sound Cities and Counties in 2008. Guidelines are available in both 8.5'' by 11'' and 11'' by 14''.
- **Container Decals** – We've created new container decals for both residential and commercial containers (see example). These decals will become our standard for all replacement and new containers delivered in 2009.

- **Residential Collection Guidelines** – We've updated collection guidelines that are distributed to all new residential customers. These guidelines include everything that a new residential customer needs to know - like what can go in each cart, frequently asked questions, weather policies and procedures, billing and customer service contact information and waste reduction tips.
- **Business Collection Guidelines** - Our business collection guideline is a five panel document that encourages commercial recycling and composting, provides information on how to dispose of special items like fluorescents, batteries and electronics and provides customers with all necessary information regarding service requests, billing, weather delays, holiday schedules and construction and demolition debris services.

Waste Management Annual Report 2008
Community Relations Summary

Waste Management of Sno-King believes that the success of our business is inherently linked to the communities we serve. Whether it is supporting the Arts, the environment or community events, Waste Management continually strives to foster relationships that positively impact the residents of Kirkland. Events or organizations that WM of Sno-King has contributed or participated in throughout 2008 include:

- Junior Softball World Series
- Kirkland Chamber of Commerce
- Kirkland Wednesday Market
- Juanita Beach Park Friday Market
- Bridle Trails Event
- Kirkland Uncorked Event
- Employee Events
- Kirkland 4th of July
- Sustainable September
- Market Harvest Grape Stomp Event
- Kirkland Triathlon

Above: 2008 Junior Softball World Series Champions
Left: Kirkland Wednesday Farmer Market
Both events sponsored by Waste Management

In addition, we've added community relations staff that are available to make environmental education presentations, assist organizations in planning green community events or staff Waste Management educational booths. We look forward to continuing to be an active partner in the Kirkland community.

Waste Management Public Sector Intern, Aaron Semer, teaches a group of students how paper is recycled at the Watershed Festival.

Waste Management Annual Report 2008
Safety, Staffing and Customer Surveys

In 2008 Waste Management SnoKing worked to improve safety throughout the year.

- All new WM drivers participated in four days of classroom training
- New hires had on the job training for a minimum of three weeks depending on capabilities and progress
- All employees went through a re-certification of safety training via two full day training classes
- Each employee is observed and documented for safe practices in the field at least once per month by management
- All employees attended weekly safety meetings to discuss various safety topics
- Employees receive annual training on OSHA required topics

2008 Staffing

- Waste Management SnoKing employs 101 drivers
- 17 were hired in 2008
- 63 drivers have been with WM SnoKing for 5 plus years
- 21 employees have been employed at SnoKing for 1 to 5 years

Customer Surveys J.D. Powers 2008

- Total number of survey's for 2008 = 1,229
    - Engagement YTD = 28.1%
    - Recovery YTD = 3.9
    - Overall experience = 7.7

- Total number of Commercial survey's for 2008 = 75
    - Engagement YTD = 25.3%
    - Recovery YTD = 3.7
    - Overall experience = 6.8

- Total number of Residential survey's for 2008 = 1,140
    - Engagement YTD = 28.6%
    - Recovery YTD = 3.8
    - Overall experience = 3.9

- Total number of Industrial survey's for 2008 = 14
    - Engagement YTD = 28.6%
    - Recovery YTD = 1.0
    - Overall experience = 7.7

Positive J.D Power comments

"Our driver is always very friendly & careful about returning our cans back closed and out of the way of traffic. Great job!"

"Yard waste bin was stolen from property - Waste Management handled issued promptly and service was never interrupted. Keep up the good work!"

“We have been very satisfied with WM. The lid to our trash receptacle was ripped to shreds (literally) by raccoons so there was virtually no lid left. One day, I came home and WM was removing the old one and giving us a new one. It was wonderful. I loved that they saw a problem and took care of it for us. “

“Waste Management provides a needed service in a professional manner… thanks for the good service at a reasonable price.”

“Waste Management is doing an outstanding job for my needs.”

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

MEMORANDUM

To: David Ramsay, City Manager

From: Michael Olson, Deputy Director of Finance and Administration

Date: April 23, 2009

Subject: Certificate of Achievement for Excellence in Financial Reporting

At the May 5, 2009 Council Meeting, we would like the Mayor to present the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award to the City of Kirkland Accounting Staff led by the Accounting Manager Teresa Levine. The award is for the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2007. Attachment A contains a brief description of the award which the City has received since 2004.

Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

12/17/2008
NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **City of Kirkland** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Department of Finance and Administration, City of Kirkland

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,000 government finance professionals with offices in Chicago, IL, and Washington, D.C.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Kathi Anderson, City Clerk

Date: April 22, 2009

Subject: Voting Delegates - Association of Washington Cities Annual Conference and Business Meeting
June 23-26, 2009
Spokane Convention Center
Spokane, WA

RECOMMENDATION

City Council designates three voting delegates to represent the City of Kirkland at the Association of Washington Cities (AWC) Annual Business Meeting.

POLICY IMPLICATIONS

The City of Kirkland is eligible to designate three voting delegates. The delegate or proxy must be present at the meeting to cast a vote. The recommended action is consistent with Council practice.

BACKGROUND DISCUSSION

The AWC annual business meeting will be held Friday, June 26, 2009, 10:30 a.m. - Noon, at the Spokane Convention Center in Spokane, WA. Should the City Council wish to participate in the meeting, the voting delegates will need to be designated and their names must be filed with the AWC.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Erin J. Leonhart, Intergovernmental Relations Manager

Date: April 27, 2009

Subject: 2009 LEGISLATIVE UPDATE 8 – MAY 5, 2009

As of the May 5 Council meeting, the 2009 Legislative Session is scheduled to be over. This is an update on the City's interests as of April 27, when bills that made it out of the Legislature will be under review by the Governor. A matrix with the current status of topics on the legislative agenda will be available at the Council meeting.

COUNCIL LEGISLATIVE COMMITTEE 4/20

The Council Legislative Committee met with Mike Ryherd on April 20th to discuss the status of bills and the State budget. The Legislative Session is due to adjourn on Sunday, April 26th. The primary topics of conversation were:

- Annexation (ESSB5321) – This bill, as amended in the House, extends the annexation sales & use tax credit to 2015 and includes a grandfather clause for card rooms. It is on the concurrence calendar. Action: Mike will watch.
- Local Revenue Options (2SSB5433) – This bill is focused on eliminating the anti-supplanting language for the public safety sales and use tax and the multi-year lid lift. The bill that passed out of the House did not include annexation penalties but did have additional tax options. It is on the concurrence calendar.
- 520 Tolling (ESHB2211) – This bill, as amended on the House floor, provides for tolling on SR-520, creates a Governor/Legislator workgroup to determine funding and design options, and limits the total project costs to $4.65 billion. Passed out of the House on Friday and was scheduled for public hearing in the Senate on Monday at 8am. Action: None recommended.
- Capital Budgets – Senate version has not moved, Senate Capital Budget staff has been informed of the JDF grant reappropriation/redesignation and Mike has talked to Senator Oemig. Action: Mike will watch and call if concerned.

Council Legislative Committee Schedule – If issues needing Kirkland response arise during this final week, Mike Ryherd will call Erin, who will notify the Committee or the City Council on Tuesday. When the Legislature adjourns on Sunday, Mike will not have enough time to provide an accurate update on Monday at 7:30am. As a result, the last Council Legislative Committee meeting will be rescheduled for later in the week. Action: Erin to reschedule meeting from April 27.

ANNEXATION & KING COUNTY BUDGET ISSUES

Substitute Senate Bill 5321, relating to extending a local sales and use tax for annexation has multiple sponsors, including Senator Tom. This bill passed the Legislature and was forwarded to the Governor for action. The bill passed by the Legislature includes:

- Defines "commence annexation" as the initiation of annexation proceedings under the direct petition method or the election method under chapter 35.13 or 35A.14 RCW.
- A city or town with a prohibition or limitation on house-banked social card game licenses that annexes an area that is within a county that permits house-banked social card games may allow a house-banked social card game business that existed on the effective date of the act to continue operating...A city or town that allows a house-banked social card game business in an

annexed area to continue operating is not required to allow additional house-banked social card game businesses.

- The maximum rate of tax imposed is 0.85 percent for an annexed area in which the population is greater than 10,000 (except for an area with a population of 4,000 annexed by the City of Bellevue) and the area is annexed by the City of Seattle. The maximum cumulative rate of tax other cities may impose under subsection of this section is 0.2 percent for the total number of annexed areas the city may annex. Unless the city commenced annexation of any area prior to January 1, 2010, the maximum cumulative rate of tax a city may impose is 0.3 percent, beginning July 1, 2011.
- The maximum cumulative rate of tax a city may impose is 0.85 percent for the single annexed area the city may annex and the amount of tax distributed to a city shall not exceed $5 million per fiscal year.

Second Substitute Senate Bill 5433 eliminates anti-supplanting language for county public safety sales and use tax and the multi-year lid lift and allows revenue from the public safety sales and use tax to be used for the additional purpose of fire protection. This bill passed the Legislature and was forwarded to the Governor for action. The bill passed by the Legislature no longer includes annexation language but does include:

- Limits the ferry district property tax rate in King County to 7.5 cents per thousand dollars of assessed value (currently, not to exceed 75 cents per thousand);
- Authorizes public transportation systems, including public transportation benefit areas, unincorporated public transportation benefit areas, metropolitan municipal corporations, city-owned transits, county transportation authorities, and regional transit authorities, to seek voter approval of an annual congestion reduction tax of up to $20 on vehicles registered within the benefit area;
- Allows counties to use the county public safety sales and use tax to partially supplant existing funds until 1/1/2015;
- Allows counties to use the mental health/chemical dependency sales and use tax to partially supplant existing funds until 1/1/2015;
- Allows multiyear lid lifts to supplant existing funds (in King County, this is allowed only for lid lifts approved in 2009, 2010, and 2011); and
- King County is authorized to impose additional property tax at a rate not to exceed 7.5 cents per $1,000 of assessed value. The first 1 cent is dedicated to expanding transit capacity along state route 520. The remainder of money is dedicated to transit-oriented expenditures.

EMINENT DOMAIN

Substitute House Bill 1332 would grant authority of a watershed management partnership (Cascade Water Alliance) to exercise powers of its forming governments, including eminent domain. The bill passed the Legislature and was forwarded to the Governor for action. The final bill included the following restrictions to eminent domain:

- Watershed partnership must provide notice to the city, town, or county with jurisdiction over the subject property by certified mail thirty days prior to the partnership board authorizing condemnation; and
- With any city that is not a member of the watershed management partnership and that has water or sewer service areas within one-half mile of Lake Tapps or water or sewer service areas within five miles upstream from Lake Tapps along the White river, enter into an interlocal agreement to allow eminent domain within that city prior to exercising eminent domain authority under this section.

INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

Second Substitute Senate Bill 5045 provides that local governments may finance public improvements using local revitalization financing. Local revitalization financing is the use of bond financing to pay for public improvements within a designated area and the use of increased local property tax revenues and increased sales and use tax revenues from within that locally defined area to pay off the bonds. Permissible public improvements are expanded beyond those allowed for Community Revitalization

Financing to include bridges, rail, landscaping, environmental remediation, and utility infrastructures. The bill passed the Legislature and was forwarded to the Governor for action.

NON-MOTORIZED TRANSPORTATION

Substitute House Bill 1793 addresses alternative student transportation. The bill that passed the Legislature places the Washington State Department of Transportation (WSDOT) Safe Routes to Schools Program (Program) in statute. The bill passed the Legislature and was forwarded to the Governor for action.

TOLLING/ROADWAY PRICING

Substitute House Bill 2211 addresses the authorization, administration, collection, and enforcement of tolls on the State Route 520 corridor. This bill passed the Legislature and was forwarded to the Governor for action. The bill that passed the Legislature includes:

- The initial imposition of tolls on the state route number 520 corridor is authorized, the state route number 520 corridor is designated an eligible toll facility;
- The state route number 520 corridor consists of that portion of state route number 520 between the junctions of Interstate 5 and state route number 202. The toll imposed by this section shall be charged only for travel on the floating bridge portion of the state route number 520 corridor.
- In setting the toll rates for the corridor, the tolling authority shall set a variable schedule of toll rates to maintain travel time, speed, and reliability on the corridor and generate necessary revenue for sufficient to pay for the replacement of the floating bridge segment and necessary landings of SR-520;
- Creates the SR-520 work group consisting of the following members:
    - The legislators from the 43rd and 48th legislative districts;
    - The secretary of transportation;
    - Two legislators from each of the 46th and 45th legislative districts as jointly determined by the Speaker of the House and the President of the Senate;
    - The chairs of the transportation committees of the legislature, who may each appoint one additional legislator from the joint transportation committee representing a legislative district outside of the SR-520 corridor; and
    - The member of the transportation commission representing King County.
- The work group must review and recommend a financing strategy, in conjunction with the WSDOT, to fund the projects in the SR-520 corridor that reflects the design options that provide for a full project, including projects in the corridor for which the department applies for federal stimulus funds provided in the American recovery and reinvestment act of 2009, that meets the needs of the region's transportation system while providing appropriate mitigation for the neighborhood and communities in the area directly impacted by the project; that does not exceed $4.65 billion.

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

MEMORANDUM

To: Dave Ramsay, City Manager

From: Kari Page, Neighborhood Services Coordinator

Date: April 23, 2009

Subject: City Council Meeting with the Market Neighborhood

RECOMMENDATION:

City Council finalizes the Highlands Neighborhood meeting date with the City Council this fall and assign topic areas for the upcoming meeting with the Market Neighborhood.

BACKGROUND:

Highlands Meeting Date: The City Council traditionally holds meetings with the neighborhoods on the neighborhood association's regularly scheduled meeting nights to help promote neighborhood involvement by using consistent meeting dates. Occasionally these dates do not work for all Council members. At the March 3, 2009 Council meeting, Council asked staff to find another date as there was a conflict with Highland's regularly scheduled meeting date (Thursday, November 19). Since then, the Highlands Neighborhood decided to move their regular meetings to the third Wednesdays rather than Thursdays. Instead of November 19th, their regularly scheduled meeting will now be Wednesday, November 18, 2009. Council is being asked to approve November 18th as the Highlands Neighborhood Meeting with the City Council.

Market Neighborhood Topic Areas: The Council will meet with the Market Neighborhood on Wednesday, May 20, 2009. The meeting will begin at 7:00 p.m. at Heritage Hall (203 Market Street). To reduce costs and minimize paperwork, post cards (instead of letters with mail back request cards) have been mailed to residents with instructions to go online to submit their question in advance. A phone number was also provided for those who prefer not to submit their requests online. The meeting format will continue to be structured the same, unless instructed by Council to change.

Potential topic areas suggested by the Market Neighborhood Board include:

1. **Annexation:** What has changed to change our minds? What is in it for us? Why should we? Is it a good business decision?

2. **Downtown and business**: What is the status of current redevelopments? Why are so many stores closing and what is the City doing to help? Why did the City change the downtown parking regulations? Will it help Kirkland businesses? What is Kirkland

First (buy Kirkland) doing to help Kirkland businesses? What is the City doing to help? What zoning changes were made in downtown Kirkland? How have these changes affected property sales in downtown?

3. **Crime:** Are crime statistics going up? Why are we reading more and more about crime in Kirkland? Are we understaffed in the Police Department? What is being done to address public safety in Peter Kirk and Heritage Parks?

4. **Budget:** What is the City Council doing to be good stewards of public finances? Is the Council discussing a possible tax increase? How is the City tightening its belt? How many positions have been eliminated?

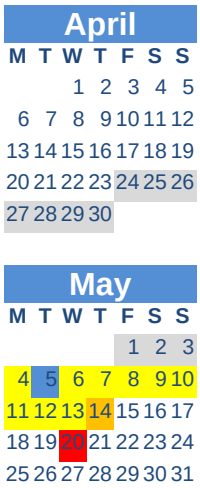
5. **Kirkland Vision:** How do we bring the neighborhood associations and businesses together? How is the City Council addressing the disconnect between neighborhoods and businesses? How can we achieve better cooperation and a shared vision of the future?

Council has been inviting three questions after each Council presentation/topic to break up the "lecture style" format and involve the audience more. Time is reserved at the end for the remaining questions and answers. The proposed agenda follows this same format.

7:00-7:05 p.m. I. Greeting and Introduction - Mayor James Lauinger
7:05-7:10 p.m. II. Comments from the Neighborhood Association Chair Penny Sweet
7:10-8:15 p.m. III. Comments, Questions and Discussion – Neighborhood and City Council
A. Budget Update – Mayor James Lauinger
B. Key Issues Update – City Councilmembers
8:15-8:45 p.m. C. General Discussion and Questions from Audience
8:45 p.m. IV. Adjourn

The schedule below outlines the timeline for receiving the questions and answers in advance of the meeting. If you have any suggestions or changes to this schedule, please let us know.

	Task	Moss Bay
	Council Meeting (assign topics)	May 5
	Residents receive mailing	April 24
	Directors answer questions	May 4
	City Council receives questions and answers	May 14
	Meeting date	May 20



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
April 21, 2009

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:
Members Present: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.
Members Absent: Councilmember Bob Sternoff.

Councilmember Sternoff's absence was excused as he was out of town.

3. STUDY SESSION

a. Joint Meeting with Park Board

Joining councilmembers for this discussion in addition to City Manager Dave Ramsay were Director of Parks and Community Services Jennifer Schroder and Park Board members Jennifer Davies, Robert Kamuda, John Smiley, Adam White and Chair Colleen Cullen.

4. EXECUTIVE SESSION

a. To Review the Performance of a Public Employee

5. SPECIAL PRESENTATIONS

a. Michael Cogle, Park Planning and Development Manager - Twenty-Five Year Recognition

b. Child Abuse Prevention Month Proclamation

Accepting the proclamation were Children's Response Center Board Members Rebecca Reed and Deborah Feldman.

c. Juanita Neighborhoods Banner Project

Past Juanita Neighborhood Association Chair Norm Storme reviewed the project process and plan.

d. Opening Day of the Kirkland Wednesday Market - Jodi Bardinelli, Director

6. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding Fire Chief Jeff Blake's retirement; Annual NorKirk Garage Sale; Sound Transit Board meeting and eastside route options; Eastside Transportation Partnership meeting presentation by Puget Sound Regional Council member Michael Cummings on Transportation 2040; and Deputy Mayor McBride's recent appointment as the new Vice Chair of King County Flood Control District.

b. City Manager

(1) City Council 2009 Retreat Follow-up

(2) 2009 Legislative Update 7

(3) Calendar Update

7. COMMUNICATIONS

a. Items from the Audience

Blair Jordan, 11410 NE106th Lane, Kirkland, WA
Jodi Bardinelli, 11134 NE 97th Street, Kirkland, WA
Les Utley, 211 Kirkland Avenue, Kirkland, WA
Ryan Noel, 11215 NE 124th Street, Kirkland, WA
Colleen Cullen, 12217 NE 82nd Lane, Kirkland, WA
Brad Malloy, 10020 131st Place NE, Kirkland, WA
Sheri Sanders, 17739 NE 101st Court, Redmond, WA
Adel Benslimare, 9935 NE 144th Lane, #1006, Bothell, WA

b. Petitions

None.

8. CONSENT CALENDAR

a. Approval of Minutes:

(1) April 6, 2009

(2) April 7, 2009

b. Audit of Accounts:
Payroll $ 2,150,570.96
Bills $ 700,073.69
run # 819 check #'s 507728 - 507918
run # 820 check #'s 507920 - 508050

c. General Correspondence

(1) Proposed Citizen Response Letter Regarding Annexation

d. Claims

None.

e. Award of Bids

None.

f. Acceptance of Public Improvements and Establishing Lien Period

None.

g. Approval of Agreements

None.

h. Other Items of Business

(1) Ordinance No. 4192, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO RESTRICTING ACCESS BY BOATS AND SWIMMERS TO THE JUANITA BAY WILDLIFE HABITAT AREA."

(2) Resolution R-4757, entitled "A RESOLUTION OF THE CITY COUNCIL NOTICING THE HEARING TO CONSIDER A REQUEST FOR THE EXTENSION OF THE LEASE AGREEMENT BETWEEN THE CITY OF KIRKLAND AND HOPELINK FOR THE SOUTH ROSE HILL WATER DISTRICT BUILDING."

(3) Correspondence to Washington Congressional Delegation Supporting the Federal Alpine Lakes Wilderness Bill

(4) Report on Procurement Activities

Motion to Approve the Consent Calendar with edits to the draft response letter for item 8.c.(1). as directed.
Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride
Vote: Motion carried 6-0
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

Council recessed for a short break.

9. PUBLIC HEARINGS

None.

10. UNFINISHED BUSINESS

a. Lodging Tax Advisory Committee Recommendation on Kirkland Uncorked

Special Project Coordinator Sheila Cloney and Economic Development Manager Ellen Miller-Wolfe responded to Council questions and comment and received Council general support for the 2009 festival as planned.

b. Climate Protection Action Plan Draft

Intergovernmental Relations Manager Erin Leonhart, Management Analyst Vandana Ingram-Lock and Internal Services Manager Donna Burris presented the draft plan and received Council feedback and direction for next steps.

c. Ordinance No. 4193, Fast Track Zoning Code and Kirkland Municipal Code Amendments

Development Review Manager Nancy Cox reviewed the proposed amendments and responded to Council questions and comment.

Motion to Approve Ordinance No. 4193 and it's Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE; ADOPTING MINOR AMENDMENTS PURSUANT TO CHAPTER 161 KZC; AMENDING PORTIONS OF THE FOLLOWING CHAPTERS OF ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE: CHAPTER 1 - USER GUIDE; CHAPTER 5 - DEFINITIONS; CHAPTER 17 - RSX ZONES; CHAPTER 20 - RM ZONES; CHAPTER 45 - BC ZONES; CHAPTER 47 - BCX ZONES; CHAPTER 48 - LIT ZONES; CHAPTER 49 - PARK ZONE; CHAPTER 95 -

TREE MANAGEMENT AND REQUIRED LANDSCAPING; CHAPTER 100 - SIGNS; CHAPTER 115 - MISCELLANEOUS STANDARDS; CHAPTER 117 - PERSONAL WIRELESS FACILITIES; CHAPTER 142 - DESIGN REVIEW; CHAPTER 127 - TEMPORARY USE; CHAPTER 145 - PROCESS I; CHAPTER 150 - PROCESS IIA; CHAPTER 152 - PROCESS IIB; CHAPTER 155 - PROCESS III; CHAPTER 160 - PROCESS IV; CHAPTER 161 - PROCESS IVA; CHAPTER 162 - NONCONFORMANCE; CHAPTER 175 - BONDS; AMENDING PORTIONS OF THE FOLLOWING TITLE OF THE MUNICIPAL CODE: TITLE 24.02 SEPA PROCEDURES AND POLICIES; AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON09-00002."
Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride
Vote: Motion carried 6-0
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

d. Resolution R-4758, Adopting the Board and Commission Appointment and Reappointment Policy

Motion to Approve Resolution R-4758, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE BOARD AND COMMISSION APPOINTMENT AND REAPPOINTMENT POLICY" as amended.
Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride
Vote: Motion carried 4-2
Yes: Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, and Councilmember Tom Hodgson.
No: Mayor Jim Lauinger, and Councilmember Jessica Greenway.

Motion to Amend Resolution R-4758 by replacing the proposed term "household members" with the term "domestic partners" in the Board and Commission Appointment Policy under the heading "Eligibility."
Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride
Vote: Motion carried 5-1
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, and Councilmember Tom Hodgson.
No: Councilmember Jessica Greenway.

e. Downtown Zoning Remaining Issues

this item was postponed to a future meeting.

f. Reconsideration of Ordinance No. 4190

This item was added to the agenda.

Motion to reconsider Ordinance No. 4190.
Moved by Councilmember Jessica Greenway, seconded by Councilmember Dave Asher
Vote: Motion carried 6-0
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

Motion to Approve Ordinance 4190 as amended.
Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride
Vote: Motion failed 1 - 5
Yes: Councilmember Mary-Alyce Burleigh.
No: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

Motion to Approve Ordinance No. 4190, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO LIMITATIONS ON CONTRIBUTIONS FOR CITY COUNCIL CAMPAIGNS AND CREATING A NEW CHAPTER OF 3.12 OF THE KIRKLAND MUNICIPAL CODE" as originally presented.
Moved by Councilmember Jessica Greenway, seconded by Councilmember Dave Asher
Vote: Motion carried 4-2
Yes: Mayor Jim Lauinger, Councilmember Dave Asher, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.
No: Deputy Mayor Joan McBride, and Councilmember Mary-Alyce Burleigh.

11. NEW BUSINESS

a. Authorizing Call for Bids for Everest Park Grandstands

Motion to authorize the Call for Bids for Everest Park Grandstands as recommended by Park Board and staff.
Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway
Vote: Motion carried 6-0
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica

Greenway, and Councilmember Tom Hodgson.

b. 2009 Private Amendment Requests - Plaza at Yarrow Bay ZON07-00018, and Bridle Trails Shopping Center/Tech City Bowl ZON09-00004

Motion to Support the Planning Commission recommendation for two 2009 Private Amendment Requests - Plaza at Yarrow Bay ZON07-00018, and Bridle Trails Shopping Center/Tech City Bowl ZON09-00004.
Moved by Councilmember Dave Asher, seconded by Deputy Mayor Joan McBride
Vote: Motion carried 6-0
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

c. Aubry Short Plat

This item was added to the agenda. Following a short discussion Council requested a briefing on this issue at their May 5, 2009 regular meeting.

d. Contract for Legal Services

Motion to authorize a $10,105. expenditure limit from Council contingency funds in payment of legal expenses to the Kenyon Disend law firm for the services of attorney Bob Sterbank in reviewing the Bank of America appeal process.
Moved by Councilmember Dave Asher, seconded by Councilmember Jessica Greenway
Vote: Motion carried 6-0
Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

12. ANNOUNCEMENTS

None.

13. ADJOURNMENT

The Kirkland City Council regular meeting of April 21, 2009 was adjourned at 11:05 p.m.

City Clerk Mayor

City of Kirkland
Department of Planning & Community Development
123 Fifth Avenue
Kirkland, WA 98033
(425) 587-3225 www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Eric Shields, AICP, Planning Director
Jon Regala, Senior Planner

Date: April 23, 2009

Subject: Response to Correspondence from Elizabeth Stockard Concerning Signage at Carlton Inn Located at 12233 Totem Lake Way

RECOMMENDATION
City Council approve the attached response letter to Elizabeth Stockard regarding signage at the Carlton Inn located near Totem Lake Mall.

BACKGROUND
The City Council received a letter from Ms. Stockard requesting that the City allow the Carlton Inn to install a larger and more prominent sign to increase visibility of the Inn. While the property does have an existing sign plan which allows for larger signs and the Zoning Code has additional provisions for off-site directional signs if certain criteria are met, the City has not received a request from the property owner for changes to the existing sign plan or for off-site directional signs.

April 7, 2009

To: Kirkland City Council,
Kirkland, Wa 98034

As residents of Kirkland and the near by area, we respectfully request that the City allow the Carlton Inn to provide a larger and more prominent sign for the Carlton Inn of 12233 Totem Lake Way. The current sign is small (approximately 24"x8") and highly placed. At a recent large gathering of 40+ people at my home and the Carlton Inn, some out of town guests from Montana, Idaho & Oregon were unable to to locate this property due to poor directional signs. These were people who will return to this area and help with our local economy.

Your consideration of this matter will be appreciated by many local residents as well.

Thank you,

Elizabeth J Stockard
Chadwick Farms
8362 NE 140th ST
Bothell, Wa 98011
and Denise Cruz - Kirkland

RECEIVED
APR 13 2009
CITY OF KIRKLAND
CITY MANAGER'S OFFICE

D R A F T

May 5, 2009

Elizabeth Stockard
8362 NE 140th Street
Bothell, WA 98011

RE: CARLTON INN SIGNAGE AT 12233 TOTEM LAKE WAY

Dear Ms. Stockard:

Thank you for your letter about signage at the Carlton Inn. Your concern about visibility of the Inn is also shared by the property owner. According to the Planning Department, the owner has asked over the years about his options for increasing visibility for his hotel. However, the City has not received an application for changes to the signage at the Inn.

In August 1991, the City approved a Master Sign Plan package which allows the current owner a substantial increase in sign area over what the code normally allows. Approval of the larger signs was due to the reasons stated in your letter. The signs approved were: *Wall Sign A* – 3′ x 24.5′ (73.5 square feet), *Wall Sign B* – 4′ x 33′ (132 square feet), and *Ground Sign* – 8.1′ x 7.5′ with maximum height of 20′ (60.75 square feet).

Several options do exist for increased visibility at the Carlton Inn and the City is willing to work with property owner in finding a solution to this problem. It is possible under a Master Sign Plan to relocate or resize the signs (as long as the total sign area is not increased) to maximize visibility of the Carlton Inn. The property owner may also apply for an off-site directional sign. Such a sign may be approved by the Planning Director only if there is a demonstrated need for an off-site sign because of poor visibility or traffic patterns.

If you have further questions, feel free to contact Jon Regala, Associate Planner, Planning & Community Development Department at jregala@ci.kirkland.wa.us or at (425) 587-3255. He has been the planner in recent years who has assisted the property owner on a wide range of planning issues regarding his property.

Sincerely,

Kirkland City Council

By: James L. Lauinger, Mayor

cc: Jon Regala, Senior Planner

Council Meeting: 05/05/2009
Agenda: Claims
Item #: 8. d.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Kathi Anderson, City Clerk

Date: April 23, 2009

Subject: CLAIM(S) FOR DAMAGES

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

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

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

(1) Saad Z. Ghoraishi
14604 SE 42nd Street
Bellevue, WA 98004

Amount: $1913.54

Nature of Claim: Claimant states damage to vehicle resulted from driving into an unmarked hole in a road construction area.

Council Meeting: 05/05/2009
Agenda: Other Business
Item #: 8. h. (1).

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Janice Soloff, AICP, Senior Planner
Desiree Goble, AICP, Planner

Date: April 22, 2009

Subject: **VICTORY GARDEN PROPOSAL AT CITY OWNED PROPERTY AND REQUEST FOR DONATION**

RECOMMENDATION

It is recommended that the City Council approve a donation of approximately $400 from the Parks & Community Services Department Human Services budget to provide water and allow temporary use of City property for a "victory garden" to benefit Hopelink.

BACKGROUND DISCUSSION

We request the City Council's approval to create a "victory garden" on the vacant city owned property known as the Carter property located south of City Hall at 120 Third Avenue. Historically "victory gardens" were common during WWII when people were encouraged to grow their own produce to supplement food rationing and thus, we thought the name "victory garden" is appropriate for the project (see enclosed article). Vegetables and fruits grown from the garden would be donated to Hopelink.

The project would be supported by donations for materials and volunteer labor from City employees and their friends and family. All work would be conducted outside of employee work hours. Flowers from the garden could be sold to defer the cost of materials. Understanding that the City may redevelop the property in the future, the garden will be constructed in a manner that is temporary and easily disassembled.

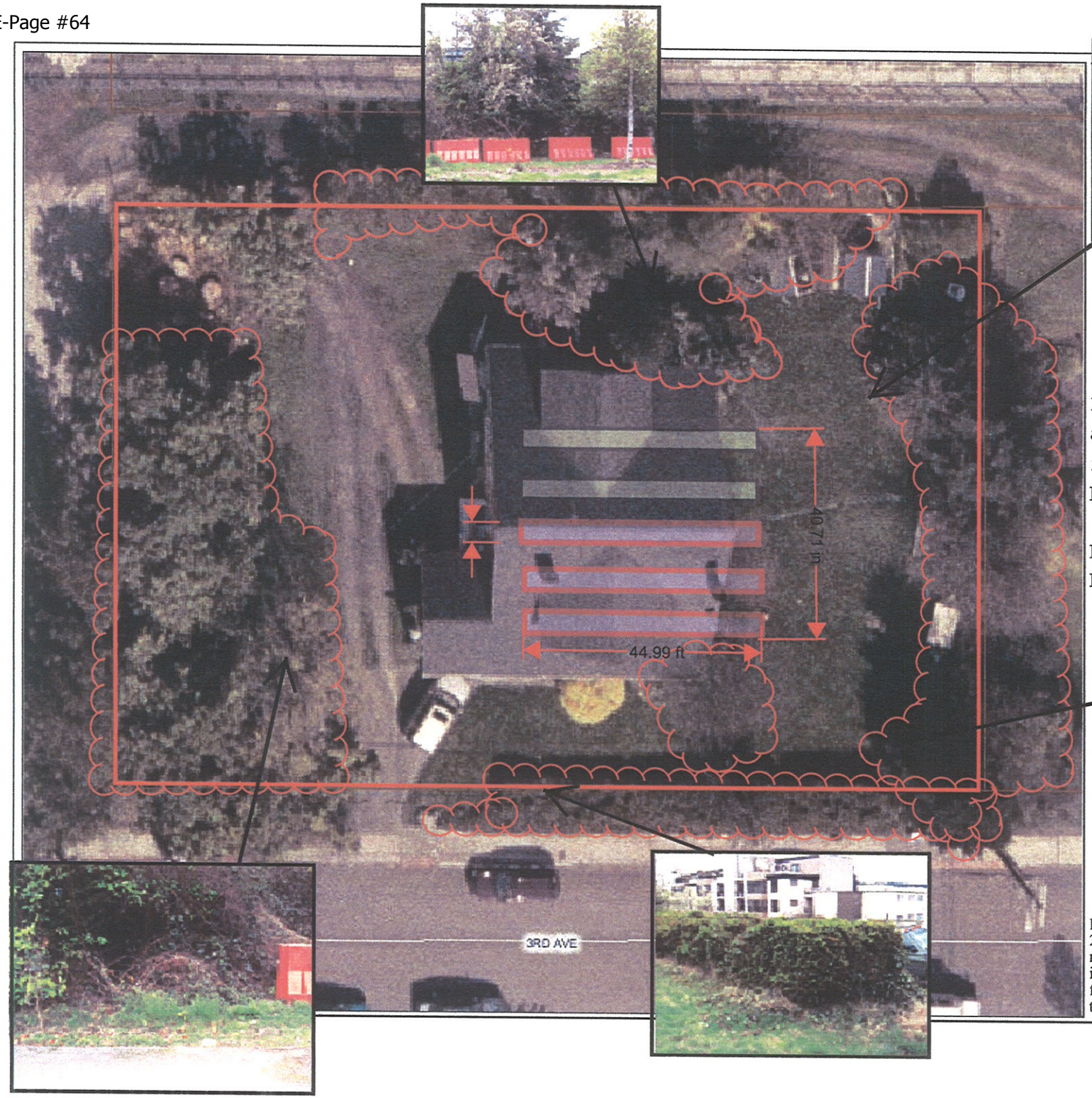
In exchange for use of the property we commit to cleaning up and maintaining the vegetation on the perimeter of the property such as pruning, removing blackberry vines and repairing the fence (no tree removal).

STEPS TO VICTORY
The City Manager's Office has reviewed the proposal for a victory garden. Once approved by Council, work to create the garden would begin as soon as possible in May. Listed below are the necessary steps to proceed with the garden.

1. Site Preparation
   a. Soil – after the Carter House was demolished, clean fill was delivered to the site to fill the remaining hole. To be certain the garden's soil is suitable, the soil mounds will be created with new topsoil.
   b. Water service – the water service was removed upon demolition of the house so the limited water service will need to be restored. We will contact Utility Billing to arrange for the irrigation meter. We will also arrange for installation of a yard hydrant.
2. Garden Design
   a. Enclosed is a preliminary site plan for the garden showing 3-4, 4' x 40' raised beds surrounded by wood chip paths. To speed up the process to meet the 2009 growing season, we propose a soil mound system rather than framed raised beds. If the project is successful framed beds could be added next year if the property remains vacant.
3. Hopelink & Water Donation
   a. The Parks & Community Services Department said that we would need to coordinate donations through Hopelink directly or provide the produce as part of the city wide food drive, due to launch in August. Carrie Hite suggested that we could sell the flowers at the Friday market at Juanita Beach's "backyard garden booth," which allows individual citizens with gardens to set up at the market and sell their harvest.
   b. The Parks & Community Services Department has offered to pay for water needed for this effort out of the Human Services budget, estimated at $200 for the meter and yard hydrant and $200 for water through the spring/summer months. The Washington Constitution allows donations by the government to aid the poor and infirm. As the water is being donated to grow food for the poor, this is an allowable donation. The City Attorney's Office recommended that the authorization to donate the water come from the City Council as a motion.
4. Volunteer Labor
   a. Anyone participating at the victory garden will be required to complete a release form (to be created by Human Resources) and an "On-going Volunteer Application" on the City's website: http://www.ci.kirkland.wa.us/depart/CMO/Volunteering.htm.
   b. At the City Attorney's suggestion we will install a sign informing people that all food harvested will be donated to Hopelink to anticipate inquiries or complaints from the public. We will also state on the sign that the work is being done by City employees on their own time, not City time, for the same reason.

We look forward to your response.

cc: Jennifer Schroder, Director or Parks & Community Services
Jason Filan, Parks Operation Manager
Marilynne Beard, Assistant City Manager
William Evans, Assistant City Attorney
Bill Kenny, Director of Human Resources



Proposed Bed

Future Bed

Photos are of specific areas of the site identified as needing basic clean-up (removal of ivy, black-berry vines, dead brush and limbs)

Approximate
Scale 1:300
1 in = 25 ft

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Proposed Site Plan

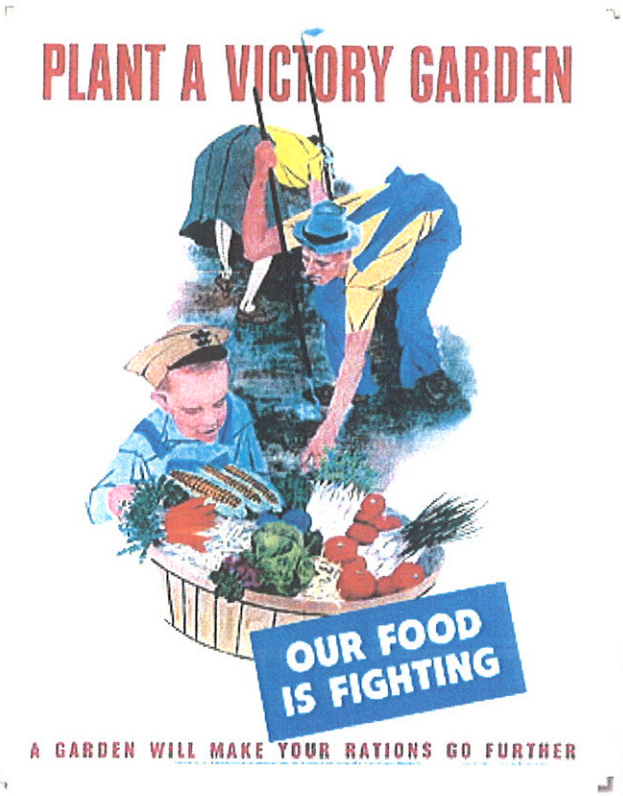
Victory Gardens

As part of the war effort, the government rationed foods like sugar, butter, milk, cheese, eggs, coffee, meat and canned goods. Labor and transportation shortages made it hard to harvest and move fruits and vegetables to market. So, the government turned to its citizens and encouraged them to plant "Victory Gardens." They wanted individuals to provide their own fruits and vegetables.

Urban residents also heeded the call. Buying Victory Garden seeds in New Jersey, c.1943. Newark NJ Public Library.

Nearly 20 million Americans answered the call. They planted gardens in backyards, empty lots and even city rooftops. Neighbors pooled their resources, planted different kinds of foods and formed cooperatives, all in the name of patriotism.

Farm families, of course, had been planting gardens and preserving produce for generations. Now, their urban cousins got into the act. All in the name of patriotism.



Magazines such as the *Saturday Evening Post* and *Life* printed stories about victory gardens, and women's magazines gave instructions on how to grow and preserve garden produce. Families were encouraged to can their own vegetables to save commercial canned goods for the troops. In 1943, families bought 315,000 pressure cookers (used in the process of canning), compared to 66,000 in 1942. The government and businesses urged people to make gardening a family and community effort.

The result of victory gardening? The US Department of Agriculture estimates that more than 20 million victory gardens were planted. Fruit and vegetables harvested in these home and community plots was estimated to be 9-10 million tons, an amount equal to all commercial production of fresh vegetables. So, the program made a difference.

Kelly Holthus remembers that it was hard to find fresh produce, and it was a way for individuals to do their part on the home front. "It was a great moral thing," he says. "And for young people like me, it was, you know, I could do my part. I was a part of the effort!" When World War II ended, so did the government promotion of victory gardens. Many people did not plant a garden in the spring of 1946, but agriculture had not yet geared up to full production for grocery stores, so the country experienced some food shortages. Written by Claudia Reinhardt, the Ganzel Group.

Council Meeting: 05/05/2009
Agenda: Other Business
Item #: 8. h. (2.)

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

MEMORANDUM

To: David Ramsay, City Manager

From: Tim Llewellyn, Fleet Supervisor
Daryl Grigsby, Public Works Director

Date: April 23, 2009

Subject: SURPLUS EQUIPMENT RENTAL VEHICLES/EQUIPMENT FOR SALE

RECOMMENDATION:

It is recommended that the City Council approve the surplusing of the Equipment Rental vehicles/equipment listed in this memo.

BACKGROUND DISCUSSION:

The surplusing of vehicles or equipment which have been replaced with new vehicles or equipment, or no longer meet the needs of the City, is consistent with the City's Equipment Rental Replacement Schedule Policy. The following equipment has been replaced by new equipment, and if approved, will be sold in accordance with purchasing guidelines at public auction or to other public agencies.

Fleet #	Year	Make	VIN/Serial Number	License #	Mileage
P06-10	2006	Ford Crown Victoria	2FAHP71W76X105256	40543D	75,239
PU-01	2001	Dodge 2500 Utility Truck	3B7KC26Z11M550436	32439D	59,942
PU-30	2000	Dodge 2500 Pick-Up	3B7KC26Z81M276779	30954D	63,849
SV-01	1999	GMC Grumman Step Van	1GDKP32R1X3500433	28049D	32,467

For clarification purposes, P06-10, is a Police patrol vehicle which achieved it expected useful life of 2.5 years. PU-01 and PU-30 are Public Works vehicles assigned to the Water Division at the Maintenance Center. PU-01 achieved its normal anticipated life of 8 years, while PU-30 was retained an additional 1 year beyond its normal anticipated life of 8 years. SV-01 is a step-van assigned to Public Works' Facilities Division. The step-van achieved its normal anticipated life of 10 years, and its replacement will be a smaller cargo van.

The City's Equipment Rental Replacement Schedule is used as a guideline for vehicle replacement and amortization of equipment. Fleet Management staff evaluates each vehicle and determines the actual replacement date according to vehicle condition. The vehicles will be sold at public auction.

Cc: Donna Burris, Internal Services Manager

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

MEMORANDUM

To: David Ramsay

From: Carrie Hite, Deputy Director
Jennifer Schroder, Director

Date: April 23, 2009

Subject: Public Hearing: Hopelink Lease Amendment

Recommendation: Council conduct a Public Hearing for consideration of the Hopelink Lease Amendment at the South Rose Hill Water District Building. This would extend the lease terms for six months, effective July 1, 2009-December 31, 2009. After the conclusion of the Public Hearing, it is recommended that Council adopt the resolution authorizing the City Manager to execute the Lease Amendment.

Background:
At the Council meeting on April 21st, Council adopted a resolution to conduct a Public Hearing on May 5th, 2009, to consider a lease extension for Hopelink at the South Rose Hill Water District Building.

As Council may recall, Hopelink entered into a temporary use agreement in October, and then signed a 2.5 year lease with the City and the Utility District in January 2007, to operate out of the Water District site. This lease expires on June 30, 2009. In section 3.2 of the current lease, an extension is allowed with proper notice, and considered at a public hearing. Hopelink has satisfied the proper notice requirement, by notifying the city in writing for an extension of up to six months. In order to grant the extension, Council will need to conduct the public hearing, and adopt a resolution authorizing the City Manager to execute a Lease Amendment.

In October 2006, Council held a public hearing, and adopted an ordinance to allow Hopelink to relocate to the Water District Building. As part of the public process, there were several neighborhood concerns that were addressed in the lease as part of the mitigation to adopt the ordinance. The conditions included in the lease were as follows:

- **A.** Hopelink shall meet all conditions of approval for the Process I zoning permit issued under City File ZON06-00029.
- **B.** The hours of operation for the daytime food bank shall be completed by 1:30 p.m.
- **C.** During food bank services, Hopelink staff shall direct client traffic to provide an efficient flow of vehicles in and out of the site. Hopelink shall direct clients to park onsite or on 130th Avenue NE. Parking for the use shall not occur on adjacent properties or on nearby grassy areas.
- **D.** Truck deliveries to the site shall not occur before 8:30 a.m. or after 4:00

p.m.

E. In order to prevent rodent infestation, pest control services shall be provided on a monthly basis and more often if problems arise.

F. Hopelink assumes all costs of extermination and fumigation for infestation caused by Hopelink

G. Hopelink shall pick up any litter along 130th Avenue NE up to NE 70th Street and in front of the building after each food bank service.

H. Hopelink shall properly dispose of all rubbish, garbage, and other organic or flammable waste, in a clean and sanitary manner at reasonable and regular intervals and ensure that the dumpsters on the site are kept closed when not in use.

I. All exterior lighting on the building shall be downcast and shielded to prevent glare on adjacent residential properties.

J. Noise from the use shall not exceed the State standards found in RCW 70.107 as regulated in Kirkland Zoning Code115.95.

K. Hopelink will keep the gate on 130th Avenue NE and the rolling gate which closes off the parking and loading bay area locked when employees are not on the premises.

L. Hopelink shall provide the City Council and the Human Services Advisory Committee a quarterly report on the operations of the services, any neighborhood concerns, and how the concerns have been addressed.

Hopelink has continued to provide community services and programs for local residents, following all the conditions and limitations of the lease. Hopelink is in good standing in regards to their lease agreement and with the neighborhood.

In addition, Hopelink has continued their search for a more viable Kirkland location for their operations. They have entered into negotiations for a larger warehouse type building, which is more centrally located to accommodate their clients. The property is in an office zone that also allows manufacturing and warehouse uses. Hopelink would be classified as a Community Facility, which is also an allowed use with no zoning permit required. Design Review would be required if they are making an addition to the building or modifying the façade, which is not known at this time. They hope to have negotiations and a lease agreement signed in April. Their plan is to move into this new facility in the next 3-6 months. Their long range plan is to incorporate both Bothell and Kirkland operations into this site, and re-organize their services to include a Family Learning Center with integrated services and a grocery-store model food bank. They received a notice to vacate their Bothell site within the next two years. Their plan is to move the Kirkland services into this new site, adding Bothell services next year.

Hopelink and city staff has had preliminary conversations with the neighborhood association and with the few neighbors that had initial concerns. There is general neighborhood support for the six month lease extension. The neighborhood association appreciated this initial communication and would like their support represented as Council considers this extension. In addition, the Utility District has given their support for the extended lease, as long as there are no capital improvement costs during the term of the lease, which there are none anticipated.

LEASE AGREEMENT

THIS LEASE AGREEMENT between Hopelink, a nonprofit corporation organized under the laws of the state of Washington (hereinafter referred to as "Hopelink"), and the City of Kirkland, a municipal corporation of the state of Washington (hereinafter referred to as "City").

WITNESSETH:

SECTION 1
PREMISES

1.1 The City hereby leases to Hopelink, upon the terms and conditions set forth, the building and parking area located at 13013 NE 65th Street situated in the City of Kirkland, King County, Washington, and legally described as follows (hereinafter referred to as "Water District Building"):

Lot 62, Block 84 of Burke & Farrars Addn. to Kirkland 20.

SECTION 2
USE OF PREMISES

2.1 The Water District Building shall be used for the Hopelink community facility for operation of general services and programs including emergency financial assistance, food education, energy assistance, a food bank and with the general business activities incident thereto and for not other purpose without the prior consent of the City. Consistent with Ordinance No 4062*, passed on October 17, 2006, Hopelink is expressly subject to the following conditions and limitations which shall be strictly observed and construed in Hopelink's use and occupancy of the Water District building:

A. Hopelink shall meet all conditions of approval for the Process I zoning permit issued under City File ZON06-00029.

B. The hours of operation for the daytime food bank shall be completed by 1:30 p.m.

C. During food bank services, Hopelink staff shall direct client traffic to provide an efficient flow of vehicles in and out of the site. Hopelink shall direct clients to park onsite or on 130th Avenue NE. Parking for the use shall not occur on adjacent properties or on nearby grassy areas.

D. Truck deliveries to the site shall not occur before 8:30 a.m. or after 4:00 p.m.

E. In order to prevent rodent infestation, pest control services shall be provided on a monthly basis and more often if problems arise.

F. Hopelink assumes all costs of extermination and fumigation for infestation caused by Hopelink

G. Hopelink shall pick up any litter along 130th Avenue NE up to NE 70th Street and in front of the building after each food bank service.

H. Hopelink shall properly dispose of all rubbish, garbage, and other organic or flammable waste, in a clean and sanitary manner at reasonable and regular intervals and ensure that the dumpsters on the site are kept closed when not in use.

I. All exterior lighting on the building shall be downcast and shielded to prevent glare on adjacent residential properties.

J. Noise from the use shall not exceed the State standards found in RCW 70.107 as regulated in Kirkland Zoning Code 115.95.

K. Hopelink will keep the gate on 130th Avenue NE and the rolling gate which closes off the parking and loading bay area locked when employees are not on the premises.

L. Hopelink shall provide the City Council and the Human Services Advisory Committee a quarterly report on the operations of the services, any neighborhood concerns, and how the concerns have been addressed.

SECTION 3
TERM

3.1 This lease shall be for a term of two and one-half years (2 and ½) years commencing January 1, 2007, and ending June 30, 2009.

3.2 Hopelink may request that the City extend the term of this Lease for such period as may be agreed upon commencing July 1, 2009, by giving the City written notice of its request at least six months prior to the expiration of the original term hereof, provided Hopelink is not in default hereunder at the time of giving such notice or on the date of the expiration of the original term hereof. The City Council shall consider such request at a public hearing to be held for such purpose. As the property is owned jointly by the Cities of Kirkland and Redmond, the Joint Board which oversees the property shall also consider the request. Should the City Council and Joint Board approve the request, the extended term shall be upon all of the provisions applicable to the original term of this Lease, other than the provisions of this Section 3 relating to extension.

3.3 For the extended term, an adjustment of the rental provided in Section 4 hereof, may be agreed upon by City and Hopelink based upon the City's Operating Expenses during the original term. The term "Operating Expenses" means all costs of management and maintenance of the Water District Building, including without limitation the following: wages and salaries of employees; materials and supplies; and insurance.

3.4 Hopelink may terminate this Lease and be relieved of any future duties under it, at any time, so long as Hopelink has given the City two months written notice in advance of the date for early termination.

SECTION 4
RENTAL

4.1 Hopelink agrees to pay the City Water/Sewer Utility rental in the amount of Three Thousand Dollars ($3,000) per month, payable in advance on the first day of each and every month during the term hereof without invoice. Payment shall be sent to City of Kirkland Public Works Accounting, 123 Fifth Avenue, Kirkland, WA 98033-6189.

SECTION 5
UTILITIES

5.1 Hopelink shall timely pay for all charges for utility and other services to the Water District Building. Utility charges to be paid by Hopelink include, but are not limited to: water storm sewer, sewer, garbage, electricity, and telephone.

SECTION 6
MAINTENANCE BY CITY

6.1 The City is responsible for maintenance and repair of the structural components of the Water District Building which shall include the roof, the exterior walls, the foundation, and the furnace. The City is also responsible for maintenance which is necessary for the structural integrity of the Water District Building, including maintenance of load-bearing members, and of main lines of mechanical, electrical, and plumbing systems to the point of entry.

6.2 Notwithstanding the foregoing provision of this Section, in the event the Water District Building is destroyed or damaged to such an extent that the City deems that it is not economically feasible to restore the same, then the City may terminate the Lease as of the date of the damage or destruction by giving Hopelink notice to that effect.

SECTION 7
ALTERATIONS, REPAIRS, AND MAINTENANCE BY HOPELINK

7.1 Hopelink shall make no changes, improvements or alterations to the Water District Building without the prior consent of the City. All such changes, improvements and alterations and repairs, if any, made by Hopelink shall remain in the Water District Building and shall become the property of the City upon expiration or sooner termination of this Lease.

7.2 Hopelink is responsible for maintenance and repair of the interior of the Water District Building which shall include tenant improvements, telephone equipment, lighting fixtures, kitchen and bathroom plumbing drain and trap down to the junction with the line into the wall or floor. Hopelink's janitorial and routine maintenance responsibilities include: timely repair or replacement of light fixtures

or bulbs, electrical switches or controls; and interior and exterior cleaning of windows.

7.3 Hopelink is responsible for maintenance of the parking area behind the Water District Building, on the west side, and removal of any garbage debris in that area as well the surrounding rights of way.

SECTION 8
TAXES

8.1 Hopelink shall pay, before delinquency, all taxes, levies, and assessments of whatever kind or nature are imposed or become due during the term of this Lease and arise from any activity on or use of the Water District Building pursuant to this Lease. As the Water District Building is publicly owned property, the Lease is subject to a leasehold excise tax under Ch. 82.29A RCW. Hopelink shall complete the necessary paperwork to receive an exemption from the leasehold excise tax. In the event the State of Washington makes any demand upon the City for payment of any tax resulting from Hopelink's use or occupancy of the Water District Building, including but not limited to any leasehold interest created thereby under RCW 82.29A, Hopelink shall indemnify the City for all sums expended by the City or withheld by the State from the City in connection with such taxation.

SECTION 9
INDEMNIFICATION

9.1 Hopelink shall defend, indemnify, and save harmless the City, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property , which arises out of the Hopelink's use and occupancy of the Water District Building or from Hopelink's operations, or from any activity, work or thing done, permitted, or suffered by Hopelink in or about the Water District Building, except only such injury or damage as shall have been occasioned by the sole negligence of the City.

SECTION 10
INSURANCE

10.1 Hopelink shall, at Hopelink's expense, procure and maintain for the duration of this Lease, insurance against claims for injuries or to persons or damage to property which may arise from or in connection with Hopelink's operation and use of the Water District Building.

A. <u>**Scope of Coverage**</u>.
Hopelink shall obtain insurance of the types described below:

1. Commercial General Liability insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover premises and contractual liability. The City shall be named as an insured on Hopelink's General Liability insurance policy using ISO Additional Insured-Managers or Lessors Premises Form CG 2026 or a substitute endorsement providing equivalent coverage.

2. Property insurance shall be written on an all risk basis.

B. Minimum Amounts of Insurance.
Hopelink shall maintain the following insurance limits:

1. Commercial General Liability insurance shall be written with limits no less than $1,000,000 each occurrence, $2,000,000 general aggregate.

2. Property insurance shall be written covering the full value of Hopelink's property and improvements with no coinsurance provisions.

10.2 The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability Insurance:

A. Hopelink's insurance coverage shall be primary insurance as respects to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of Hopelink's insurance and shall not contribute to it.

B. Hopelink's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

10.3 Insurance to be placed with insurers with a current A.M. Best rating of not less than A:VII.

10.4 Hopelink shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of Hopelink.

10.5 Hopelink and City hereby release and discharge each other from all claims, losses and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the Water District Building. This release shall only apply to the extent that such claim, loss or liability is covered by insurance.

10.6 City shall purchase and maintain during the term of the Lease all-risk property insurance for the Water District Building for its full replacement value without any

coinsurance provisions.

SECTION 11
ASSIGNMENT

11.1 Obligations or rights of Hopelink under this Lease may not be assigned, subleased, or otherwise transferred by Hopelink without the prior written consent of the City, which consent may be withheld at the sole discretion of the City.

SECTION 12
COMPLIANCE WITH LAWS

12.1 Hopelink shall comply with all federal, state, and local laws, statutes, ordinances, and regulations in the performance of their obligations under this Lease.

SECTION 13
CHOICE OF LAW

13.1 This Lease shall be governed by and construed in accordance with the laws of the State of Washington. The venue of any suit or arbitration arising under this Lease shall be in King County, Washington.

SECTION 14
NOTICES

14.1 Any notice, demand, document, or other communication that is required by this Lease to be given shall be in writing and shall be deemed to have been given when delivered, if delivered in person, to the City or Hopelink, as appropriate, or three days after mailing if sent by registered or certified mail, return receipt requested, addressed as follows:

If to the City:	If to Hopelink:
City Manager City of Kirkland 123 5th Avenue Kirkland, WA 98033-6189	Marilyn Mason-Plunkett 16225 NE 85th St., Suite A-1 P.O. Box 3577 Redmond, WA 98073-3577

This Lease and any amendments shall be executed in three counterparts. Each such counterpart shall be deemed to be an original instrument. All such counterparts together will constitute one and the same Lease.

SECTION 15
DEFAULT

15.1 The following events shall constitute a default and material breach of this Lease:

A. The failure to comply with any of the terms of this Lease regarding insurance.
B. The material violation of any law, ordinance, rule or regulation which, after notice and reasonable time to cure, remains uncured;
C. The abandonment or vacating of the Water District Building for a period of thirty (30) days or more;
D. The assignment for transfer of this Lease without prior written consent of the City as described in Section 11 of this Lease; and
E. The failure to perform any other condition or covenant of this Lease where such failure in performance is not remedied within the time allowed by this Lease, or such other period for remedial action as is expressly agreed upon by both parties.

Neither the City nor Hopelink shall be in default unless such party fails to perform an obligation required of it within (30) days after written notice from the aggrieved party has been sent to the other, specifying the particular obligation that the other has failed to perform.

SECTION 16
REMEDIES UPON DEFAULT AND MATERIAL BREACH

16.1 Upon the occurrence of any event of default by Hopelink, the City shall have the option to pursue any one or more of the following remedies without notice or demand:

A. Terminate this Lease, in which event Hopelink shall immediately surrender the Water District Building to the City;
B. If Hopelink fails to immediately surrender the Water District Building upon termination of this Lease, the City may enter and take possession of the Water District Building and expel or remove Hopelink and any other person who may be occupying the Water District Building or any part thereof by any suitable proceeding at law;
C. Commence a legal action against Hopelink to recover the amount of all loss and damage the City may suffer by reason of such default.

16.2 If an action is commenced to enforce any of the provisions of this Lease, the prevailing party shall, in addition to its other remedies, be entitled to recover its reasonable attorneys' fees.

SECTION 17
REMEDIES CUMULATIVE

17.1 The rights under this Lease are cumulative; the failure to exercise promptly any right recognized hereunder shall not operate to forfeit any such right. The use of one remedy shall not be taken to exclude the right to use another.

SECTION 18
AMENDMENT OR WAIVER

18.1 This Lease may not be modified nor amended except in writing. No course of dealing between the parties or any delay in exercising any rights hereunder shall operate as a waiver of any rights of any party. No term or provision of this Lease shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach by the other whether express or implied, shall constitute a waiver of or consent to any other breach. No amendment or supplement to this Lease shall be effective unless approved in writing by the City.

SECTION 19
MEMORANDUM OF LEASE

19.1 The City agrees to execute and deliver to Hopelink a Memorandum of Lease in the form attached as Exhibit A simultaneously with the execution of this Lease. Hopelink may at its expense, record the Memorandum of Lease in the real estate records of King County, Washington.

SECTION 20
ENTIRE AGREEMENT

20.1 This Lease contains the entire agreement and understanding of the City and the Hopelink with respect to the subject matter hereof, and supersede all prior or contemporaneous oral or written understandings, agreements, promises or other undertakings between the parties.

IN WITNESS WHEREOF the parties hereto have executed this document as of the day and year first above written.

CITY OF KIRKLAND

Marilynne Beard

David Ramsay, City Manager

Approved as to Form:

Robin S. Jenkinson

Robin S. Jenkinson, City Attorney

HOPELINK

Marilyn Mason-Plunkett

Marilyn Mason-Plunkett
President & CEO

JOINT BOARD

Daryl Grigsby,
Public Works Director/Representative

STATE OF WASHINGTON)
ss:
COUNTY OF KING)

On this ____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David Ramsay, to me known to be the City Manager of the City of Kirkland, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said City, for the uses and purposes therein set forth, and on oath stated that he was authorized to sign said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

_____
Print Name:_____
NOTARY PUBLIC in and for the State
Washington, residing _____
Commission expires: _____

STATE OF WASHINGTON)
ss:
COUNTY OF KING)

On this 15th day of February, ~~2006~~ 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marilyn Mason-Plunkett, to me known to be the President & CEO of Hopelink, the organization that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said organization, for the uses and purposes therein set forth, and on oath stated that she was authorized to sign said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

DEBORA ANN DAUGHERTY
COMMISSION EXPIRES
NOTARY
PUBLIC
2-01-10
STATE OF WASHINGTON

Debora Ann Daugherty
Print Name: Debora Ann Daugherty
NOTARY PUBLIC in and for the State
Washington, residing Bellevue, Washington
Commission expires: 2/01/2010

STATE OF WASHINGTON)
ss:
COUNTY OF KING)

On this ____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Daryl Grigsby, to me known to be the Public Works Director of the City of Kirkland and Joint Board Representative of the Joint Board that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Joint Board, for the uses and purposes therein set forth, and on oath stated that he was authorized to sign said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

_____
Print Name:_____
NOTARY PUBLIC in and for the State
Washington, residing _____
Commission expires: _____

RESOLUTION R-4759

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE LEASE AGREEMENT FOR THE USE OF THE WATER DISTRICT PROPERTY BY HOPELINK.

WHEREAS, the City and Hopelink entered into a Lease Agreement on February 15, 2007, for the Water District Building located on the real property legally described as:

Lot 62, Block 84 of Burke & Farrars Addn. to Kirkland 20; and

WHEREAS, the original term of the Lease was two and one-half (2 and ½) years commencing on January 1, 2007, and ending June 30, 2009; and

WHEREAS, Hopelink has given the City timely written notice of its request to extend the term and the other conditions set forth in Section 3.2 of the Lease have been met;

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

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City an Amendment of Lease agreement substantially similar to the agreement attached hereto as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2009.

Signed in authentication thereof this ____ day of _____, 2009.

_____
MAYOR

Attest:

_____
City Clerk

Exhibit A

AMENDMENT OF LEASE

THIS AMENDMENT OF LEASE AGREEMENT between Hopelink, a nonprofit corporation organized under the laws of the state of Washington (referred to as "Hopelink), and the City of Kirkland, a municipal corporation of the state of Washington (referred to as the "City").

WITNESSETH:

WHEREAS, the City and Hopelink entered into a Lease Agreement on February 15, 2007, for the Water District Building located on the real property legally described as:

Lot 62, Block 84 of Burke & Farrars Addn. to Kirkland 20; and

WHEREAS, the original term of the Lease was two and one-half (2 and ½) years commencing on January 1, 2007, and ending June 30, 2009; and

WHEREAS, Hopelink has given the City timely written notice of its request to extend the term and the other conditions set forth in Section 3.2 of the Lease have been met;

NOW, THEREFORE:

1. Section 3 of the Lease, entitled "Term," is amended as follows:

SECTION 3
TERM

3.1 This lease shall be for a term of six (6) months commencing July 1, 2009, and ending December 31, 2009.

3.2 [Deleted.]

3.3 For the extended term, all other terms and conditions of the Lease Agreement are incorporated as though set forth in full but are not included in this Amendment as its sole purpose is for six (6) month extension of the Lease of the real property described above.

3.4 Hopelink may terminate this Lease and be relieved of any future duties under it, at any time, so long as Hopelink has given the City two months written notice in advance of the date for early termination.

SECTION 20
ENTIRE AGREEMENT

20.1 The Lease and this Amendment contain the entire agreement and understanding of the City and Hopelink with respect to the subject hereof, and supersede all prior or contemporaneous oral or written, understandings, agreements, promises or other undertakings between the parties.

LANDLORD:

CITY OF KIRKLAND

_____
David Ramsay, City Manager

Approved as to Form:

_____
Robin S. Jenkinson, City Attorney

TENANT:

HOPELINK

_____
Marilyn Mason-Plunkett
President & CEO

JOINT BOARD

_____
Daryl Grigsby,
Public Works Director/Representative

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

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

Date: April 23, 2009

Subject: Downtown Retail Strategy Report, File No MIS08-00009

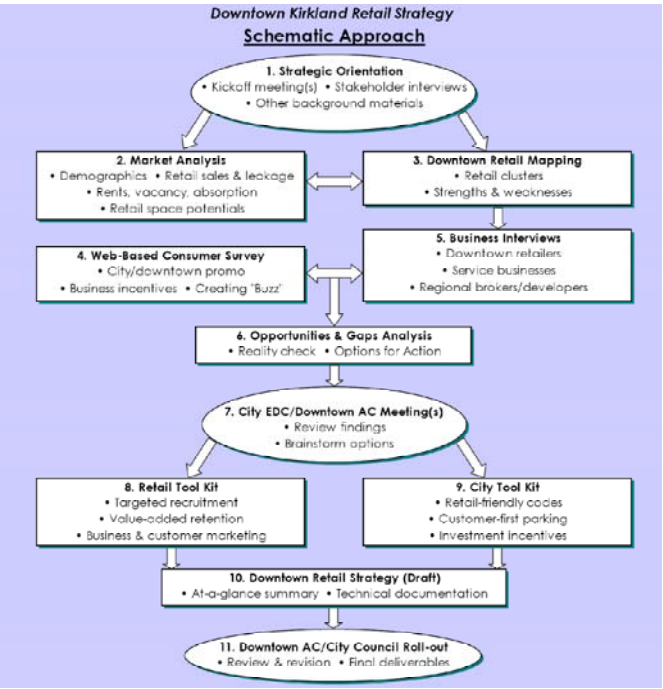
RECOMMENDATION

Review the report prepared by E.D. Hovee & Company under the guidance of the Downtown Advisory Committee (DAC).

BACKGROUND

In fall of 2007, the DAC reported to City Council on the first phase (October 2007 Strategic Situation Assessment) of an update to the 2001 Downtown Strategic Plan. Due to limited funds available to complete a full update to the Strategic Plan, the City Council prioritized the recommendations of that report and requested development of a retail strategy for the downtown. In early 2008, $30,000 was reallocated form the Lakeshore Plaza at Marina Park project and the City Council directed staff and the DAC to commence creation of retail strategy.

E.D. Hovee & Company was retained to develop the report. The following chart illustrates the process undertaken to complete the study.



DISCUSSION

The report and DAC consensus recommendations represent significant progress on a number of key retail issues. To highlight some examples:

- Preferred retail strategy – *reinvigorated destination with strong local component.* Downtown Kirkland has always struggled with "what it wants to be when it grows up" – whether it will be a regional destination for shopping dining and entertainment or a place that reclaims its historic

role as a local-serving retail spot for groceries, hardware, and drug stores. The DAC is recommending a strategy that leverages downtown's destination strengths and bolsters local goods and services (see page 48).

- A tool kit that the City and partner agencies can use to achieve the preferred strategy (see page 50).
- A *must-do list* identifying key projects and initiatives to support the preferred strategy (see page (see page 58).
- The conclusion that all streets in our compact downtown have the potential to be outstanding retail streets – given proper attention (see page 41). In addition, the DAC developed specific recommendations for banks at the street level (see page 58).

It should be noted that the City, the Chamber, and the Kirkland Downtown Association are already at work on many programs with some tools identified to deal with the current retail downturn (see page 59).

Obviously, the timing of recommendations that have significant cost components is challenging given current economic conditions for the City and the retail sector. However, the report is recommending the next 12-24 months as key to stabilizing downtown's retail sector and setting the stage for the preferred retail strategy.

With the delivery of these recommendations, the DAC has concluded its assigned work program.

Attachments

1. Downtown Retail Strategy Report

DOWNTOWN KIRKLAND RETAIL STRATEGY

Prepared for:
City of Kirkland

March 2009

E. D. Hovee & Company, LLC

Economic and Development Services

Downtown Kirkland Retail Strategy

Prepared for:

City of Kirkland
123 5th Avenue
Kirkland, Washington 98003
(425) 587-3000

Prepared by:

E.D. Hovee & Company, LLC
P.O. Box 225
2408 Main Street
Vancouver, Washington 98666
(360) 696-9870

March 2009

AT-A-GLANCE SUMMARY

This downtown Kirkland retail strategy is intended to serve as a vital step toward realizing the *working vision* of "a vibrant and charming urban waterfront community with unique shopping, destination, dining, public art and galleries, beautiful parks and gathering places." What follows are summary observations from this retail strategy report prepared in cooperation with the Downtown Advisory Committee (DAC).

Strategic Retail Context. This strategic planning initiative is shaped in the context of existing economic development and land use planning documents pertinent to downtown – including the Kirkland Downtown Strategic Plan, City Comprehensive Plan (and zoning), Design Guidelines for Pedestrian-Oriented Business Districts, citywide economic development planning, and the most recent 2007 Strategic Situation Assessment for the downtown strategic plan. An overall objective of this strategic planning process is to build on the analysis and community input embodied by work to date.

Market Review. As of 2008, Kirkland had an estimated 48,410 residents – representing 17% of a larger eastside trade area described as a *best case destination* market targeted to maximize shopping dollars potentially available for capture by downtown business. Compared to in-city residents, this larger east side destination market is growing more rapidly and is more suburban in character with a younger population, larger households and higher median household income.

While downtown contributes less than 7% of the City's total annual retail sales tax volume, downtown's economic prosperity is important because of the opportunity to shore up lagging tax revenues citywide while better serving Kirkland residents and nearby community needs. When viewed from the perspective of the in-city population only, Kirkland businesses appear to be fairly well-performing – because they also draw substantially from surrounding communities. However, an evaluation of retail sales patterns indicates that this larger destination trade area remains underserved by about $1.4 billion per year (capturing only 72% of resident-generated retail sales demand).

With a *moderate capture* scenario, downtown Kirkland could support an estimated 116,000 square feet of added retail space over the 2008-2013 time period (averaging 23,200 square feet per year). Over a longer term time frame to 2020, cumulative retail space potential increases to more than 150,000 square feet.

With an *aggressive capture* scenario, the amount of retail space supported potentially doubles (both through 2013 and to 2020). Both the moderate and aggressive capture scenarios are well above a track record averaging less than 6,000 square feet of new retail construction annually since 1994 – excluding an added increment of retail space as planned for the McLeod project recently approved by the City Council.

Stakeholder Perspectives. Building from interviews and focus groups conducted with the 2007 *Kirkland Downtown Strategic Situation Assessment*, this project also draws on:

- Resident and business surveys conducted in conjunction with a recently completed *Kirkland Economic Sustainability Assessment* – including shared resident/business objectives for a more sustainable economy offering a complete spectrum of goods and services serving Kirkland residents combined with the opportunity to explicitly brand downtown Kirkland regionally for sustainable retailing practices.
- Currently, Kirkland residents surveyed indicate that they most frequently shop downtown for groceries and pharmaceuticals and more modestly for dining or other retailing. Residents patronize downtown less frequently for most services, except mailing/postal and banking/finance

activities. Highest rated features of the downtown experience are pedestrian and mass transit accessibility, followed by quality of products, family friendly environment, visual appearance and customer service. Least well rated are affordability, variety and parking availability.

- Selected business interviews plus preliminary discussions involving the Downtown Advisory Committee (DAC) and City Council Economic Development Committee (EDC) all indicate support for a retail strategy that will be consistent with Kirkland's vision for its downtown but also results-oriented, rebuilding momentum for a stronger retail base in the years ahead.

Downtown Retail Mapping. Six identifiable *geographic clusters* (or concentrations) of retail activity stand out – including the areas of Lake Street entertainment and specialty, Central Way design for living, Park Lane dining and specialty, Lakeshore Plaza storefront, Kirkland Avenue mixed use, and Parkplace community retail. The combination of dining, night life and lodging activity is most prominent today.

Downtown locations that currently feature what could be termed as *outstanding retail* are most oriented to Central Way (near Lake Street) and portions of Park Lane. Areas characterized by *good retail* are noted for much of Lake Street, Kirkland Avenue and the inner portion of Kirkland Parkplace (adjoining the grocery store). Locations depicted as currently having *weak retail* tend to be arrayed more toward the periphery of the downtown core. Strategic opportunities for strengthening the downtown retail presence could involve extending the influence of the outstanding retail, improving weak retail and encouragement of peripheral office and residential uses to include more active retail or customer-oriented use on the street. The DAC has concluded that all downtown streets (see map on page 42) have potential to be outstanding retail streets.

Sites offering the best opportunity for downtown retail expansion are those located close to existing retail business clusters and large enough for financial feasibility of redevelopment. Potentially viable *retail site* prospects could include the City-owned Lakeshore Plaza and Lake Street lots (subject to parking replacement) – together with private properties including Kirkland Parkplace (for which a plan amendment was recently approved by City Council), Bank of America and McLeod properties (for which development projects recently have been approved), U.S. Bank and Antique Mall properties (though with no current proposals), and longer term potential for up to three block faces on Central Way.

Construction of the McLeod and Bank of America projects will largely complete development south of Kirkland Avenue. This will allow more focus on the core and waterfront areas.

Opportunity & Gaps Analysis. With this retail strategy, a distinction is made between: a) *marketing and promotion* to customers as well as for expansion and recruitment of targeted businesses; and b) *future development* including building rehab as well as new construction of retail only and mixed use projects with strategically placed parking. Four *strategic options* have been outlined for consideration:

- *Option 1 Status Quo* – assuming no substantial changes from current trends and conditions for retail in downtown Kirkland.
- *Option 2 Reinvigorated Destination* – predicated on a ramped up public-private initiative to re-establish Kirkland at the forefront of destination shopping, dining and entertainment districts throughout the eastside and broader Seattle metro area.
- *Option 3 Go Local* – to re-establish downtown as a preferred location for a broader range of local goods and services, perhaps de-emphasizing or actively discouraging added destination retail.

- *Option 4 Locally Driven Destination* – combining elements of a reinvigorated destination with a concurrent strategy for enhanced local retail opportunity but with the caveat that the *go local* part of the strategy is emphasized in the early going.

Recommended as a *preferred strategy* by the Downtown Advisory Committee (DAC) is an approach that combines elements of Options 2 and 3 for a *reinvigorated destination with strong local component.* This combined strategic approach has been recognized by the DAC as offering the opportunity to achieve the vision outlined by the City's 2007 Situation Assessment for downtown to "flourish, help build community and uniquely reflect Kirkland."

Downtown Retail Tool Kit. A *tool kit* can be viewed as a set of resources that might be useful for encouraging or effecting short- and long-term downtown retail revitalization. Two distinct *tool kits* (with a total of 31 potential tools listed) are depicted as prospectively integral to the ongoing process of *downtown retail marketing*, *enhancement of the existing retail experience* and *development*:

- *Retail Tool Kit* – for initiatives related to business recruitment, retention and marketing; with supportive customer and image marketing opportunities also covered.
- *City Tool Kit* – focusing on the tools available directly or indirectly to City government as means to encourage or facilitate downtown retailing.

Recommended as a strategic priority is a *return on investment (ROI)* perspective – as a guiding principle for investment of City resources. Also recommended is City Council determination of which specific tools are most appropriate for near-term consideration, especially for *must do* projects.

Retail Strategy. In two meeting sessions, the Downtown Advisory Committee (DAC) outlined what has been termed as a *must do* list – with recognition of top priority, mid priority and lower priority actions. Top priority actions recommended by the DAC are:

- Core and waterfront area master plan to coordinate public and private initiatives
- To complete the pedestrian spine from Parkplace to the lake and to improve the orientation of downtown to the lake, create a visual and pedestrian connection west of Lake Street
- Creating new retail space for critical mass
- Increase public parking supply now
- Partnerships to bring a true anchor tenant to downtown
- Consolidating resources and efforts between KDA, Chamber and City
- Define downtown shopping district though unified streetscape improvements including elements such as seasonal banners, lighting, and plantings

In response to downtown/business community concerns and effects of the current economic downturn, efforts to attract more business are already underway with the City's Economic Development Program. Restructuring the City's revenue base for less dependency on sales tax revenues is also a City priority. The DAC has also reviewed existing retail conditions mapping and concluded that all retail streets in the downtown have the potential to be outstanding retail streets – if the right initiatives are taken.

Remaining steps with adoption of a downtown Kirkland retail strategy by City Council are envisioned to include refinement and approval of the *Must Do* list, identification of resources for 2009/2010 implementation of top priority actions, establishing a (preferably annual) City retail work plan, and publishing a yearly report card to monitor implementation progress and subsequently to adjust course as warranted.

Conclusion. While the timing of national and regional economic recovery remains uncertain, actions taken over the course of the next 12-24 months are important to stabilize downtown Kirkland retail as best possible, then to set the stage for an even more vibrant downtown as the recovery takes hold. Working together, this retail strategy is intended to offer a framework for action that can bring downtown Kirkland from *good to great* – starting now.

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I. INTRODUCTION TO RETAIL STRATEGY

Downtown Kirkland is a vibrant and charming urban waterfront community with unique shopping, destination dining, public art and galleries, beautiful parks and gathering places. It is an economically vital, pedestrian-friendly district that attracts the City's residents and visitors to enjoy its heritage and waterfront ambiance.
– *Working Vision Statement to Guide the Downtown Strategic Plan*, October 2007

Through its Department of Planning and Community Development, the City of Kirkland has prioritized the preparation of a comprehensive retail strategy for downtown Kirkland. This *report* represents an initial step toward shaping a strategy to implement a downtown working vision in a way that is achievable – one step at a time. A downtown Kirkland retail strategy can serve as an early phase component – perhaps the centerpiece – in moving toward realization of the larger downtown working vision.

PURPOSE OF DOWNTOWN RETAIL STRATEGY

As a compact district situated in a community with strong demographics and an exceptional waterfront, downtown Kirkland has enjoyed a level of retail success that many other cities would feel extraordinarily lucky to emulate.

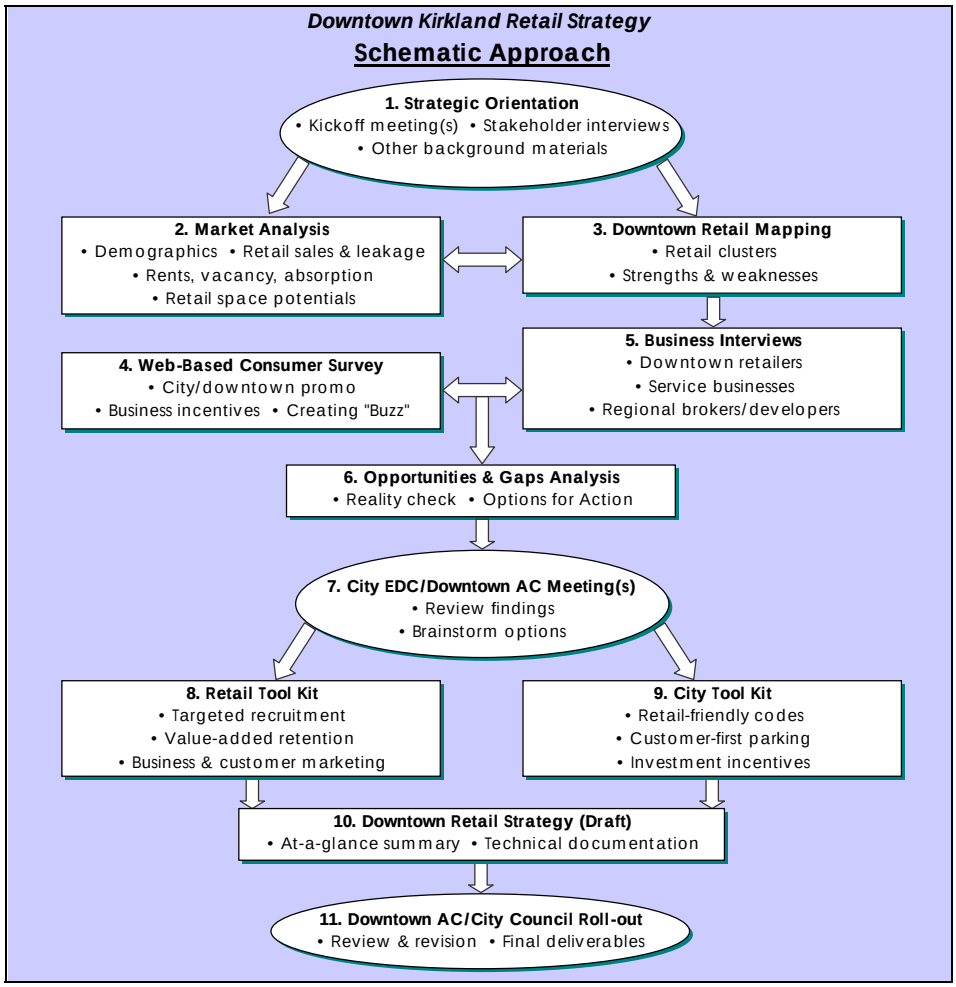
So, the question is: where do we go from here? How can Kirkland go *from good to great* – not just for today, but sustainably for generations yet to come?

This strategic retail planning process continues a journey toward realization of the downtown working vision. This path can be most rewarding as it occurs in partnership with downtown's stakeholders – retail businesses, property owners, customers, the City and broader community.

STRATEGIC APPROACH

Key steps taken in conducting this strategic assessment and planning process have included:

- Review of pertinent background information including previous market analyses and economic development planning for the Kirkland community and downtown.
- Kick-off meetings at project start-up with the City Council Economic Development Committee and Downtown Advisory Committee, followed by interviews with representatives of downtown area business and development interests.
- Coordination with a concurrent Economic Sustainability Assessment for retail leakage and resident/consumer surveys together with business inventory and conditions mapping using information of the Downtown Kirkland Association and field survey.
- Use of all background information to prepare a gaps and opportunities assessment and prepare an interim retail strategy report.
- Presentation of a retail/city tool kit and downtown retail strategy consistent with the *preferred strategy* and revisions based on Downtown Advisory Committee (DAC) input.



REPORT ORGANIZATION

Downtown retail strategy documentation is being prepared by the economic and development consulting firm E. D. Hovee & Company, LLC on behalf of the City of Kirkland.[1] The remainder of this report is organized to cover the following topics:

Strategic Retail Context
Market Review
Stakeholder Perspectives
Downtown Retail Mapping
Opportunities & Gaps Analysis
Downtown Retail Tool Kit
Retail Strategy
Conclusion

Appendix A outlines a brief profile of E. D. Hovee & Company, LLC as preparer of this report. *Appendix B* provides results of resident and business surveys conducted with the companion sustainability assessment for Kirkland. *Appendix C* contains a detailed compendium of data tables used for this analysis. *Appendix D* identifies individuals interviewed as part of the business interview process. *Appendix E* provides a detailed retail implementation tool kit.

II. STRATEGIC RETAIL CONTEXT

As in communities across the U.S., residents, businesses and the City of Kirkland have made substantial investments in the downtown. Private investment has occurred in construction and maintenance of building stock – together with tenant and business trade improvements. Public investment has occurred in very tangible ways – as in street and utility infrastructure or more recently in parking facilities and the cultural arts. Downtown also serves as a source of the community's tax base and business and civic vitality.

The City of Kirkland has identified downtown as part of Moss Bay – one of thirteen neighborhoods in Kirkland. Land use planning is governed by the *City of Kirkland Comprehensive Plan.*

Economic development and land use planning documents pertinent to downtown include the Kirkland Downtown Strategic Plan, City Comprehensive Plan (and zoning), Design Guidelines for Pedestrian-Oriented Business Districts, citywide economic development planning, and the most recent 2007 Strategic Situation Assessment for the downtown strategic plan. Key findings related to downtown retail are briefly reviewed, in turn.

In Kirkland, the retail experience begins with …

KIRKLAND DOWNTOWN STRATEGIC PLAN

An initial *Kirkland Downtown Strategic Plan* was recommended by the Kirkland Downtown Action Team and adopted by the Kirkland City Council, June 5, 2001. The goal of the strategic plan has been "to transform our central city area into a high-quality pedestrian village." Guiding principles of the plan have been to:

1. Maintain a pedestrian orientation to the downtown and surrounding districts.
2. Balance the need for efficient vehicular circulation with the downtown's vital pedestrian character through appropriate traffic calming measures.
3. Acknowledge Parkplace as an integral part of downtown by establishing clearly defined pedestrian connections with the core area and the waterfront.
4. Enhance the core area of downtown by assuring a mix of mutually supportive uses as well as a human scale for any new development.
5. Celebrate the waterfront setting by reorienting the downtown to the lake.

… the pedestrian.

Retail uses were addressed as one element of this strategic planning process – beginning with the desire to create more local-serving retail businesses in the downtown core. While noting downtown strengths of restaurants and art galleries, the strategic plan also notes that many small retailers "are struggling" as customers often choose to shop elsewhere.

Key opportunity sites were noted for added retail – especially corner locations. Other opportunities cited include potential for added convenience retail at Parkplace, lakefront destination retail, and the four blocks bounded by Lake, 3rd, Central and Kirkland Avenue. Income from upper story development was noted as important to make provision of better retail space more economically feasible.

City of Kirkland Comprehensive Plan

Land use planning in Kirkland is governed by the *City of Kirkland Comprehensive Plan,* revised December 2004 (and via subsequent annual amendment requests) – together with the accompanying Zoning Code. As part of the Moss Bay neighborhood, the plan recognizes the core area's identity as "derived from the Downtown's physical setting along the lakefront, its distinctive topography, and the human scale of existing development."

The land use element of the plan begins with the statement that "a critical mass of retail uses and services is essential to the economic vitality of the Downtown area." The plan further notes that retail enhancement is best served by encouraging a substantial increase in housing and office development either within or adjacent to the core area. The types of uses viewed as serving the Vision for Downtown included restaurants, delicatessens, and specialty retail shops, including fine apparel, gift shops, art galleries, and import shops.

More detailed plan provisions were identified for each of five downtown subareas – the core area together with the northwest, northeast, east and south core frames. The plan is implemented through eight distinct CBD zones – each of which has its own use, height, parking and related provisions.

Design Guidelines for Pedestrian-Oriented Business Districts

In addition to the Zoning Code, a pivotal implementing mechanism for downtown involves provisions of *Design Guidelines for Pedestrian-Oriented Business Districts,* also adopted by the Kirkland City Council in 2004. The purpose of design guidelines for downtown Kirkland is to:

> … balance the desired diversity of project architecture with the equally desired overall coherence of the downtown's visual and historic character. This is to be achieved by injecting into each project's creative design process a recognition and respect of design guidelines and methods which incorporate new development into downtown's overall pattern.

The design guidelines address pedestrian-oriented elements, public improvements and site features, parking lot location and design, scale of development, building material color and detail, and natural features.[2]

PATHWAY TO KIRKLAND'S ECONOMIC FUTURE

Prepared in March 2005 for the Kirkland Economic Partnership, this plan provides a definition of economic development as "the application of public resources to stimulate private investment." *Quality of place* is emphasized over other factors.

While prepared to address economic development on a citywide basis, the plan recommended focusing on two prime development areas: Totem Lake and Downtown. Regional markets emphasized included software, medical and professional services.

Retail is "increasingly seen as an amenity without which other economic sectors find it difficult to recruit workers." The sales tax benefits of retail development are highlighted – as are the ways in which urban development patterns are influenced by the scale and location of retail centers.

KIRKLAND DOWNTOWN STRATEGIC PLAN – STRATEGIC SITUATION ASSESSMENT

Starting in early 2007, the City of Kirkland commissioned an update to the 2001 Downtown Strategic Plan. Update tasks included a series of 11 focus groups and stakeholder interviews, community meeting, on-line survey, and market analysis. Key findings of this update process completed in October 2007 that are pertinent to retail in downtown include the following:

- Downtown has 614 private businesses employing nearly 4,000 – with the average business having six employees.
- More than 1,380 workers are employed at 159 retail business – per the City of Kirkland Business License Database (as of 2007).
- Downtown retail strengths are again identified as including existing clusters of restaurants and galleries but also emerging clusters as for women's clothing, home décor and accessories.
- An ongoing challenge cited is to strengthen the core area retail base – through "new business retention and attraction strategies, business partnerships and strategic marketing."
- Ground floor retail requirements were identified as problematic – with the suggestion to create a "more fine-grained or block-specific view of allowable ground floor uses."
- A situation assessment suggested that a downtown retail strategy should identify "core retail districts where retailers can cluster and feed off of each other" – including a need for anchor retailers.

PLANNING SUMMARIZED

Two summary observations are noted from this review. First, the continued success of the downtown is pivotal to Kirkland's identity for *quality of place* and as a sustainable community.

Second, while downtown currently contributes less than 7% of taxable retail sales citywide, *improved and sustained retail performance* is important to Kirkland's economic vitality. At its best, downtown should offer the potential to become a substantially greater contributor to the City's tax base. These considerations serve as useful guideposts to retail strategy development.

III. MARKET REVIEW

This retail strategy interim report begins with a review of the local and regional market trends affecting retail activity in the City of Kirkland generally and, more specifically, in downtown Kirkland. Topics covered include trade area delineation, demographics, lifemode characteristics, retail sales and leakage, commercial real estate indicators, and retail capture potentials.

TRADE AREA DELINEATION

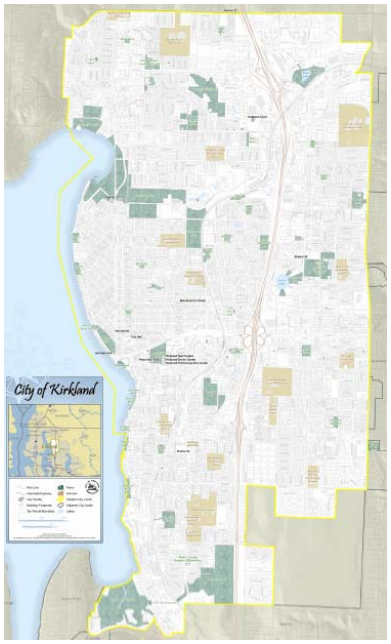
A *trade area* is intended to serve as a description of the geographic area(s) from which the customers to a retail business district are most frequently drawn. In a metro region with multiple retail centers all competing for consumer shopping dollars, it can be especially challenging to define a trade area for just one single retail center such as downtown Kirkland.[3]

Two trade areas have been delineated for purposes of this downtown Kirkland retail strategy:

- *City of Kirkland* – as a proxy for the approximately 48,410 residents most drawn to downtown for day-to-day convenience purposes as well as comparison shopping.
- *Best Case Destination* – as a larger eastside area with a 280,000 population proximate to Kirkland, "maximizing" shopping dollars available for capture by downtown businesses.

Figure 1. Kirkland City & Best Case Destination Trade Areas Considered

City of Kirkland



Best Case Destination

Source: City of Kirkland GIS and ESRI Business Information Solutions.

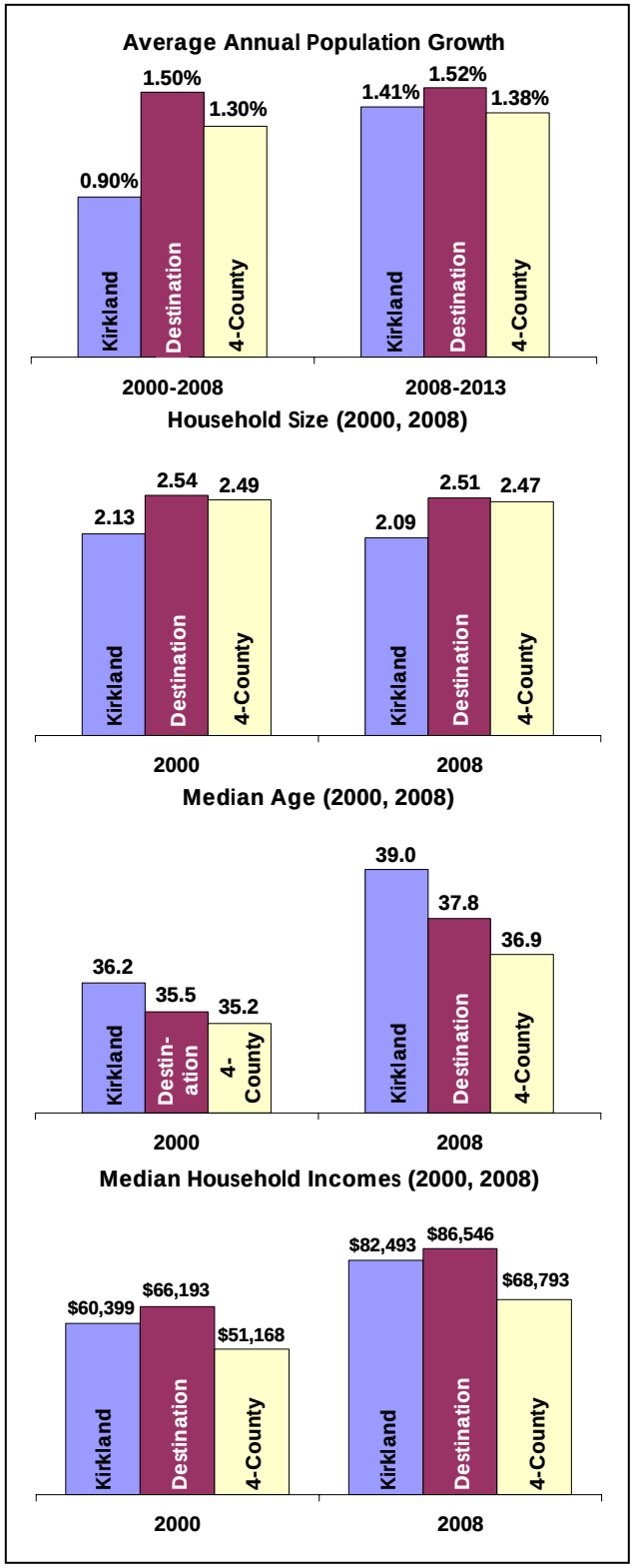
Also considered *for comparative purposes* with this assessment are the approximately 3.6 million residents of the Seattle-Tacoma-Everett metro area – consisting of King, Pierce, Snohomish and Kitsap Counties.

TRADE AREA DEMOGRAPHICS

As of 2008, the City of Kirkland has an estimated 48,410 residents with nearly 280,000 in what is termed as a best case destination trade area on the east side of Lake Washington, north of Bellevue's major retail centers.[4] By comparison, the larger 4-county metro area has an estimated 3.6 million residents. Key trade area demographics of note (as depicted by the chart to the right) are that:

- Since 2000, *population* of the city has grown more slowly than in the larger comparison geographies. City projections indicate that this gap in growth rates could be considerably reduced in the years immediately ahead – creating added opportunity for downtown retailers to target a growing city population.
- *Average household size* is well below that of the destination trade area and 4-county region – and has declined somewhat in recent years. National trends suggest further decline – though housing affordability and in-migration have led to increased household size in some communities.
- *Median age* of Kirkland residents is relatively high – and estimated by ESRI to have increased considerably since 2000. Anecdotal information suggests that younger workers relocating to Kirkland could now be starting to counter this trend.
- As of 2008, *median household income* in Kirkland is estimated at nearly $82,500 – roughly 20% above that of the metro area but somewhat below that of the more proximate destination market.

Figure 2. Comparative Demographics



Source: U.S. Census, ESRI BIS.

Other demographics noted by data research (as detailed in Appendix C) include increased racial and ethnic diversity of the population (with nearly 10% Asian and 5-6% Latino representation), above average levels of education (over one half of adults with bachelors degrees or better), high levels of white collar (especially management) employment, and relatively low rate of home-ownership (with 58% of residential units owner-occupied). Both in 2000 and again in 2008, median home values in Kirkland are somewhat (about 5-6%) above those of the eastside destination trade area and 35-40% above median values for the larger 4-county metro area.

Taken together, this data suggests a local community and broader potential destination market that is relatively affluent, well-educated and comparatively mature. There also are important differences between the in-city versus broader destination trade area market. The destination market has been experiencing more rapid population growth, has more large family households, and higher levels of homeownership. These characteristics are consistent with retail market opportunity that has been driven in large part by promoting Kirkland as an eastside (if not broader) regional destination for specialty shopping, dining and entertainment.

For the future, several indicators bear watching – as they suggest a potential refocusing back on local in-city retail clientele. These indicators include:

- Renewed attraction of Kirkland to *younger adults* – both tech and professional workers.
- Increasing *diversity* of population – notably Asians and Latinos.
- Educational level of local population – especially if Kirkland becomes a preferred residence and/or work location for *creative class* in-migrants.
- *Resurgent population growth* – dependent on housing development unless Kirkland also becomes more attractive to younger families.
- Preferences for *less driving* and more shopping close to home – potentially stimulated both by increasing fuel costs and green sustainability ethic.

Any or all of these factors would be supportive of increased spending potential from in-city residents.

DOWNTOWN PARKING DEMAND GEOGRAPHIES

Since initial completion of the trade area analysis for this retail strategy assessment, Kirkland's Parking Advisory Board has conducted a license plate survey matching downtown parkers to their home locations. Parking geographies are measured in terms of mileage distance from downtown Kirkland.

These concentric circles do coincide with the local Kirkland and destination trade areas as defined for this retail strategy analysis. The mileage rings provided by the parking counts include persons within a specified radius, whether residing east or west of Lake Washington. By comparison, the destination trade area utilized with this analysis extends out to portions of an approximately 11-15 mile ring (primarily east and north of Kirkland).

Despite somewhat different methodologies, the two analyses offer similar conclusions. As indicated by detailed data provided with Appendix C to this report, close to 74% of downtown

parkers (weeknights and weekends) are coming from within a 10-mile radius of Kirkland, with 85% from within 15 miles.[5]

This 15-26% portion of weekend/evening downtown parkers coming from outside the eastside destination trade area represents customer groupings that have alternative destination shopping options closer to home. While representing a much larger total population base, this portion of the customer market is likely shopping outside their more convenient or normalized trade area, often less frequently than for customers for whom Kirkland is the closest destination attraction.

In effect, Kirkland's ability to attract regular visitation from this larger customer base can be considered as a supplemental draw based on the larger Puget Sound regional reputation of downtown Kirkland as a good place to visit, dine, and shop. It also demonstrates the significance of this larger extra-territorial destination draw as a continuing and important downtown customer market segment.

LIFEMODE CHARACTERISTICS

Increasingly, national demographic firms, retailers, and developers are looking beyond traditional demographic groupings to also consider qualitative lifestyle and psychographic groupings. This approach draws on traditional demographic analysis combined with survey and consumer information regarding spending patterns and lifestyle preferences – and can be used to augment the demographic indicators noted above.

Use of Psychographic (Lifemode) Data. Retailers often use this information in deciding where to locate stores. Homebuilders use the information in deciding what types of residences will be in demand.

Business site locators may use the information in helping to decide whether a particular community will be a *good fit* for a proposed business or industry. The national demographics firm ESRI Business Information Solutions categorizes residents of the U.S. into 66 different Tapestry or *lifemode* groupings.[6]

Lifemode Profiles. On the following page are depicted the *top five* market segments (out of 66 nationally) for the City of Kirkland and for the larger destination market extending beyond the city limits to encompass major areas from which customers are drawn into Kirkland. This information is presented as general background to help contextualize marketing efforts that may be selected to pursue.

Kirkland Profile. Four of the five top Kirkland tapestry segments (all but *Old and Newcomers*) are urban-oriented with relatively high incomes and small households (often, but not always, without children). While these four groupings vary somewhat in age and rental versus ownership profile; all are culturally aware and can be expected to exhibit relatively busy lifestyles.

Figure 3. Kirkland City & Destination Market Lifemode Segments (2008)

Tapestry Lifemode Market Segment	% of Total	Summary Characteristics
City of Kirkland:		
Enterprising Professionals	20.5%	Young (average age 32), educated and working professionals – with frequent moves following job opportunity – "connected but still nomadic"
Urban Chic	16.3%	Also urban and professional but with higher average age (42) and incomes – management/technical workers with ½ receiving investment income
Laptops & Lattes	15.4%	Dominated by people living alone or with housemate, median age of 38, well educated and compensated – majority renters and many without cars
Old and Newcomers	15.2%	Neighborhoods in transition - renters starting career or retiring, prefer multiunit housing, moderate incomes
In Style	12.2%	Suburban residents with urban preferences, married but without children, townhome preferences – work in finance, technical and education occupations
Subtotal (top 5)	79.6%	
Destination Market:		
Sophisticated Squires	19.5%	Cultured country living, married families, longer commutes but fewer neighbors, upper income
Enterprising Professionals	16.9%	See above
Suburban Splendor	14.5%	Growing neighborhoods, 80% married with families, overall highest income group, primarily homeowners
In Style	10.8%	See above
Old and Newcomers	6.4%	See above
Subtotal (top 5)	68.1%	

Source: ESRI Business Information Solutions and E.D. Hovee & Company, LLC.

Destination Market Profile. Three of the five groupings in the larger destination market area overlap with those that are also identified for the City of Kirkland. The distinguishing feature for the two represented solely by the larger trade area (but not in Kirkland) is larger family households. As busy professionals with relatively high incomes, they are among those who are often trading a longer commute for more housing and newer neighborhoods and schools.

While the personal and family values of these two groupings both may be environmentally oriented, these more exurban residents often make choices involving inevitable compromises with their values. As families who may frequent Kirkland (as for shopping or dining), they may respond well to environmental messages, but resist compromising their overall lifestyle.

RETAIL SALES & LEAKAGE

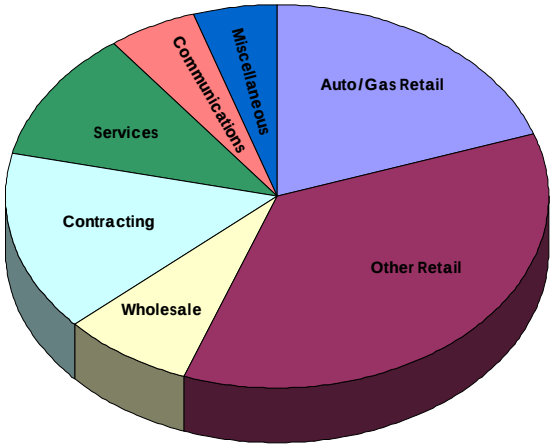
As with the discussion of area demographics, the following retail sales discussion is separated to first provide a review of taxable retail sales to the City of Kirkland – by business sector and by geographic area. The analysis then proceeds to address retail business potentials based solely on the City of Kirkland residential base, followed by opportunities posed by added capture of a larger destination trade area. Specifically noted is that data for much of this analysis precedes the substantial economic downturn of late 2008 – and therefore represents more normalized and longer term economic conditions.

Taxable Retail Sales. From the perspective of the City of Kirkland, retail sales tax is important as the #1 contributor to the City's overall revenue base. Taken together, all tax sources comprise over 65% of Kirkland's annual general fund revenues – with sales tax contributing about 29%, well ahead of property taxes at just over 16%:[7]

- When considered *by business sector*, about 56% of the City's sales tax revenue from 2000-2007 has come from retail businesses (including 20% from auto/gas and 36% from other retail – with major contributors being general merchandise and dining activities).

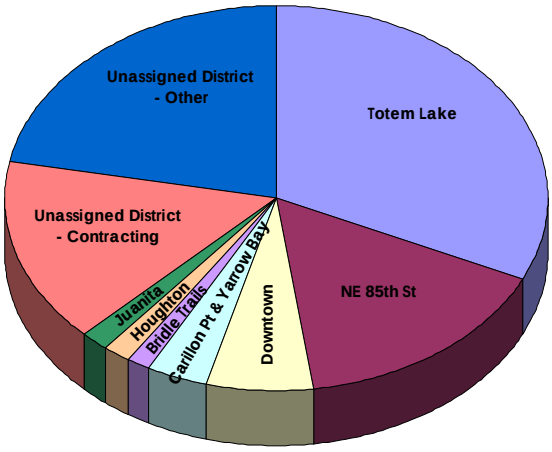
  In the best year of the decade (2004), retail contributed over 60% of the total sales tax revenue. Contracting has become more significant in recent years – peaking at 20% of total sales taxes in 2006 followed by slower growth thereafter.[8]
- When viewed *by geographic area* of the City, Downtown has been contributing just under 7% of the City's retail sales tax revenue – well below the 32% share that comes from Totem Lake and 16% from NE 85th Street. Specifically noted is that nearly 38% of sales tax revenue is not assigned by location, including sales tax on construction.

Figure 5. Sales Tax by Business Sector



Source: City of Kirkland.

Figure 4. Sales Tax by Business District



Source: City of Kirkland.

The remainder of this discussion turns to consideration of retail sales from a business and economic development perspective – for the City of Kirkland and then for a larger destination trade area.

City of Kirkland. As of 2008, an estimated 48,400 Kirkland residents have incomes that support demand for nearly $975 million of retail purchases. Actual volume of sales supplied by retail stores in Kirkland is estimated at over $1 billion – indicating a *net inflow* of sales estimated at $40 million.[9] This occurs because of the large number of non-Kirkland residents (from the destination trade area and beyond) who travel to shop or dine in Kirkland.

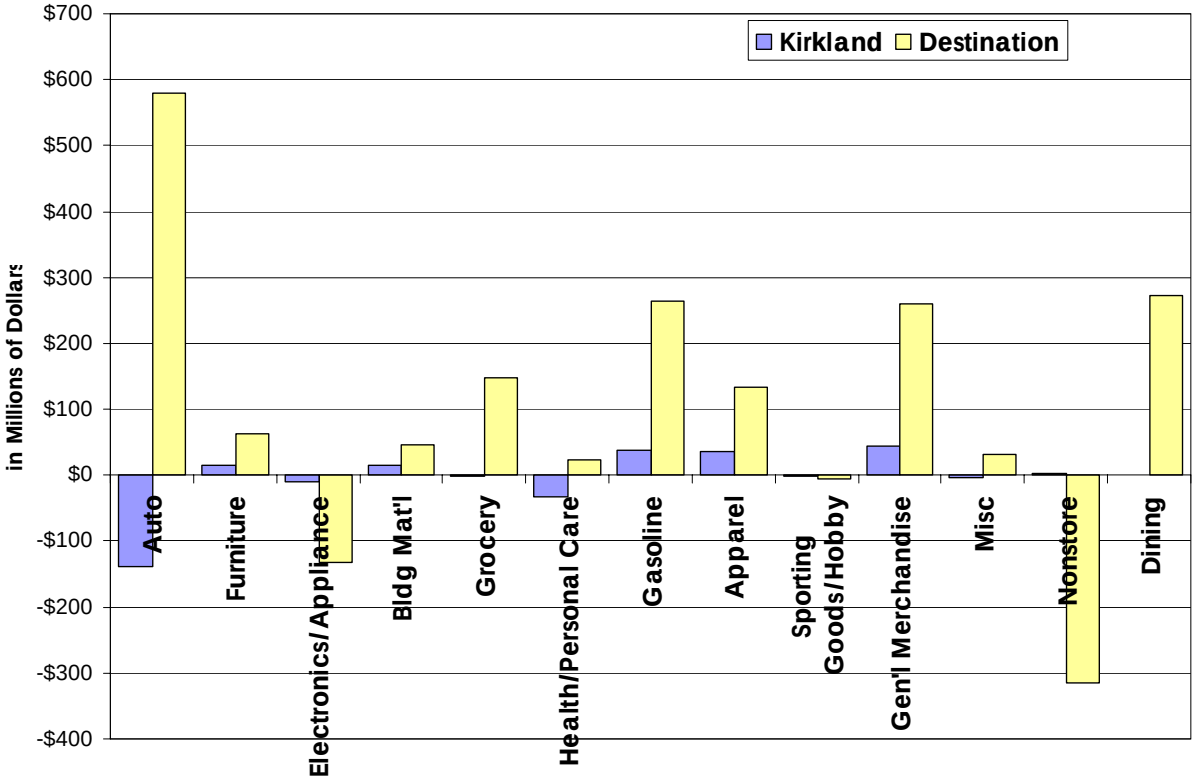
However, not all store categories of retail are fully served locally. Examples of retail categories that have been underserved (for which there is clear *sales leakage*) include furniture and home

furnishings, building materials and garden supplies, gasoline stations, apparel, and general merchandise.

Destination Trade Area. When viewed from the perspective of the geographically larger destination trade area, the results are considerably different. As noted, this trade area was intentionally drawn based on a geography that would *maximize the gap* between retail demand and supply – as the "best case" for sales leakage that is present in a market proximate to Kirkland.

This *best case* trade area excludes Bellevue (and Bellevue Square). This is because of the effect that these destinations currently have on absorbing much of the existing market for retail east of Lake Washington.[10]

Figure 6. Kirkland & Destination Trade Area Retail Sales Leakage (2008)



Source: ESRI Business Information Solutions.

For the destination trade area tested, total annual volume of sales supported by an estimated 280,000 residents is nearly $5.0 billion. Retail sales captured by businesses physically located somewhere within this trade area is just under $3.6 billion – indicating sales leakage of $1.4 billion per year (or 28% of sales potential).

For this northern section of the eastside, considerable sales leakage is evident across virtually all retail categories *except* electronics and appliance stores, and sporting goods/hobby/book/music stores. Also noted are strong sales for non-store retailers including those with strong internet

and/or mail-order presence – a category of possible interest citywide but not as relevant for purposes of this downtown analysis.

In effect, this northeast quadrant of the Lake Washington market is substantially underserved almost across the board – as residents travel to Bellevue or other points outside their home area to shop.

Five-Year Supportable Retail Space Potentials. Supportable retail space demand has also been estimated. Estimates reflect maximum retail space supportable if existing sales leakage was to be *fully recaptured* and anticipated population growth over the next five years to 2013 was to be *fully served* – also assuming economic recovery by 2013 to more normalized conditions of consumer incomes and retail demand:

- Based on demand patterns associated with existing and prospective *Kirkland residents*, maximum demand would equate to approximately 346,000 square feet of additional commercial retail space by 2013. Retail store types potentially supporting the greatest building area are general merchandise (just under 100,000 square feet), followed by apparel. Maximum retail capture is predicated primarily on leakage recapture (77% of demand potential) augmented by anticipated Kirkland population growth (23%).
- The larger *destination trade area* could support as much as 2.3 million square feet of additional retail space – if all current and prospective consumer demands were to be satisfied without traveling elsewhere in the region. The single greatest source of square footage demand is indicated for general merchandise (at over 600,000 square feet including both department store and discount store retailers), followed by dining and then grocery stores and apparel.

2020 Supportable Retail Space Potentials. Calculations have also been made of longer term potentials over the time period from 2008-2020 – a time period representing greater opportunity not just for economic recovery but also a transition back to more typical trendline conditions of population and employment growth in the Puget Sound region:[11]

- Based on demand generated by existing and prospective *Kirkland residents*, maximum demand would equate to approximately 434,000 square feet of additional retail space by 2020.

  As with the shorter term scenario, store types potentially supporting the greatest building area are general merchandise (123,000 square feet), followed by apparel.
- The larger *destination trade area* could support up to 2.9 million square feet of added retail space – if all current and prospective consumer demands were to be satisfied without traveling elsewhere in the region.

  As with the more localized trade area, the greatest source of square footage demand remains with general merchandise (but with a much larger potential of as much as 776,000 square feet including both department store and discount store retailers), followed by grocery stores, dining and apparel.

Capturing Retail Demand. This preliminary analysis indicates that, while there are options to better serve the retail needs of Kirkland residents, these opportunities are considerably greater if downtown can also capture a competitive share of the available destination market. However, the successful capture of either local or destination market potential is by no means assured.

Experience of recent years indicates that, absent a targeted public-private strategy, downtown Kirkland would not be expected to appreciably change its market share in the years ahead. Also noted is that downtown should not be expected to be competitive across all retail categories but rather anticipate picking its *best shots* – including retail store types for which downtown …

Has a Strong Competitive Position Today (notably):

- Dining (primarily full-service – formal to casual, but with increasing emphasis on younger professional and creative class clientele)
- Specialty retail (building from the existing gallery base)

Has a Lesser Competitive Position Currently but Could Expect Improved Capture Based on Urban Experience Elsewhere (as for):

- Specialty grocery (ranging from a national retailer such as Whole Foods to independent or co-op grocer).
- Pharmacy (serving the growing downtown residential and employment base).
- Apparel (opportunity for independent boutique plus possible national credit tenants).
- Home furnishings (of the quality of Sur La Table).
- General merchandise (perhaps a long-shot but increasingly possible for re-emergent smaller footprint downtown prototypes).[12]

Supplementing this pure retail is the opportunity for *complementary service* businesses – serving similar clientele. Examples might include cinema, health care, fitness and child care.

This analysis returns to more explicit consideration of prospective downtown retail capture – after review of applicable commercial real estate indicators.

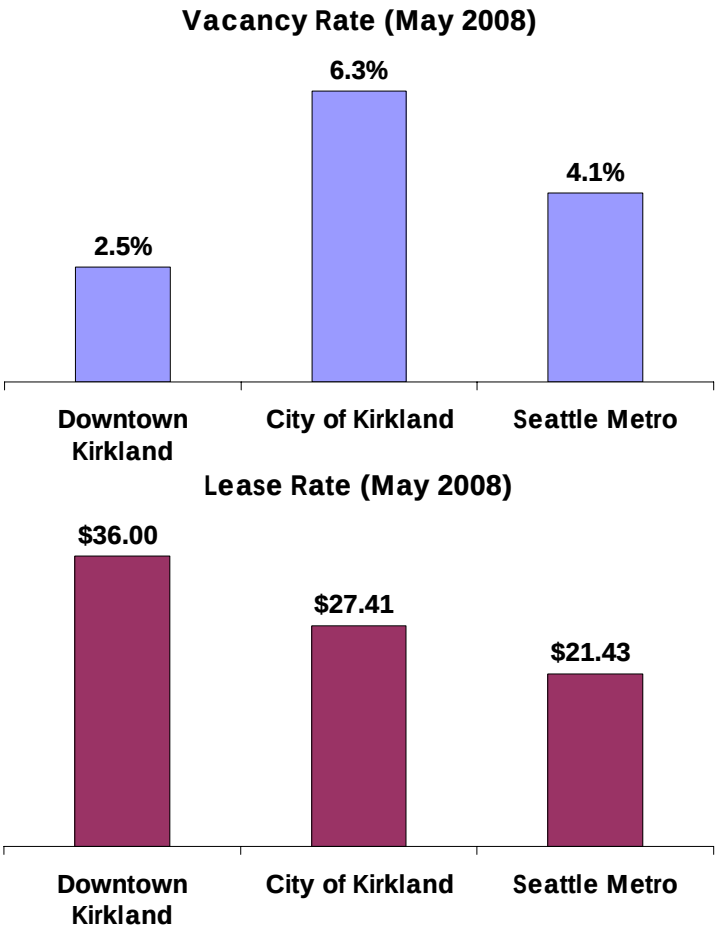
COMMERCIAL REAL ESTATE INDICATORS

Of primary interest to this analysis is retail space. Office use is noted as well, for its current and potential role in supporting retail activity. Also included is a summary of recent downtown development. *Note:* Economic data evaluated for this retail analysis are as of mid-2008, and so represent more normalized conditions prior to the market declines experienced later in the year.

Competitive Retail Space. The downtown Kirkland area has a retail inventory estimated by the real estate data firm CoStar at nearly 900,000 square feet of gross leasable space (involving 42 competitive properties). This inventory includes specific ground floor building spaces typically considered as suitable for retail use, but which in reality often is tenanted by office or other non-retail service uses:[13]

- Based on this brokerage data, Downtown's retail inventory accounts for a bit over one-quarter (26%) of the 3.5 million square feet of retail space citywide and 0.6% of the retail space in the Seattle metro area (covering King, Snohomish and Pierce Counties).
- As of May 2008, retail vacancies in downtown were 2.5% of the reported inventory – well below comparable vacancy rates of 6.3% citywide and 4.1% for the metro region. Only six of 42 downtown properties are identified as having vacancies; the rest are 100% leased.
- Downtown Kirkland rents have also been relatively strong – at a median annual rate $36 per square foot compared with rental rates averaging less than $27.50 for retail properties citywide and less than $21.50 for the metro area.

Figure 7. Comparative Retail Vacancy & Lease Rates



Source: CoStar.

- Kirkland Parkplace accounts for nearly one-half of downtown area retail space. When buildings associated with Parkplace are excluded from the inventory, the typical retail building averages only 12,730 square feet (with an indicated range of less than 1,300 to as much as 43,000 square feet).

While retail demand remains relatively strong in downtown Kirkland, there are clear signs that the market is perhaps less vigorous throughout the rest of the city. The City of Kirkland has gone from almost no vacancy (of 0.1%) at year-end 2000 to more than 6% citywide as of mid-2008. Net retail space absorption (equaling leases minus space vacated) has been negative in five of the last eight years.

By comparison, retail vacancy for the Seattle-Tacoma-Everett metro area has also increased somewhat, but to a lesser degree. Unlike Kirkland, the metro area has experienced positive space absorption for seven of eight years (all but 2003).

Office Space. While the focus of this analysis is on retail space, it is also worth noting the relatively substantial inventory defined by CoStar at about 450,000 square feet of competitive office space in the downtown (in 27 properties). Reported annual rental rates range from a low of $25 to over $46 per square foot.

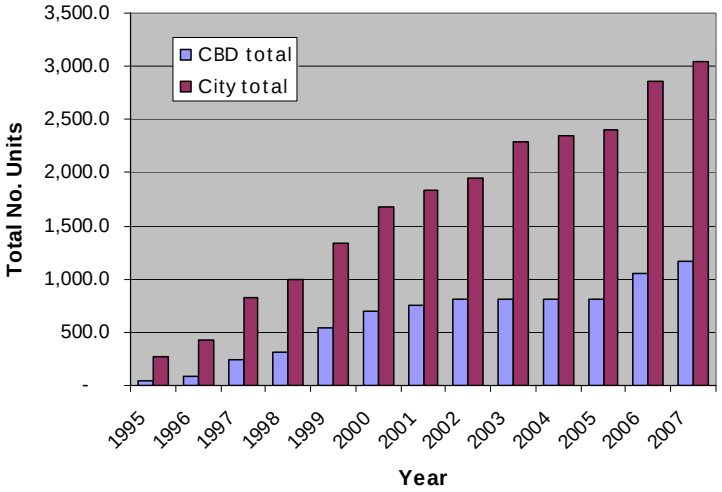
Most downtown office buildings are relatively small – averaging just 16,600 square feet of gross leasable area per property. There are no downtown area office properties identified by CoStar as being larger than 100,000 square feet. Downtown area vacancy averaged just over 11% as of May 2008. However, most properties are effectively 100% leased – with 7 out of 27 properties accounting for the vacancies indicated.

If developed, proposed projects could represent 1.5+/- million square feet of new downtown office space. The major potential project is represented by Kirkland Parkplace – in the range of 1.2 million square feet of added office space.

Recent Downtown Development. Between 1994 and mid-2008, downtown Kirkland experienced substantial building permit activity (including plans for the recently approved McLeod and Bank of America developments, but as yet excluding the Parkplace project) of:

- 1,359 new housing units (and 91 hotel rooms).
- Approximately 175,700 square feet of added office space (including the planned McLeod development).[14]
- More than 132,000 square feet of new retail space (including the McLeod and Bank of America properties).
- Up to an estimated $246 million of new downtown investment (excluding Parkplace).

Figure 8. Number of Completed Multi-family Units



Source: City of Kirkland.

The dramatic increase in residential (and mixed use) development has received much of the attention in recent years. Kirkland's CBD has accounted for 39% of all multi-family residential development citywide between 1994 and 2007.

As is often the case, the pace of downtown residential development has been somewhat uneven. The highest levels of construction activity were experienced in 1999-2000 and then again in 2006-2007. Over 13 years, downtown has averaged about 90 new units per year. Much of the new retail space replaces existing older retail space, so these numbers do not represent net new growth in retail square footage.

Housing can be an important contributor to added retail demand in downtown – especially if the types of retail provided meet day-to-day resident needs for conveniences ranging from grocery to pharmacy plus casual dining. However, downtown housing sometimes can also deliver less consistency in purchasing than what might be expected – as for residents on fixed incomes or those living in Kirkland only part-time.

Overlooked in recent years is the added stimulus that office provides for downtown retail as well. National research shows that the typical downtown worker spends as much as $130 per week in downtown – including $27 for lunch, $51 for general merchandise, $24 for grocery items, $14 for variety/drug/convenience items, and $14 for drinks/dinner.[15] This research also concludes that while office workers are more likely to shop closer to home (66%) rather than work (34%), the availability of "superior retail" can shift this balance – to as much as 40% of non-grocery trips made closer to work.

Major office development as represented by the planned Parkplace redevelopment can substantially enhance downtown retail. The proposed 1.2 million square feet of office space could support a minimum of 42,500 square feet of downtown retail space – based on just average levels of office worker spending. With availability of what the International Council of Shopping Centers considers as "superior retail," spending potentials could be boosted above this figure by another 15-20%.

DOWNTOWN RETAIL CAPTURE POTENTIALS

This market review ends with preliminary projections of future downtown retail space supported under conditions of moderate and aggressive retail *local plus destination* demand capture. The primary focus is on short-term (5 year) opportunities but with discussion of longer term potentials to 2020 as well:

5-Year Downtown Retail Space Scenarios. The 5-year projection (to 2013) involves consideration of two alternative scenarios:

- *Moderate capture* is predicated on downtown capturing a higher level of retail space development than has been experienced in downtown Kirkland in recent years, but with more focus on local than the broader destination market development.
- *Aggressive capture* reflects what might be achievable predicated on public-private sector initiatives to actively compete for added local serving retail plus the upper specialty end of the larger destination market.

As is illustrated by the following chart, *moderate capture* reflects an assessment of no net new (or 0%) market capture for uses in which downtown is not typically competitive. A 5% capture is assigned for retail types that reflect a day-to-day convenience activity and 10% capture for specialty shopping.

With the *aggressive share* scenario, these capture rates are essentially doubled. The most aggressive 20% figure is slightly above Kirkland's 17% share of 2008 total destination area market population.

Figure 9. Downtown Retail Capture Potentials (2008-2013)

Retail Categories	Capture Scenario (Sq Ft) Moderate (0/5/10%)	Aggressive (0/10/20%)	Comments
Motor Vehicle & Parts Dealers	-	-	Not projected for downtown
Furniture & Home Furnishings Stores	12,000	24,000	Higher capture for home furnishings
Electronics & Appliance Stores	1,500	3,000	Minimal demand from population growth
Building & Garden Supply	8,000	16,000	Low capture w/specialty garden/hardware focus
Food & Beverage Stores	23,500	47,000	Higher capture for specialty grocery
Health & Personal Care Stores	4,000	8,000	Local + specialty service capture
Gasoline Stations	-	-	Not projected for downtown
Clothing & Accessories	26,000	52,000	Higher capture as specialty destination
Sporting Goods, Hobby, Book, & Music	1,000	2,000	Modest demand w/population growth
General Merchandise Stores	15,500	31,000	Potential for urban prototype store
Miscellaneous Store Retailers	8,500	17,000	Assumes higher demand as specialty destination
Nonstore Retailers	-	-	Not projected for downtown
Food Services & Drinking Places	16,000	32,000	Higher demand for destination full-service dining
Total Retail Trade and Food & Drink	116,000	232,000	Total added downtown building area (square feet)

Note: Building space need is not calculated for retail categories of motor vehicle and parts dealers, gasoline stations, and nonstore retailers – due to the non-downtown/non-pedestrian orientation of these retail uses and variations of building space to total site area requirements.

Source: E. D. Hovee & Company, LLC from ESRI Business Information Solutions and Urban Land Institute. Estimates are intended for illustrative purposes only.

With the *moderate scenario*, retail space construction in downtown would need to average about 23,200 square feet per year. The pace of new development accelerates to 46,400 square feet per year of added retail space potential with the *aggressive scenario*.

A key factor that might be expected to favor the more rapid (or aggressive) pace of absorption is represented by the plans for redevelopment of the Parkplace office and retail center. This plan includes an estimated 550,000 square feet of mixed use including retail, theater and hotel space. The project will involve re-location of some portion of the existing businesses that may be moved into new or reconfigured retail space.

Offsetting this optimism are the economic effects of the recent economic downturn – especially the sharpness of the retail decline experienced nationally and regionally since this initial retail analysis was completed in August 2008. As the full effects of this recession continue to unfold, a case increasingly might be made that these absorption projections may well prove more challenging to achieve over the next 2-3 years pending economic recovery. An exception would involve development for which there is clear evidence of pre-lease commitments.

2020 Downtown Retail Space Scenarios. Using similar assumptions extended over a 12-year time horizon to 2020 indicates that:

- With *moderate capture,* downtown retail potentials increase from 116,000 square feet (over 5 years) to a cumulative total of up to 151,500 square feet (by 2020).
- With *aggressive capture,* downtown space supported could increase from 232,000 square feet (over 5 years) to a cumulative total of about 303,000 square feet (by 2020).

It is not anticipated that the current recession will materially affect cumulative market absorption over this longer term time horizon. While the pace of market activity may be slower over the next 2-3 years, some make-up can be expected during the ensuing period of economic recovery – provided that consumer spending and commercial development credit availability return to more normalized levels of the pre-2008 time period.

Market Factors Affecting Downtown Retail Development. With potential for 23,200-46,400 square feet of annual retail demand possible over at least the next five years, both the moderate and aggressive scenarios are well above the *existing track record* of development averaging less than 6,000 square feet of new retail construction annually since 1994. However, this figure excludes an added increment of approximately 39,000 square feet currently proposed with the McLeod project recently approved. By itself, this project represents an approximate 1-2 year inventory of added retail space with moderate to aggressive downtown retail capture.

Key factors affecting the retail capture scenario that actually materializes likely include:

- *Market feasibility and approval status of development proposals with substantial downtown retail components.* The most significant potential project is represented by the redevelopment of Parkplace – estimated at 550,000 square feet of mixed use retail, theater and hotel space (including anticipated re-location of existing tenants such as QFC). Community serving retail and services are planned to include such businesses as grocery, childcare, bookstore, drugstore, dry cleaner, barbershop and shoe repair. The now approved McLeod project also has retail uses estimated at 39,000+/- square feet.
- *Other major development occurring elsewhere in the Kirkland market area.* With over 580,000 square feet of proposed retail (and Target as an anchor tenant), Totem Lake redevelopment is perhaps the single most important project that could affect downtown prospects. The effect will be less to the extent that Totem Lake is tenanted by big-box retailers (such as Target) or mid-market retailers not as directly competitive with downtown retail. A more upscale development that comes to market ahead of major downtown projects could dampen downtown absorption opportunities back toward the moderate capture scenario (with greatest focus on specialty retail and dining/entertainment) – at least for the near-term.
- *Ability to secure other sites for retail infill and redevelopment at a cost of development supportable by downtown area lease rates.* This would include ability to secure suitably sized parcels and provide parking for added retail space as needed (as discussed in Sections V-VI).

This *quantitative review* of market potentials sets the stage for more detailed consideration of stakeholder perspectives and assessment of retail gaps and opportunities – which now follow.

IV. STAKEHOLDER PERSPECTIVES

As part of the 2007 *Kirkland Downtown Strategic Situation Assessment*, focus groups were conducted with 11 sets of stakeholder interviews – together with added personal interviews and community meeting activities. In conjunction with this 2008 retail-focused project, two supplemental stakeholder outreach activities were initiated:

- Resident and business surveys – prepared in conjunction with a separate concurrent *Kirkland Economic Sustainability Assessment* for the City of Kirkland by O'Brien & Company in cooperation with E. D. Hovee & Company, LLC.
- Personal interviews – with representative business and retail interests together with representatives of the Parking Advisory Board and City Council Economic Development Committee.

RESIDENT & BUSINESS SURVEYS

As part of the Kirkland Economic Sustainability Assessment, a resident survey was designed to cover questions related to sustainability and downtown retail. A companion business survey was also distributed to businesses both in the downtown and elsewhere throughout the Kirkland community.

Detailed results of both surveys are provided with Appendix B to this report. What follows are summary results most pertinent to preparation of a downtown retail strategy.

Citywide Resident Survey. In May 2008, 272 respondents completed a resident survey available citywide – with about 15% of respondents from the Moss Bay (downtown area) neighborhood. Demographics generally correspond with those of the city with a high proportion of 1-2 person householders, a majority of homeowners, and a minority of respondents who have children at home. Key findings include the following:

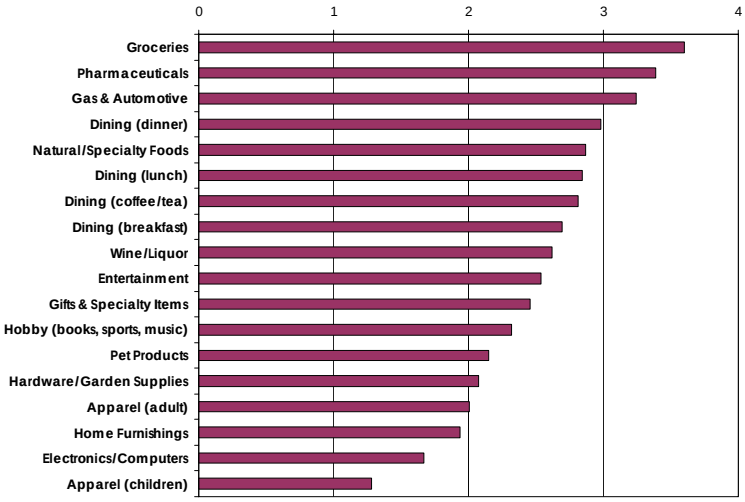
- Many of the retail goods or services desired by Kirkland residents are either *not available* or modestly available directly in the downtown core. Grocery and pharmacy are available in the larger downtown (Parkplace) but not in the downtown core.
- Factors for which Kirkland rates as "good" are consistent with strengths of downtown – with its *pedestrian orientation* and strong mix of *independent, locally-owned* stores.
- About 65% of Kirkland residents state that *quality, cost and convenience* are the top three priorities for selecting goods and services to purchase. Convenience represents the factor offering perhaps the greatest opportunity to broaden market appeal to local residents – especially for those living or working in close proximity to downtown.
- What residents most *want to see* more of in their city are hardware, clothing, restaurants, and grocery/market activity.
- The desire of residents for a *more sustainable economy* represents an opportunity that downtown either currently or prospectively could fulfill. A pivotal question is whether and to what extent some elements pose trade-offs for downtown's recent and current role as a destination retail and entertainment district serving much of the eastside.

Downtown Focus of Resident Survey. The resident survey also included three specific questions focused on patronage of downtown Kirkland for retail goods and services, and to the rating for selected features of the downtown experience.

The chart (to the right) depicts composite responses to the first question focused on retail shopping: *How often do you shop in Downtown Kirkland for the following goods?*

- Overall, the highest ratings are indicated for groceries and pharmaceuticals (the only retail goods for which a majority of survey respondents indicated they *always shop downtown*).
- Also well frequented are gas and automotive, natural and specialty foods, and dining (all forms).
- Lowest ratings are for home furnishings, electronics/computer and apparel (children's).

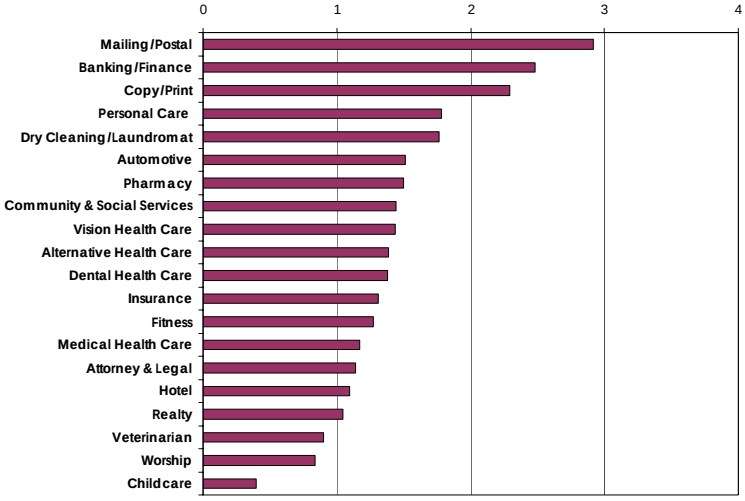
Figure 10. Retail Shopping Frequency



The next chart provides similar composite responses to the second question: *How often do you use the following services in downtown Kirkland?*

- Overall, Kirkland residents report that they patronize downtown businesses for services far less frequently than for retail shopping.
- There are only two types of services for which a majority of respondents note that they utilize downtown services *always or sometimes* – banking/finance and mailing/postal.
- A majority say they *never* come downtown for services that include pharmacy, health care, fitness, dry cleaning, veterinarian, hotel, legal, automotive, and insurance.

Figure 11. Service Business Patronage

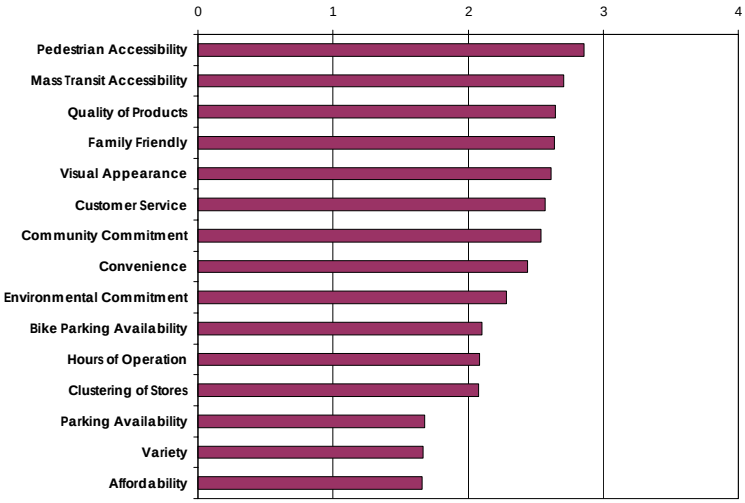


Note: To develop composite scores, responses were scored on a scale of 1-4 as follows: Always (4), Sometimes (3), Rarely (2), Never (1), Not Applicable (0).

The final downtown-specific question asked respondents to: *On a scale of 1 (poor) to 4 (excellent), how do rate the following features of shopping and services for Downtown Kirkland?*

- While no single feature was noted as *excellent* by a majority of respondents, features that received *excellent or good* ratings by a majority included pedestrian and mass transit accessibility, quality of products, family friendly, and community commitment. *Note:* Customer service was mentioned as excellent or good by slightly less than a majority (49%), but with only 4% rating it as poor.

Figure 12. Rating Shopping & Service Features



- Two features of the downtown experience received *poor* ratings by 50% or more of respondents – variety and parking availability. In terms of overall composite score, affordability is overall lowest rated – identified as poor by 41% and as average by 52%.

> *Note:* To develop composite scores, responses were scored on a scale of 1-4 as follows: Excellent (4), Good (3), Average (2), Poor (1). See Appendix B for added detail.

Summary Observations. Taken together, Kirkland residents have definite opinions both about shopping generally and in downtown Kirkland:

- Residents want to *see more locally oriented retail* throughout downtown and their city; downtown performs best for grocery but not as outstanding for mix of dining options, and least well with respect to hardware and a broad range of apparel shopping.
- The downtown has a strong *reputation for quality* of merchandise as a priority for residents in deciding where to shop – moderately so for convenience and not so well for affordability. Quality represents a critical building block for re-acquainting more Kirkland residents with downtown retail as a preferred shopping venue.
- Downtown is not currently a preferred location for most *residentially-oriented services* – with notable exceptions being postal and banking/finance services.

In summary, there is greater opportunity to strengthen and create retail that serves both resident and destination needs than for service businesses. This is due to greater potential convergence of non-local interests in retail goods than what are typically more localized services – combined with high rents and planning preferences for retail over service businesses in the downtown core.

However, broadening the range of retail and entertainment options appealing both to residents and non-residents is by no means assured. This is apparent with restaurants that represent a destination draw but are not consistently patronized by residents. Even more of a challenge is to secure compatible options for hardware (likely a smaller specialty store in downtown) or apparel.

Business Survey. A smaller sample of businesses (77 in total) completed a business survey. Approximately 41% of the businesses (or 31 respondents) were located in downtown Kirkland. Citywide, the largest proportion of respondents consisted of retail businesses (33%), followed by business and personal services (30%). Key findings:

- Overall, responses center on the theme of "an economy that ensures both natural resources and a healthy environment for our future generations."
- More than 60% of the Kirkland business respondents indicated that it is somewhat to very important for the public and their customers/clients to view their company as *green*.
- Over 75% purchase energy efficient products either sometimes or all the time, and recycle all the time.
- Less than 20% of Kirkland businesses stated that they always or often seek out business goods and services from within Kirkland. However, a larger proportion (45%) stated that they sometimes or often participated in joint promotions to support other local businesses.

Peter Kirk Park offers open space between Parkplace and the downtown core; pedestrian-oriented retail would benefit from a stronger connection.

Bottom line, building sustainability into a retail strategy for downtown Kirkland appears to be important for two reasons: a) growing *public awareness* of the global ethic for a more sustainable approach to consumer purchases – accelerated by recent rapid increases in fuel costs; and b) opportunity to *brand downtown* Kirkland for sustainability – ahead of the suburban competition but in an intentional, authentic and sustained manner.

RETAIL FOCUSED PERSONAL INTERVIEWS

Business interviews conducted as part of this retail strategy process were intended to supplement the community stakeholder interview process as part of the *Downtown Kirkland Strategic Situation Assessment.* The interview process utilized for retail strategy development was intended to have a primarily business focus – involving 19 individuals with a selected cross section of downtown retailers, service businesses, and local/regional real estate brokerage and development interests. Also included were meetings with the Parking Advisory Board and City Council Economic Development Committee.

Business Interview Process. Persons to interview and discussion topics were determined in consultation with City staff. Specifically anticipated was that this interview process serve to test the *on-the-ground* match between community and business expectations for downtown retail – to serve local residents and workers, the community and/or as a continuing, if not strengthened, regional destination. More detailed interview information is provided as Appendix D.

In conjunction with the interview process, conversations were also conducted with the Parking Advisory Board, Downtown Advisory Committee, and City Council Economic Development Committee. While comments are primarily reflected in a separate section on retail strategy objectives, added observations related to the business interview process are noted below.

The following topics served as a general guide to discussion. As interviews were conducted informally, different conversations emphasized topics of most interest to those involved.

Downtown Involvement. Those interviewed included restaurant and gallery owners, and real estate brokerage, development and property owner interests together with representatives of the Kirkland Downtown Association, Parking Advisory Board, and Economic Development Committee of the City Council. Of the businesses representatives interviewed, most have been active in downtown for a considerable time – ranging up to nearly 40 years.

Kirkland Downtown Association represents a major catalyst for events including the Wednesday Market, Flower Pot program, Holidays, Jazz Nights (2nd Thursday), Nights of Shopping, and Car Show/Kirkland on Court (July). Attendance ranges from 2,000-3,000 for tree lighting to 3,000-4,000 for the Wednesday market to 15,000-20,000 for the summer car show.

Underperforming retail makes for poor use of land and lack of pedestrian character …

Change in Downtown Retail Activity. An initial question focused on changes that each participant may have noted with downtown *retail business activity* in recent years – both generally and for their own particular business. Those interviewed were also asked to comment on what further changes might be expected in the next 3-5 years. A summary of comments received follows:

- Declining number of galleries in downtown – from a peak of as many as 16 in the late 1990s to about five in the post-9/11 era. In the dot-com era of the 1990s, there were more customers and the dollars were freer.
- Less diversity of retail – with loss of bookstores (now just in Parkplace).
- Increased presence of technology firms in and near the downtown– including Google (6th), Bungie (Kirkland Avenue), and IBM (Carillon Point). Also noted is growth in home décor business.
- Growing need for residential to support retail.
- Overall sense that downtown retailers are just "holding their own" – although area demographics should support more. Another person noted that downtown has been stable but is "underachieving," not drawing newcomers.

… but housing with ground floor active use has picked up in recent years.

Kirkland business activity reportedly turned down in the dot-com collapse post-2000. The rebound was then slowed for at

least some businesses by disruption due to recent street and building construction in downtown.

This trend toward higher business turnover is being held back by efforts of at least one realtor/ leasing firm to require a business plan from prospective tenants. Those who want to locate downtown also are required to show cash reserves adequate to last at least one year and to stay open evenings (with 4-8 pm indicated as critical hours).

Looking to the future, programs such as *Explore Kirkland* are beginning to make a difference – "stores are now just starting to come back in." Despite the downturn and slow recovery of recent years, some interviewees see downtown's retail future as one of "boutiques and galleries."

Current & Changing Customer Base. Two related questions were asked about downtown's customer – both present and future: How would you describe *downtown's customer* (in terms of demographics and geography)? Do you see the customer mix changing in the future?

A wide range of observations and perceptions are noted:

Mixed use means change …

… with opportunity to re-develop parcels at prime downtown retail locations.

- One observer described businesses as catering to those in their mid 30s to 50s, 80-85% women. Another person describes a "more mature market." Despite a diverse demographic, Kirkland tends to draw older residents – as from Medina and Clyde Hill.
- Another interviewee notes that Kirkland has "a younger set that likes downtown." However, yet another suggests that businesses are not targeting Generation Y though there are now a "lot of twenty-somethings." Firms like Google, Bungie and Microsoft are drawing a "skateboarder" demographic.
- Condos represent a mix of singles and newly married (often in smaller units) plus second homeowners and retirees. New residential in and near downtown does not necessarily appear to be helping downtown, except restaurants. Another interviewee noted that many residents (including those in senior housing) are "snowbirds" who don't shop downtown. One suggestion is that "we need to get away from that demographic." Yet another says that future mixed use should aim for a younger market.
- For some businesses, customers come from outside to downtown "as a destination." For at least one long-time establishment, clientele is more local – including high school students, senior citizens and visitors to the lakefront on a sunny summer weekend. Also noted for some businesses is the reverse trend of more "drive-by traffic," but involving less travel to Kirkland as a destination. In the words of one owner, downtown became more of a "luxury item," as long-time businesses that catered to local residents and institutions such as City Hall, the hospital and the Post Office moved out of downtown.

- The diversity of customer mix can vary widely even within a very specific business type. For example, one gallery owner describes the customer base as "80% local and sliding" – also as less than 50, with high incomes, and with active referrals from wineries. Another owner caters to out-of-state and internet clientele. A third describes the market as regional – from Olympia to Gig Harbor to Canada with more visitors (about 1/3 from out of state).

The apparent contradictions in the downtown customer base are highlighted by an individual who said that the customer base is "becoming older, but with newcomers younger." Cross-shopping? Not much except during events such as Art Walk or on weekends when visitors get a "visual connection" and then come back for serious shopping later.

Strengths & Weaknesses. Those interviewed were asked to assess – in comparison with other communities – what are viewed as the *strengths* (or benefits) of having a retail business in downtown Kirkland? What specific retailers or clusters of activity are strongest? Conversely, what are the *weaknesses* (or disadvantages)? What gaps are most apparent?

Strengths:

- There are identifiable downtown anchors. Examples cited include a number of smaller shops such as Gunnar Nordstrom, Bikini Beach, Liberty 1-2-3, and Simplicity Décor.
- Art galleries – not too many but more would be better to "shop and compare."
- Restaurants – like Cactus on Park Lane, Hectors, and Anthony's Home Port on Lake. "Very popular restaurants do very well."
- Added diversity with more home décor related stores. The Model Train store is "distinctive."
- "New owners get it."
- Broker selectivity in recruiting quality tenants.
- Continued availability of reasonable rents – especially for some long-time tenants or at locations with long-time landlords.
- Increasing pedestrian "walk-thru" traffic – with pedestrians even making the connection from the downtown core to Parkplace on good weather weekends.
- Diversity of retail spaces – for example, with Parkplace being able to offer larger retail floor plates than are available in the downtown core.
- Great demographics – can draw from immediate residential base of 5,000 plus the "greater eastside." Kids make $60,000-$100,000; downtown residential supports retail

Good retail occurs where there is a sense of enclosure and caring …

… together with a bit of on-the-street buzz.

also. A Downtown Advisory Committee (DAC) member observes that "the census may be off as high-tech companies move in and younger, more affluent workers move here."

- Lake and park amenities – suggested by one as "the only place on the water in the Pacific Northwest other than LaConner," and by another as an amenity "which Bellevue doesn't have."

One long-time owner summed up downtown's strength as the combination of "restaurants, bars, galleries and salons, now with residential."

Weaknesses:

- Lack of a substantial contribution (of only about 6-7%) to total sales tax collections citywide. From a taxable retail sales perspective, downtown is described as "small, not productive."
- A *Catch-22* from nearby neighborhoods that are not supporting local retail – "keep quaint, but won't shop downtown."
- No anchors – why does downtown have a laundromat and a consignment store? Retail spaces are not attractive. Traditional retailers like J.C. Penney, drug and hardware stores have been lost to downtown.
- Absence of retailers important to a destination downtown – notably women's clothing (lacking except for consignment). Even greater absence for local residents – from barbers to hardware.
- "Old guard retailers who close at 5 pm" – lack of an adequate network willing to stay open at night.
- Lack of larger tenant spaces – of 2,000+ square feet (in the core area). Older buildings don't have adequate parking, often have only single phase power, and don't offer even air conditioning.
- Another says that downtown buildings look "tired and worn," but also observes that it is difficult to make the economics of new development work with 2-story buildings. A DAC member echoes this comment noting a "perceived lack of pride in downtown buildings."
- High rents – of $30+ per square foot on a triple net basis (tenant pays expenses).
- Resistance by some landlords to leasing for restaurants – due to concerns ranging from maintenance to turnover and collections to late night noise affecting nearby residents.

Tired retail and lack of street orientation is a negative extending beyond the immediate property …

… even prominent anchors sometimes exhibit poor street orientation – reflecting dated design.

- Inadequate and poorly designated parking – although as one says you can always find it even during a major event. The issue is "the perception." A repeated comment is that "signage is terrible."
- Condo owners who are "gone in the day, winter and part-time." Condos add to the "vibrancy of downtown, but it would be better if they also worked here."
- Lack of downtown office population – as companies incubate in Kirkland (e.g. McCaw Cellular), then relocate elsewhere to grow.
- Some concern with possible over-emphasis by Kirkland Downtown Association on events – less than is desired or needed on business support and advocacy.
- Increased controversy over the direction of downtown – seen by some as having the indirect effect of dampening retail patronage. One business owner expresses a perhaps deeper frustration that the "City does not appreciate business," evidenced by an often adversarial relationship between City Hall and downtown.

For parking, the customer expectation is that there is no need to pay in a town center, but these same customers will not be concerned with paying for parking in downtown Seattle. From the standpoint of one interviewee, Kirkland is more like downtown Seattle because of multiple property ownerships. A countervailing view is that "parking should be free." Why should Kirkland be the only city on the eastside with paid parking?

A final comment perhaps sums up the recent and current downtown conundrum: "Kirkland is a wonderful place that looks a little tired."

Newer space makes a difference, especially for national tenants …

Sources of Market Competition. This was framed as a two-fold question. First, what is the primary *competition* for downtown Kirkland retail? Second, how does Kirkland compare with the competition in terms of store mix, image/appeal, access to customers, cost of doing business, and other factors?

Comments received were both specific and varied:

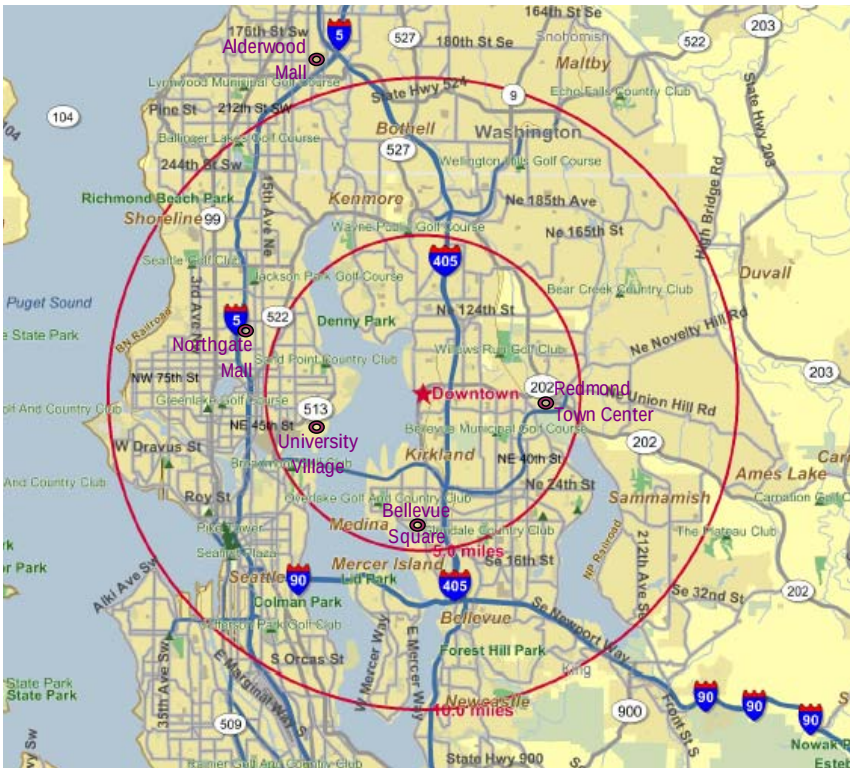
- Totem Lake – but "not sure when it will get going."
- Bellevue Square – but doesn't attract the type of tenant looking at downtown Kirkland. However, another interviewee suggests that Bellevue Square is taking everything from specialty to power retailing.
- Redmond Town Center.
- In part, the answer depends on whether Kirkland is catering to regional shopping versus tourism (including day trips). In the latter example, the competition is more with LaConner than other eastside cities.

… but quality rehab – in and out of the store – goes a long way as well.

- Seattle – the concierges and hotels are no longer supportive of Kirkland but recommend Woodinville and Bellevue instead.
- Need for nice buildings – otherwise it is a "tough sell to get nationals … who want nice TIs (tenant improvements)."
- Parking is a bit of a competitive issue – but will be less so when new downtown mixed use buildings (that also provide customer parking) are completed.

Cited as a concern by some interviewees and DAC members are five mile radius limitations in leases (as at Bellevue Square, Redmond Town Center, and even University Village). Northgate and Downtown Seattle are within a 5-10 mile ring and Alderwood Mall is more than 10 miles distant.

Figure 13. Vicinity Shopping Centers (@ 5/10 Mile Distances)



Source: ESRI Business Information Solutions and E. D. Hovee & Company, LLC.

For others interviewed, tenant spacing limitations may be less of a concern than may appear on the surface. For example, one firm active in real estate leasing observes that regional and national credit tenants are now more open to locating in freestanding and mixed use locations outside of a traditional mall setting. Also noted is that numerous national and regional specialty retailers not yet in nearby centers that could be attracted to Kirkland to serve the eastside market.

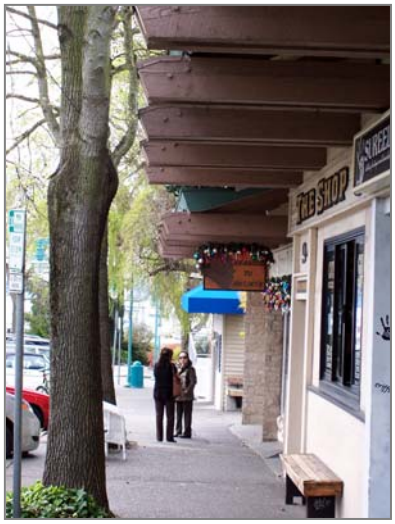
For another observer, the concern shouldn't be so much about the competition, the "issue is really getting people to shop." Kirkland could attract recognized national or regional retailers if more stores would consistently stay open at night.

Best Opportunities. Over the next 3-5 years, what do those interviewed see as the *best opportunities* for strengthening and enhancing their business activity – and the retail environment in downtown? A follow-up question: is *anything being overlooked*?

Suggestions received include the following:

- Get destination retail back – need quality retailers to stick around. Create interesting businesses and increase the density around downtown.
- Emphasize personal service – Kirkland should be a place where "we know your name."
- An opportunity being realized by other eastside and Puget Sound cities is to create *third places* – where people feel comfortable gathering – in both public and commercial spaces ranging from libraries to bookstores to coffee shops.
- The next 30-90 days will determine downtown's future direction – with major projects being considered. Parkplace can become a major driver of retail complementary to downtown.
- National but small footprint retailers like Panera Bread – a nice complement for lunches and early dinners.
- For some, banks can be a good fit activating street space. Others see banks as taking away space better suited for prime retail and entertainment use.
- Put a lid over the marina parking lot – and get retail on the lake.
- Get new buildings offering larger tenant floor plates. Replace older buildings on Park Lane with new construction – offering higher ceilings, glazing and lighting.
- Continue the pattern of development that has ground floor retail – with four stories of mixed use residential or office above.
- Get a mix of convenience and comparison retail at Parkplace – driven by office potential for a built-in source of walk-in trade.
- Improve the pedestrian connection from the lake through Peter Kirk Park to Parkplace – as at Redmond Town Center.
- Provide public parking to serve retail.
- Provide a strong, well-lit sidewalk down Central.
- Lift Peter Kirk Park – placing parking beneath.
- A member of the Downtown Advisory Committee suggested an overall objective should be to make downtown a fun place to run a business, network and share customers.

Parkplace offers community and neighbor-hood retail …



… while store fronts at Lakeshore Plaza offer an independent business feel – but with little direct connection to the lake.

- Kirkland Downtown Association is aiming to become more retail promotion oriented – aiming to build a community between restaurants and retail. A property owner suggests that more events might encourage groups of merchants to band together – as with Gallery Walk. Another suggests cross-promotions with restaurants supporting each other. Expand weekend shopping with programs like "The Weekend Starts on Thursday."

One person offered this *combined vision*: "Use residential developments to fill the available airspace with people who want to shop. Also get businesses including doctors and dentists."

Several Portland area districts were mentioned as possible examples for Kirkland. One is NW 23rd Avenue which contains a mix of locally owned and national retail. The other is the nearby Pearl District – with anchor retail including Whole Foods and Powell's Books. A third is the Portland high-end suburb of Lake Oswego with it's Lakeview Village urban retail (of 95,000 square feet) with mixed use development including retailers ranging from national tenants such as Chico's to regionals like CC MacKenzie (both apparel).

Regulatory Process. A focus of the City's interest in this downtown retail strategy is to better assess the ways that the City's *regulatory process* affects downtown generally or individual businesses in particular. Respondents were asked to be as specific as possible (comments were confidential). The follow-up question was: what (if any) changes in regulatory process or incentives are suggested? Key comments and suggestions:

- When new projects go in, make sure there is a plan in place for mitigating construction disruption in advance.
- A challenge is the perception that the applicant "can not rely on what they've been told" – with examples cited being questions over ground floor banking uses, number of floors, and definition of superior retail.
- The regulatory process is cited as not conducive to allowing individual retail store footprints – especially because smaller buildings can not efficiently include underground parking. So the only option appears to be full-block development.
- In discussion with the Parking Advisory Board, it was noted that the City will be re-examining its parking standards which to date have reflected suburban rather than urban standards. In the future, it may be important to look to opportunities for shared parking, as for legacy buildings, smaller buildings, and larger opportunity sites. Also noted is that residential parking largely takes care of itself – one space per bedroom is typical with some, but not considerable, spillover to public parking resources.

As more new construction can be expected closer to the retail core …

… it becomes important to address construction mitigation and provide new homes for affected retailers and parking.

- Focus on how Kirkland will meet its growth management (GMA) requirements for added residential – taking its fair share of regional population and housing growth in the future. One way of doing this is to create more density in and near downtown – thereby avoiding the need for increased density elsewhere in the community's single family neighborhoods.

These and other potential regulatory questions will be addressed further in the next step of the strategic planning process, subsequent to this interim report.

Retail Recruitment. Are there specific retailers that should be *recruited* – to open a store or expand – in downtown (e.g. local, regional or national tenants)? Any to be avoided?

National retail can be important for customers …

Suggestions made:

- Aim to get a mix of local, regional and national retail.
- Greater diversity of comparison and destination shopping – as with apparel and accessories, home décor, perhaps an urban department store prototype, bookstore, cinema.
- Chef-driven restaurants – "it's all about food."
- More everyday businesses – like pharmacy, hardware.
- Recognition of businesses that mix local storefront presence with outsourcing and internet sales.
- Attract more credit tenants – with added examples cited including Banana Republic (needs just 3,000-4,000 square feet) and Tommy Bahama (going to Bellevue Square).
- Target businesses able to pay high rents – offer long-term leases (as was reportedly the case with Sur la Table).

… while quality regional and local firms can match overlooked preferences.

Sur la Table provides an example of the types of regional or national retail that appears to fit well within downtown – in terms of scale of development, image and integration into the existing downtown building fabric. However, some suggest that this may be an exception due to the retailer's start in the Seattle area – at Pike Place Market.

As one business owner puts it: "The more charm we get, the more popular we'll be."

Strategic Priorities. In summary, what is the *#1 priority recommendation* that you would identify as most important to anchor a downtown retail strategy? How might it be implemented? And, how would successful accomplishment make a difference for your firm or downtown retailing?

Those interviewed had a difficult time limiting themselves to just one recommendation. Consistently mentioned were priorities related to:

- More actively encourage property and business owners to fix up their properties – it takes someone from the City to start this.
- Get quaint streets.
- Enforce zoning limitations on non-retail ground floor uses – for example, no banks, insurance or real estate, encourage fewer salons.
- Make mixed use development easier to happen – then attract the right kinds of retail tenants to ground floor spaces.
- Get more office, less residential – by more actively working the high-tech angle.
- Redevelop underutilized sites in the downtown core – repeatedly mentioned are the marina and Lake and Central public parking lots, U.S. Bank property, and Antique Mall.
- Redevelop Parkplace – providing a major new source for added office employees (as customers) and for substantially expanded "experiential lifestyle" retailing (with possible cinema, apparel, home furnishings, dining, and possible two-level anchors) together with continued convenience retail as for grocery.
- Secure more public retail customer parking – with a funding mechanism that might include downtown owner participation if dedicated to parking.
- Achieve a strong connection from Parkplace redevelopment through the park to downtown.
- Continue efforts of Explore Kirkland (on the right path) to expand local businesses, promote shopping locally, and focus on higher value retail.
- Provide City Council clarification of the vision and road map to getting there – exemplified by decisions now made regarding the McLeod and Bank of America property proposals, and the Parkplace development proposal. As one of those who was interviewed in mid-2008 suggested, it is important to continue to "improve communication, by listening better."

Mixed use development – with lodging as well as residential – offers one opportunity for enhanced downtown retail and entertainment …

… as does opportunity for quality storefront rehab …

… not to mention Kirkland public art.

WHAT MAKES DOWNTOWN SUCCESSFUL?

Over the same time period as business interviews were conducted, initial project meetings were facilitated with members of the City Council Economic Development Committee and Downtown Advisory Committee. The primary question asked was: what would make this retail strategy project successful? A summary of responses follows:

For Kirkland, success of downtown retail means building from recognized strengths …

Economic Development Committee (EDC):

- Use this retail study as a reality check to assess whether and how downtown can become an entertainment core and how to activate ground floor use.
- Make the downtown more of a destination – not just for visitors but local (including civic functions).
- Not just a destination but serve the residents of the downtown and full Moss Bay neighborhood.
- Identify critical mass and what's required for good retail.
- Determine what are viable anchors.
- Assess what role parking plays.

… paying attention to quality street environment …

Downtown Advisory Committee (DAC):

- Discover what people want and are willing to pay – looking at the downtown not just as a business district but to make the individual businesses more successful.
- One tangible action rather than another plan where nothing gets done.
- Use the plan as a basis to develop an improvement district, for sidewalk/parking improvements and beautification.
- Measurable and aggressive project goals – such as increasing sales tax by a substantial target percentage.
- Know what the business clusters are and what would work downtown – focused on what Kirkland is good at.
- Results that have authority and cachet – based on research and information.
- Specifics that can be implemented – with buy-in from owners and retailers.
- New tools and approaches – the right tools to make it happen.

… with a clear sense of public-private purpose.

- Identify the ills and provide direction on the cures – types of retail that would be successful.
- Frank discussion around hard facts of entertainment versus retail orientation – leading to a pedestrian friendly downtown.
- Come up with a rallying point – making downtown more year-round.
- Finding the middle ground – moderating or silencing the extremes.
- Follow through and make it happen.
- Listen to experts hired to advise Kirkland – and communicate that downtown is open for business.
- Look to comparable communities who are happy with their retail – and answer the question of superior retail.
- Learn how to do a better job as a property owner.
- Identify businesses that people want and figure out what it takes to bring them here.

It is the combination of quantitative demographic and retail data together with qualitative stakeholder perception that set the stage for mapping both today's clusters and conditions to visualize tomorrow's retail opportunities.

It is to this topic of downtown retail mapping that this interim retail strategy assessment report now turns.

Signs set the image …

… whether for national …

… or regional/local destinations …

… or even local convenience retailing.

V. DOWNTOWN RETAIL MAPPING

What retail works well in Downtown Kirkland? What could work better? These questions are *front and center* throughout this strategic retail assessment.

In this section of the report, these questions are considered from the perspective of what is *on the ground* today – essentially a physical and land use inventory. Topics covered are retail business clustering, rental rates, retail conditions assessment, and opportunity sites.

RETAIL BUSINESS CLUSTERING

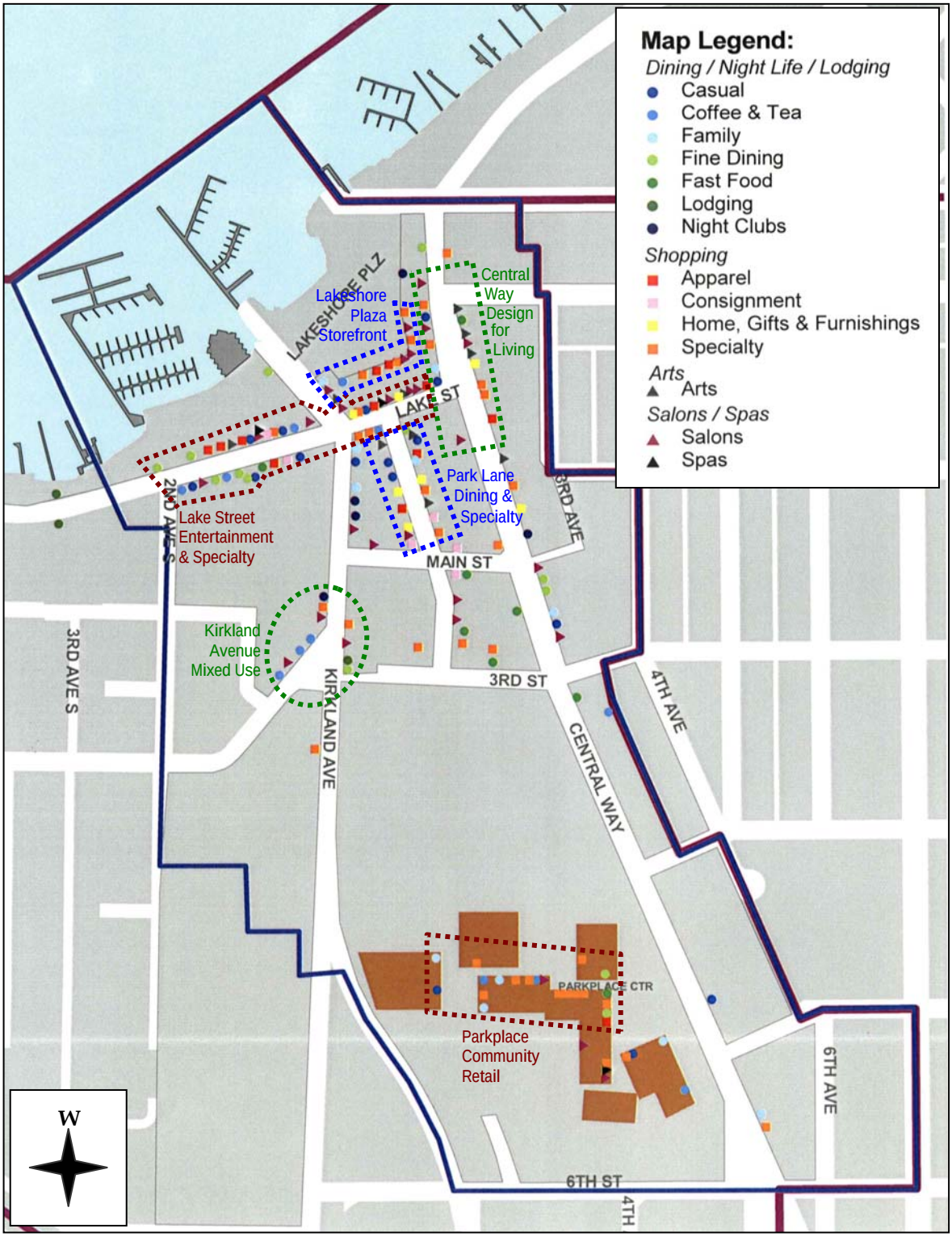
Retail clustering refers to the concentration of retail – both by location and type of business activity. The City of Kirkland (www.explorekirkland.com) publishes a downtown retail guide as part of its *Guide to Public Parking*. Drawing from this existing base of information, retail uses are located by type with distinctive clusters also identified – as illustrated by the map on the following page.

Geographic Clusters of Retail Activity. When viewed from this dual perspective of concentration by location and type of retail activity, the following clusters stand out as most significant today:

- *Lake Street Entertainment & Specialty* – with well known anchors including Anthony's Home Port and Hector's restaurants and the Gunnar Nordstrom Gallery.
- *Central Way Design for Living* – comprising a mix of restaurant, home and gallery uses such as Oriel Café and Santorini Greek Grille, Sur La Table and the Paintbox Company, and Rovzar Gallery.
- *Park Lane Dining & Specialty* – as with Cactus, Jalisco and Ristorante Paradiso together with arts activity as with Howard Mandville.
- *Lakeshore Plaza Storefront* – comprising smaller retail and salon uses such as The Grape Choice, Marina Park Salon, and Bridal Garden.
- *Kirkland Avenue Mixed Use* – with an emerging retail cluster anchored by the new Heathman Hotel and nearby residential development.
- *Parkplace Community Retail* – the only district with a distinctly local feel, with businesses tucked away from the local arterials and ranging from the QFC grocery to Lucia restaurant to a Starbucks.

Areas not included within a specifically designated cluster include the area on Kirkland Avenue between Main and Lake (with George's Place as a well known icon but with only one side of the street as retail pending redevelopment), Park Lane from Main to 3rd (with the Antique Mall and Farmer's Market but poor retail street orientation), and Central Way east of the mid-point of Lake and Main (with retail more dispersed and auto-oriented).

Figure 14. Downtown Kirkland Retail & Related Business Clustering



Sources: *Downtown Kirkland's Guide to Public Parking*, E. D. Hovee & Company, LLC.

Overall Downtown Business Mix. Based on the retail inventory provided by the parking guide, downtown has an estimated 173 retail and related street uses including:

- *Dining/night life and lodging* comprises the most numerous business category – accounting for 41% of downtown retail and related businesses. The mix is fairly well distributed between casual, coffee shop, fine and family dining uses – with fewer fast food establishments (though the existing inventory is fairly prominent).
- *Shopping* represents 35% of businesses – with emerging strengths noted for apparel and home stores (together with a variety of specialty and consignment activity).
- *Arts* represent 6% of establishments – reportedly a proportion smaller than pre-2001.
- *Salons/Spas* account for 18% of businesses – with salons representing the single most frequent specific business type noted for downtown.

Figure 15. Downtown Retail & Related Business Mix

	Business Count		% of Total
Dining/Night Life/Lodging:			
Casual	16		9%
Coffee & Treats	12		7%
Fine Dining	13		8%
Family	11		6%
Fast Food	9		5%
Night Clubs	6		3%
Lodging	4		2%
Subtotal		71	41%
Shopping:			
Apparel	12		7%
Consignment	6		3%
Home, Gifts & Furnishings	7		4%
Specialty	35		20%
Subtotal		60	35%
Arts:			
Arts	11		6%
Subtotal		11	6%
Salons/Spas:			
Salons	28		16%
Spas	3		2%
Subtotal		31	18%
Total Business Count		***173***	***100%***

Source: City of Kirkland, Downtown Kirkland's Guide to Public Parking.

Not specifically called out by this listing are retailers focused on day-to-day needs of residents and downtown employees – as with grocery and pharmacy. Some of these uses appear to be embedded within the specialty business count.

As this list indicates, strong niches for downtown uses (compared to many downtowns) appear to lie with dining/night life, arts and salon/spa activities. While the spaces occupied are often

relatively small, salons may be represented out of proportion to what might be expected even in a downtown with considerable destination traffic.

RENTAL RATES

As noted, limited information from the real estate data firm CoStar indicates a median downtown retail rental rate in the range of $36 per square foot per year on a triple net basis (tenant pays expenses). Based on more in-depth information provided from interview contacts and a review of broker leasing data, it appears that:

- Rental rates can vary widely in downtown – from less than $15 per square foot annually to a high of more than $60 (for relatively small spaces).[16]
- Local contacts indicated that most rates are in a range of roughly $35-$50 – demonstrating upward movement from rates reported to CoStar.
- Some long-time landlords and tenants have been able to offer (and benefit from) below market rates.
- Rental rates generally are highest on Lake Street, with Kirkland Avenue suggested as increasing in retail desirability as more mixed use projects come on-line.

Rental rates are important to this assessment in two respects. *First*, building rents can be viewed as a barometer of locations where demand for retail space is generally strongest. *Second*, rental rates can influence the type and scale of retail that can afford to locate and establish a sustainable presence in downtown Kirkland. At the higher rent levels typical of downtown, new businesses need to achieve strong sales performance fairly quickly and continue to generate customer appeal at a relatively high level sustainable over time.

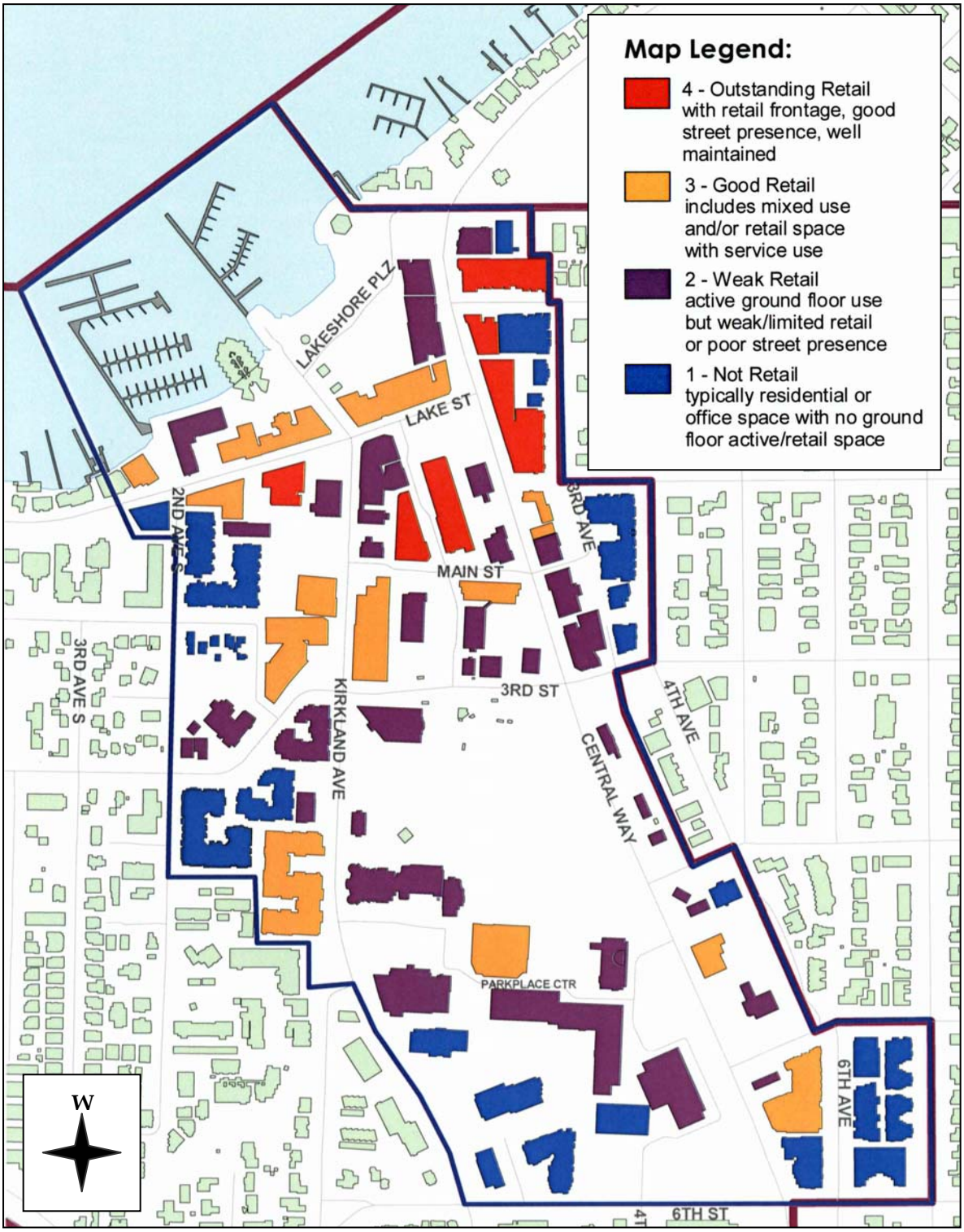
RETAIL CONDITION ASSESSMENT

Mapping business clusters provides one way of understanding retail strengths as well as yielding hints about future opportunities. A second perspective is possible by consideration of existing conditions of on-street retail. Conditions important to this assessment include density of retail activity and street presence (including maintenance).

Retail Condition Mapping. These two variables of density and presence are combined into a four-step preliminary overall rating scheme – outlined as follows:

- *Outstanding Retail* – comprising locations where there is continuous retail frontage (with few gaps), good street presence as evidenced by attractive window displays and signage, and well maintained.
- *Good Retail* – involving locations where retail frontage is not continuous may be more intermixed with service, civic or related uses (including integration with mixed use projects).
- *Weak Retail* – where there is active ground floor use but significant gaps between retail uses, properties are not as well maintained or otherwise poor street presence.
- *Not Retail* – consisting of properties where there is essentially no on-site ground floor retail use (as with commercial office, residential and/or civic/institutional uses).

Figure 16. Downtown Retail Condition Mapping



Source: E. D. Hovee & Company, LLC.

Distinguishing Characteristics. As depicted by the retail condition map, the downtown locations that feature what may be termed as *outstanding retail* are most oriented to Central Way (in the vicinity of Lake Street) and on the block of Park Lane between Lake and Main Streets. Buildings are clean and signage and window displays capture attention – without clutter.

Options for good retail and entertainment …

Areas characterized by *good retail* are noted for much of Lake Street, Kirkland Avenue and the inner portion of Kirkland Parkplace (adjoining the grocery store). Some of these properties have continuous retail frontage but do not have a strong retail street presence – whether due to items such as deferred maintenance or less attention to quality signage and window displays. Other properties (including some newer mixed use projects) have ground floors with intermixed retail, service business and/or residential accesses – attractively presented but with less intensity of true retail activity.

… in pleasant locations and well maintained …

Locations depicted as having *weak retail* tend to be arrayed more toward the periphery of the downtown core. Conditions specific to each property vary widely – including poor orientation to or visibility from the street, substantial deferred maintenance, and/or suburban/auto-oriented design style.

Finally, those properties identified as *not retail* tend to be located at the outermost edges of downtown Kirkland. These include primarily newer residential developments north of Central Way or south of Kirkland Avenue and the office portion of the current Parkplace development along 6th Street and Kirkland Avenue.

Strengthening Downtown Retail Presence. Strategic opportunities for potential retail emphasis suggested are to:

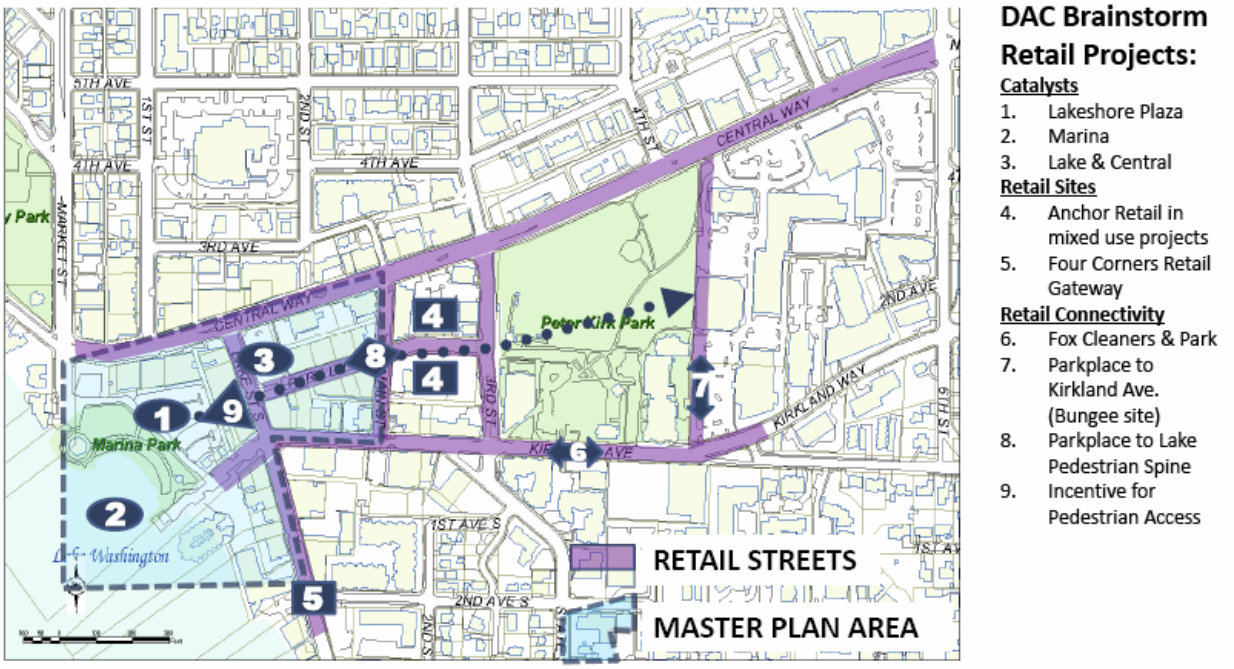
- Extend the areas of outstanding retail (especially along Lake Street and with prospects for major retail re-development with Parkplace).
- Improve the weak retail to good status through site-specific measures such as clean-up, storefront improvements and longer term redevelopment of underperforming/suburban-oriented properties
- Possible encouragement of peripheral office and residential uses to include more active retail or customer-oriented use on the street.

… is what it's all about.

In reviewing the existing retail conditions mapping, the Downtown Advisory Committee (DAC) has concluded that all retail streets in the downtown have the potential to be outstanding retail streets – if the right initiatives are taken both short- and long-term. The DAC brainstormed projects that would

enhance the downtown retail experience and summarized those concepts – as illustrated by the following map.

Figure 17. DAC Brainstorm Retail Projects



Source: City of Kirkland.

Opportunity Retail Sites

What sites offer the opportunity for retail expansion and diversification in the years ahead? The best sites will be well-located with respect to existing clusters of activity and large enough for to better assure financial feasibility of redevelopment (ideally ½ block in size or better).

The following sites are identified on a preliminary basis as potentially viable prospects – based on information provided by the City, from interviews and the consultant's initial assessment:

Publicly Owned Properties:

- *Lakeshore Plaza* – currently the Marina Park Lot (with previous City planning indicating potential for a 280-space parking garage and 40,000 square feet of retail and restaurant).
- *Lake Street Lot* – situated at the 100% retail corner of Lake Street and Central Way (offering potential for joint development with the adjoining U.S. Bank property).

Privately Owned Properties:

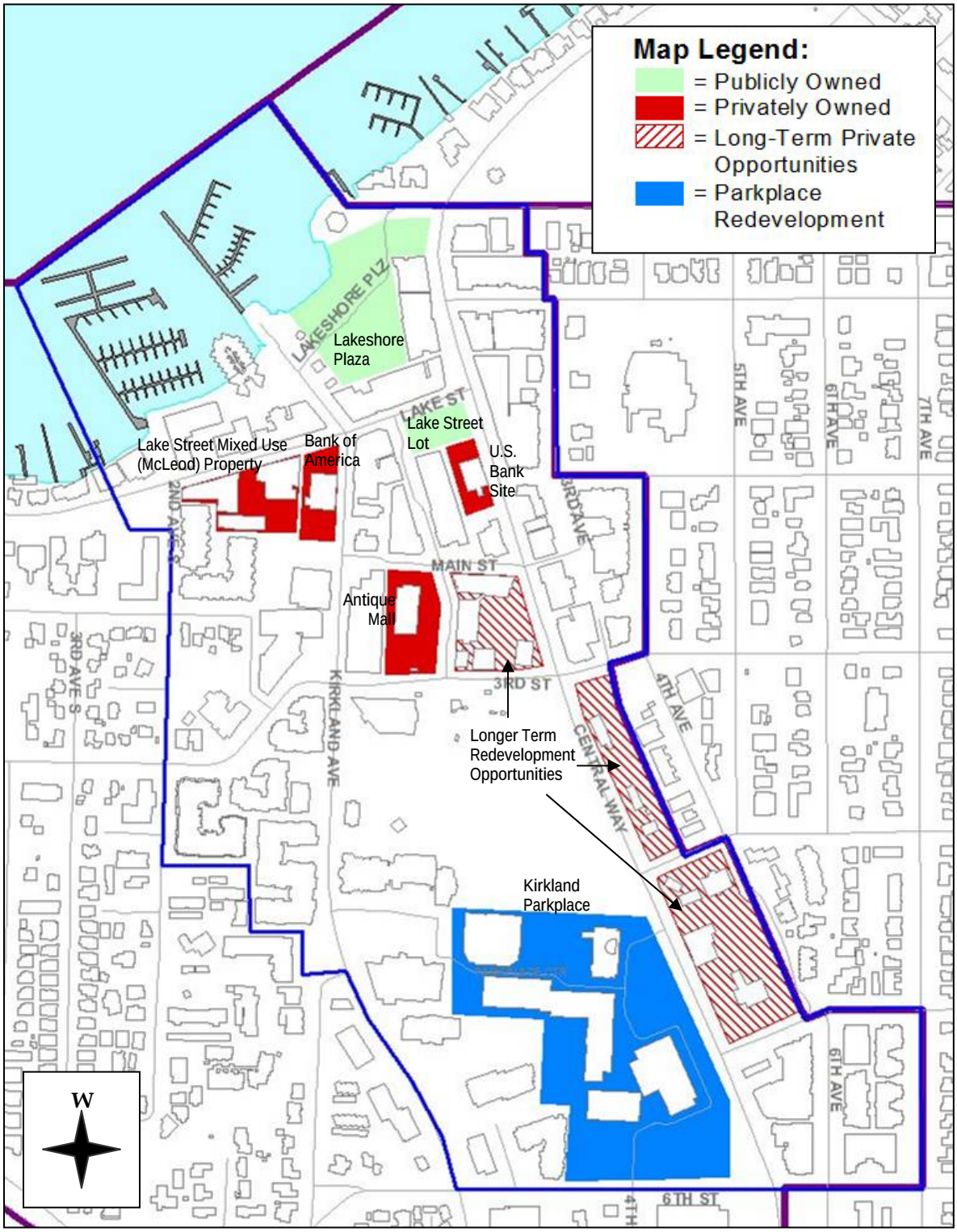
- *Kirkland Parkplace* – involving preliminary plans for construction of 1.2 million square feet of office space with an estimated 550,000 square feet of mixed use retail, theater and hotel space (replacing about 250,000 square feet of existing office and retail).[17]

- *Bank of America* – which had proposed a project for an estimated 73 residential units, 11,800 square feet of retail and over 130 parking spaces.
- *Lake Street Mixed Use (McLeod) Property* – proposed for close to 131,000 square feet of office and 39,000 square feet of retail with 520 parking spaces.
- *U.S. Bank Site* – with no specific development proposal pending (but prior consideration of redevelopment with ground floor retail plus bank branch and residential above).
- *Antique Mall Property* – with no current development plan (but noted as a key underutilized core site with potential for pedestrian-oriented retail on Park Lane).
- *Longer Term Redevelopment Opportunities* – a lower near-term priority pending core area and Parkplace redevelopment (but affecting three blocks fronting on Central Way).

While it is conceivable that some sites will redevelop as single or perhaps two-story buildings for retail use only, it is more likely that ground floor retail will be developed in conjunction with upper level housing, office and/or lodging. This is because property values (in many cases also including pricing adequate for recovery of existing improvements valuation) are too high to support single-story development alone.

Project feasibility depends on creating critical mass required for a positive return on investment to property owners and developers. Financial feasibility also can be expected to depend on providing sufficient on-site or adjoining parking to serve retail customer needs as well as other on-site uses – but not so much as to move the project beyond a cost-effective range.

Figure 18. Kirkland Retail Opportunity Sites (Preliminary)



Source: E. D. Hovee & Company, LLC. Mapping is for illustrative purposes and subject to revision.

VI. OPPORTUNITIES & GAPS ANALYSIS

Based on the quantitative, qualitative and mapping assessments of this report, this section provides summary characterization of retail opportunities and gaps, followed by identification and evaluation of potential strategic options, and then preliminary recommendations aimed toward selection and implementation of a preferred option.

RETAIL OPPORTUNITIES & GAPS

From this review of market demographics, business and resident interview and survey input, and downtown mapping, it is possible to describe downtown retail opportunities and gaps in summary form. These opportunities and gaps can be distinguished between those related to:

- *Marketing and promotion* – aimed at customers as well as expansion and recruitment of targeted businesses for improved retail mix.
- *Development* – both rehabilitation/storefront improvements and new construction of retail only or mixed use development projects with strategically placed parking resources.

Figure 19. Downtown Kirkland Retail Opportunities & Gaps

Opportunities	Gaps
--- Marketing & Promotion (Customer & Business) ---	
• Local-serving convenience retail – from specialty foods to pharmacy	• Demonstrating sufficient market mass with large enough sites & parking to attract credit tenants
• Comparison & destination retail – apparel, home furnishings, specialty hardware & garden	• Challenge to attract known regional & national tenants already serving the eastside market
• More diverse dining & entertainment – serving residents, employees & special occasion guests	• Limited offerings & lack of coordinated marketing to resurgent younger demographic
--- Development (Rehab & New) ---	
• Retail in-fill – Marina, Lake Street, Kirkland Avenue & Park Lane (small to mid-box anchor)	• Tired appearance & limited functionality of much of older space plus few large vacant sites
• Lifestyle retail & major grocery/neighborhood services with office at Parkplace	• Need for a high-image pedestrian/retail connection from Parkplace to downtown core
• Strong demand for mixed use with ground floor retail & residential/office above	• High site cost & economics requiring multi-level mixed use to facilitate new retail
• Use of public parking sites as catalyst properties for targeted retail/mixed use development	• Creating on-/off-street parking economics to incent structured (underground) parking

Source: E. D. Hovee & Company, LLC. Listing is preliminary and subject to revision.

This listing can be considered as a *menu of choices* – from which can be selected the mix of opportunities (and counterpoint gaps) most important to address. The question of which opportunities may be most worth pursuing is also more readily determined once there is general agreement on a *preferred strategic future* for retail in downtown Kirkland.

STRATEGIC RETAIL OPTIONS

Based on this assessment, four strategic options have been outlined for consideration with the Downtown Advisory Committee (DAC) and City Council Economic Development Committee (EDC). Each is briefly outlined – together with a corresponding brief assessment of advantages, disadvantages and likely implementation requirements.

Option 1 – Status Quo. This baseline option assumes no substantial changes from current trends and conditions affecting retail business in downtown Kirkland. Existing City policies and regulations would continue to govern and might be updated following partial or full-scale completion of the 2007 *Downtown Strategic Plan Update* – including possible strengthening or clarification of preferred retail ground floor uses. Added new retail space would occur primarily as the result of City review and action on mixed use development projects – generally on a project-by-project basis.

Advantages of this approach include opportunity to make incremental changes and improvements to downtown retail character on a project-specific basis. This approach also likely requires the lowest public investment and involves the least short and long-term change to the existing downtown built environment.

Disadvantages are that downtown likely will continue to provide only a minor share of the City's sales tax base and that more aggressive retail districts elsewhere on the eastside and throughout the Seattle metro area increasingly come to eclipse Kirkland. Longer term risk is attrition of existing retail and entertainment use – especially businesses dependent on destination traffic.

Implementation assumes no major changes in organizational functions – as between the City, KDA and private businesses, property owners, and development interests. Completion of the 2007 Downtown Strategic Plan is assumed; otherwise even status quo retail performance could be jeopardized.

Option 2 – Reinvigorated Destination. This second option is predicated on a substantially ramped up public-private initiative to re-establish Kirkland at the forefront of destination shopping, dining and entertainment districts throughout the Seattle metro area as well as more specifically on the eastside.

Advantages include a proven ability to again play to demonstrated strengths of Kirkland as a downtown on the waterfront together with continuing reputation of critical anchors – notably restaurants and galleries. This strategy appears most consistent with the existing working vision from the 2007 *Situation Assessment* to maintain downtown as an urban waterfront setting of "unique shopping, destination dining, public art and galleries…" If successful, a destination strategy also offers potentially the greatest return to the City in terms of incremental downtown sales tax revenues.

Disadvantages reflect likely need for a broader mix of "lifestyle" retail including apparel, home décor and freshened retail image (including possible mid-box uses). This option also potentially runs counter to community expressed interests and may be vulnerable to higher gas prices and a softer economy discouraging destination shopping that depends on longer commutes.

Implementation is likely dependent on substantially increased public and private investment in destination Kirkland marketing, public parking and added retail space – including waterfront and mid-box development downtown together with a substantial lifestyle retailing component with Parkplace redevelopment.

Option 3 – Go Local. This option could take downtown Kirkland in a substantially different direction from business trends experienced in recent years. Public and private interests would agree to make a concerted effort to establish downtown as a preferred location for a broader range of local goods and services – perhaps de-emphasizing or actively discouraging added destination retail.

Advantages include opportunity to respond to community sentiment (as expressed through the Sustainability Assessment), capitalizing on prospective consumer preferences to increasingly shop locally with independent stores – reinforced by dramatically increased fuel prices in a more vulnerable regional economy. A buy local initiative could also be readily integrated with other sustainability initiatives both downtown and citywide – including principles for reducing vehicle miles traveled by Kirkland residents.

Disadvantages are predicated on the need to dramatically re-focus City and business initiatives and the uncertain prospects for added local serving retail to actually materialize as desired. Convenience uses ranging from grocery to pharmacy increasingly have involved larger building ground floor footprints and more on-site parking than what downtown is able to readily deliver, and/or an influx of independents with skills to succeed in a relatively high-rent environment.

Implementation likely depends on aggressive recruitment of desired local-serving businesses including availability of incentives – as for reduced rents for at least the initial years of operation. Substantial public parking may be required to incent local serving uses such as full line or specialty grocery store. Market opportunity for added day-to-day convenience retail could be further undergirded by substantial additional residential, office and related mixed use developments within and in immediate proximity to downtown Kirkland.

Option 4 – Locally Driven Destination. This final option could be considered as a bit of a hybrid – combining elements of a reinvigorated destination with a concurrent strategy to go local at the same time. The caveat is that the *go local* part of the strategy would receive primary emphasis in the early going. What sells locally could then be piggy-backed to serve a complementary customer profile drawn from beyond the local community. But the needs and the character of downtown retail would be defined by what the community wants rather than what is seen merely as offering greatest near-term potential to attract more destination traffic.

Advantages of this final option are that it offers the organic, sustainable impetus of locally driven entrepreneurship with the higher sales volume (and tax potential) of retail that captures both local and non-local interest. Peak periods of use (currently early evenings) could be broadened out to include more daytime activity. This is likely the strategy that Kirkland businesses used to reach regional recognition in the first place. Starting local is also a strategy used successfully in places that have become regionally recognized destinations – such as NW 23rd Avenue in Portland, Oregon or Colorado Boulevard in Pasadena, California.

Disadvantages include the initial and ongoing challenges of achieving the right balance of local and non-local clientele coupled with the high amount of public-private collaboration likely required for successful realization. This strategy also can be expected to be accompanied by the need for substantial public investment and flexibility to accommodate a broader range of downtown development projects than has been the case in recent years.

Implementation can be expected to involve elements of both Options 2 and 3 – including public investment to develop larger footprint retail at key downtown opportunity sites, mixed use development with ground floor active use space and upper level residential/office, investment in supportive public parking, and sophisticated branding/marketing to re-position downtown as the place to be for Kirkland residents and workers as well as destination visitors.

PREFERRED RETAIL STRATEGY

After review and discussion of the options initially presented in September 2008, the Downtown Advisory Committee (DAC) has recommended a preferred retail strategy in conjunction with added discussion of the types of tools and priorities that can be expected for strategy implementation.

Recommended Option – Reinvigorated Destination with Strong Local Component. After review and discussion of the options initially presented in September 2008, the Downtown Advisory Committee (DAC) is recommending an approach that would combine elements of Options 2 and 3 for a *reinvigorated destination with strong local component.* This strategic approach has been recommended for consideration and adoption by the Kirkland City Council. This approach is similar to Option 4 as outlined above, except that it suggests continued strong emphasis on pursuing added destination retail opportunities near-term in conjunction with local retail – rather than focusing on local retail as the more important immediate priority.

Advantages of this strategic approach as recommended by the DAC lie in its ability to reinforce the opportunity for achieving the vision outlined by the City's 2007 *Situation Assessment.* As is described in conjunction with Guiding Principles expressed by the Situation Assessment report: "With this vision, downtown will flourish, help build community and uniquely reflect Kirkland." Also noted is that a combined focus on building destination and local retail concurrently offers a more flexible approach that best serves both types of markets, to be readily serviced by downtown Kirkland retailers.

Disadvantages are centered on the greater level of public-private commitment and coordination that will be required for successful accomplishment – especially at a time of considerable economic and retail uncertainty. The ability to leverage successful results with economic recovery will be best facilitated by a willingness to also invest resources of time and funding now, before the turnaround is fully underway.

Implementation features closely parallel the types of actions suggested with Option 4 (above) – but with a greater near-term emphasis on reinvigorated destination plus local retail. Greater emphasis is placed by the DAC on the role that catalyst projects can play in generating the momentum needed for a visible, result-oriented turnaround – a subject to which this discussion now turns.

Preparing for Implementation. The types of tools and commitments that could prove important to implement this preferred strategy can be outlined to include:

- Proceeding with *catalyst project opportunities* as have been identified in conjunction with the DAC – including: a) the marina, Lakeshore Plaza, Lake & Central lots; b) optimization of pedestrian connections (e.g. Parkplace to the lake on Central, through Park/Park Lane and Kirkland Avenue); c) creating continuity of retail frontages (reducing existing gaps as with parking lots); and d) actively attracting one or more retail anchors to the downtown.
- Policy consensus on *scale and extent of mixed use* development – with added residential and office employment serving to better support local retail and enabling both current and future planned projects to proceed with greater outcome predictability.
- *Zoning code refinements* – to differentiate portions of the downtown core prioritized for retail-only at the ground floor and areas for which other forms of active ground floor use are also encouraged.
- More aggressive use of *public parking resources* – to provide customer parking and facilitate joint use of sites for mixed use development.
- Public-private initiatives to encourage a bolder approach to *joint promotion* for downtown retail – aimed at strengthening Kirkland's appeal for high value destination clientele together with new/younger as well as long-time Kirkland residents.
- Initiative to encourage *freshening of tired retail* storefronts and merchandising – including consideration of financial incentives for local landlords and smaller business operators.
- Focus on *sustainability* – as a defining theme for retail recruitment, storefront and building design improvements/construction, community branding and encouraging residents to shop locally (reducing vehicle miles traveled).

Figure 20. Guiding Principles for a Great Downtown Kirkland

The City and the community will collaborate to encourage:
✓ A safe, family-friendly environment
✓ Year-round activity with a mix of daytime and night-time uses
✓ A complimentary and successful mix of retail shops and service
✓ A balance of residential, office, retail, and entertainment uses
✓ Adequate transportation access and parking
✓ Sustainable and visually appealing architecture, public spaces and amenities
✓ Improvements that embrace the waterfront and connect the Lake to downtown and Parkplace

Source: "Vision Statement to Guide the Downtown Strategic Plan," from the *Kirkland Downtown Strategic Plan: Strategic Situation Assessment*, October 2007.

Based on the added input and direction received from the DAC and EDC, the next step has been to refine this preferred strategy in conjunction with identification and selection of retail tools most appropriate for successful implementation – both short and long-term.

VII. DOWNTOWN RETAIL TOOL KIT

As follow-up to the *Downtown Kirkland Retail Strategy – Interim Report* first draft of August 2008, the next critical step in the strategic planning process has involved the identification of a *tool kit* for consideration with implementation of a preferred downtown retail strategy.

This discussion began with evaluation of the varied tools considered, followed by recommendation of strategic retail initiatives against which tool kit resources can be compared, and then recommended next steps for consideration with the Downtown Advisory Committee. A detailed tool kit inventory is attached as Appendix E to this retail strategy report.

The listing provided with this retail strategy does not include a definitive prioritization of tools or assignment of implementation responsibilities. That final step in the strategic planning process is planned to occur incrementally as resources become available and in response to as yet unforeseen opportunities – as in conjunction with annual downtown retail work plan adoption.

What is recommended is a regular (ideally annual) discussion of the tool resources available and selection of strategic initiatives that can serve to guide public-private implementation for the 2009-2010 time period. An important priority with this initial work program will be to provide a clear delineation of City and partner priorities.

TOOLS FOR RETAIL REVITALIZATION

A *tool kit* can be viewed as a set of resources that might be useful for encouraging or effecting downtown retail revitalization. With this strategic planning process, two distinct *tool kits* are noted as integral to the ongoing process of downtown retail marketing, enhancement of the existing retail experience, and development:

- *Retail Tool Kit* – involves assessment and possible suggested strategic refinement of the current City, Chamber of Commerce and Kirkland Downtown Association initiatives related to business recruitment, retention and marketing – with supportive customer and image marketing opportunities also covered. This kit addresses two types of tools:
    - ✓ Customer-focused
    - ✓ Business & property owner-focused

- *City Tool Kit* – focusing on the tools available directly or indirectly to City government as means to encourage or facilitate downtown retailing. This set of tools is organized more by type of organizational and funding resource, notably:
    - ✓ Public-private partnership
    - ✓ Planning & regulatory
    - ✓ City resources
    - ✓ State & regional resources
    - ✓ Federal resources

The retail toolkit might be viewed as addressing the "what" of retail revitalization, whereas the City toolkit is more oriented to providing ways to help answer the question of "how."

A total of 31 potential tools are identified for consideration with the preliminary listing in this memorandum as the *implementation pieces* of these two tool kits. A wide range of possible tools are identified as part of this tool kit approach. Some are more oriented to marketing and promotion, others are primarily organizational in nature (some of which can rely on existing staffing resources), yet others are accompanied by direct funding mechanisms.

Detailed information describing each tool is provided by the Appendix to this memorandum. For each tool listed (with Appendix E), information is provided to briefly describe the resource, outline prospective opportunities and challenges, and then recommended application for consideration with a Kirkland retail strategy.

Specifically noted is that the tool kit listings are intended to cover many of the more common resources and programmatic techniques available in the state of Washington to directly or indirectly support downtown retail revitalization. However, this listing is preliminary and should not be considered as covering all of the possible mechanisms available.

This listing also is subject to refinement and revision based on City staff and DAC comments received. This refinement is expected to occur concurrent with narrowing of the strategic options that have been considered with the interim report to more concrete recommendations.

STRATEGIC INITIATIVES

Based on results of the *Downtown Kirkland Retail Strategy – Interim Report,* three broad strategic initiatives are recommended for consideration with this retail toolkit approach to a downtown retail strategy. These initiatives are suggested as *building blocks* that can prove instrumental to repositioning downtown Kirkland as a *locally-driven destination:*

1. Downtown Retail Marketing. The focus of this initiative is to better connect current and prospective downtown customers with their retail business counterparts. The three major components of this first strategic initiative include:

- *Customer Marketing* – to better understand the interests of resident and visitor shoppers, and to communicate the value of the Kirkland shopping and entertainment experience.
- *Business Marketing* – involving two-way communication to better understand local business needs, encourage opportunities for improved sales volume and profitability, and attract businesses that fill unmet needs or shopper expectations.
- *Tenant Mix* – better assuring that the right businesses are in suitable locations including reservation of prime retail locations for retail uses and other downtown ground floor space for active use even when not for a direct retail purpose.

2. Enhancing the Retail Experience. This second strategic initiative is aimed to improve the quality of the existing downtown retail environment, from the perspective of:

- *Building Upkeep* – encouraging business and property owners to maintain properties for sustainable retail appeal, comfort, safety and functional use (both interior and exterior).
- *Store Fronts* – with special focus on fresh, attractive, complementary storefront appearance including attention to signage, window displays, and building access.
- *Street Scapes* – covering not only visible elements such as sidewalks, cross-walks, landscaping and street signage in the public right-of-way but also the less visible elements of utility and telecommunications infrastructure.

3. Retail & Mixed Use Development. A final initiative is intended to expand the size of the downtown's retail base, broadening the range, depth and quality of retail and entertainment inventory as warranted to serve resident and destination markets. Major elements of a potential public-private development agenda are outlined to include:

- *Rehab & Reuse* – focused on more extensive building reinvestment including reconfiguration of ground floor space for more active retail use, especially in high demand locations.
- *New Buildings* – anticipated as mixed use development of 2+ stories with provision for added retail or complementary active use varied sizes and configuration at ground level.
- *Public Parking* – involving expansion and placement of the public parking inventory with priority for customer use to facilitate retail expansion in synch with strategic plan objectives for downtown Kirkland.

MATCHING TOOL BOX RESOURCES TO STRATEGIC INITIATIVES

The matrix chart on the following page provides a way of comparing potential applicability of each of the 31 tool box resources identified (and detailed in the Appendix) with the strategic initiatives as outlined above. This comparison is provided in summary form so that all tools and initiatives considered can be viewed together *on one page*.

Resource Rating. Resource tool applicability is rated in terms of whether it could definitely (●) or possibly (○) be applicable to the strategic initiative at hand.

Figure 21. Downtown Retail Tool Kit Matrix	DOWNTOWN RETAIL MARKETING			ENHANCING THE RETAIL EXPERIENCE			RETAIL & MIXED USE DEVELOPMENT		
RESOURCE TOOLS ● = Definite ○ = Possible	Customer Marketing	Business Marketing	Tenant Mix	Building Upkeep	Store Fronts	Street Scapes	Rehab & Reuse	New Buildings	Public Parking
RETAIL TOOL KIT									
Customer Focused……									
Downtown Events	●	○	○	○	○	○			○
Customer Information	●	●	○			○	○	○	○
Buy Local Program	●	○	○		○	○			○
Downtown Image Campaign	●	○	○	○	○	○	○	○	○
Business & Property Owner Focused……									
Business-to-Business Marketing & Recruitment	○	●	○	○	○	○	○	○	○
Retail Tenant Marketing	○	●	○	○	○	○	○	○	○
Property Owner Coordination	○	●	●	●	●	○	●	●	○
CITY TOOL KIT									
Public-Private Partnership……									
Building Owner Design/Technical Assistance				●	●	○	●	○	○
Façade Improvement Grants & Loans				○	●	○	○		
Streetscape Improvement	○	○	○	○	○	●	○	○	○
Site Assembly							○	●	○
Public Development Offering (RFP/RFQ)							○	●	●
Public Development Authority	○	○	○	○	○	○	○	○	○
Return on Investment Model for City Funding	○	○	○	○	○	○	●	●	○
Planning & Regulatory……									
Land Use Planning	○	○	●	○	○	○	●	●	●
Capital Facilities Plan Projects				○	○	●	○	○	○
City Resources……									
Historic Property Tax Abatement							●	○	
Residential Property Tax Abatement							○	○	
General Obligation Bonds						●	○	○	●
Revenue Bonds						○			●
Direct City Funding	○	○	○	○	○	○			
Local Improvement District (LID)				○	○	●	○	○	●
Parking & Business Improvement Area	●	●	●	○	○	●			○
Community Revitalization Financing				○	○	●	○	●	●
Community Renewal				○	○	○	●	●	○
State & Regional Resources……									
Washington State Main Street Program	●	○	○	○	○	○			
Main Street Tax Incentive Program	●	●	○	○	○	●			
CERB/LIFT Infrastructure Financing				○	○	●	○	○	●
Port District								●	○
Federal Resources……									
Federal Historic Preservation Tax Credit							●		
New Markets Tax Credits							○	●	○
Community Development Block Grant				●	●	●	○	○	○

Cost & Financial Implications. With this initial listing and matrix evaluation, it is premature to assess costs and financial feasibility of strategic initiative implementation. Financial implications can be expected to vary based on considerations such as:

- *Project or programmatic emphasis* – with site-specific project costs and sources of funding likely to be more variable than on-going programmatic activities such as for retail marketing or a *buy local* program.
- *Level of priority* – with some initiatives identified as important for early implementation while others could be delayed till later (or may depend on early-phase successes for viability).
- *Public, non-profit or private sector responsibility allocation* – with the public sector share of costs varying, in part, on whether implementation responsibilities remain as they are or whether any of the major participants step in to undertake an initiative that might not otherwise happen.
- *Availability of resources* – making a big difference as to whether it is viable to draw on outside funding sources. For example, funding for a customer-oriented parking garage is considerably different to the degree that costs can be defrayed by outside state or federal funding programs versus property owner assessments, user fees and/or City general obligation bonding.

The resource list and strategic initiatives outlined with this memorandum offer a *starting point* for this discussion by beginning to frame the universe of the possible. From this initial list, the next steps may be to narrow the options based on strategic priorities together with assessment of which tools are most viable from a combination of market, technical feasibility and community perspectives.

The ROI Perspective. One of the 31 resource tools outlined is as a "return on investment model for City funding." Return on investment (or ROI) represents one mechanism for sorting through and prioritizing from among the great of array of strategic initiatives and resources that are available for consideration.

A return on investment perspective would be to say that, as in the private realm, those projects or programs requiring City funding support should generate added tax revenues to the City that at least equal (and ideally exceed) the added City capital and/or operating cost incurred. Of all the economic uses for which City support might be considered, retail activity often offers greater returns to a municipality because the retail sales tax is the largest revenue source in the state of Washington – with the upside revenue capability to at least keep pace with inflation. By comparison, property tax revenue growth is now constrained to growth that does not keep up with inflation due to statewide voter approval of a 1% annual growth limitation.

As applied, a return on investment would look at the short and long-term added revenues of added downtown retail resulting from this strategy compared to costs. In some cases, future revenues are more readily compared with near term opportunities by using a net present value (NPV) approach to account for the cost of money – with a dollar received today worth more than a dollar received 10 years from now.

This ROI approach could be applied, albeit in somewhat different ways, to:

- *Programmatic activities* – especially the customer and business marketing activities associated with the retail tool kit. An ROI perspective could involve prospective evaluations when programs are first being considered, followed later by and retrospective monitoring to assure that the revenue results anticipated were actually realized or, if not, to make mid-course adjustments.
- *Project activities* – notably those oriented to significant real estate real development. For example, a proposal for a mixed use project that required public parking to support street level retail might be evaluated in terms of whether and to what extent user fees combined with incremental City tax revenues were adequate to repay the cost of the added parking (or other related infrastructure) investment.

TOOL KIT APPLICATION

Application of tool kit resources is not expected to occur as a one-time fix-it for all downtown retail issues or objectives. Rather, these are resources that can be adapted over time in response to changing public-private opportunities and priorities in downtown Kirkland.

Two guiding principles are recommended for tool kit application both with initial and long-term strategy implementation:

- A return on investment (ROI) perspective – as a guiding principle for investment of City resources.
- City Council determination of which specific tools are most appropriate for near-term consideration, especially for *must do* projects – as well as identification of tools determined as less viable or appropriate for Kirkland at the present time.

VIII. RETAIL STRATEGY

An interim report with strategic retail options was first presented and discussed with the Downtown Advisory Committee (DAC) in August 2008. A downtown retail toolkit was reviewed with the DAC the following month.

The resulting retail strategy covers DAC retail recommendations followed by an outline of City economic development support already underway and remaining steps for strategic implementation – over a period not limited to just the short-term, but also for the long-haul.

DAC RETAIL STRATEGY RECOMMENDATIONS

DAC recommendations cover a *Must Do* list followed by other strategic recommendations.

Must Do List. Over two meetings, the Downtown Advisory Committee outlined what has been termed as a *must do* list. After initial discussion, this list was then prioritized – with recognition of top priority, mid priority and lower priority actions – as illustrated by the following chart.

Figure 22. Downtown Advisory Committee *Must Do* List		Support Existing Retailers	Create Opportunities for New Retail
TOP PRIORITY	Need master plan to guide redevelopment of core area and waterfront area (Main Street to the water) to coordinate public and private initiatives	X	X
	To complete the pedestrian spine from Parkplace to the lake and to improve the orientation of downtown to the lake, create a visual and pedestrian connection west of Lake Street	X	X
	Focus on creating new retail space to establish a critical mass of retail		X
	Increase public parking supply now: • Now is the time to use bonding capacity • Catalyst for redevelopment projects by consolidating/centralizing • Consolidating preserves valuable ground floor of development sites for valuable retail space • Need pay parking as part of the equation • Need to show Council successful examples • Partnership or on City property	X	X
	Partnerships to bring true anchor tenant to downtown	X	X
	Consolidate resources and efforts between KDA, Chamber, and City	X	
	Define downtown shopping district though unified streetscape improvements including elements such as seasonal banners, lighting, and plantings	X	X

	Downtown Advisory Committee *Must Do* List (Continued)	Support Existing Retailers	Create Opportunities for New Retail
MID PRIORITY	Encourage merchants to stay open later: • Merchant association to mandate • Property owners standardize leases • Regulatory requirement	X	
	Connect condominium associations to the downtown retail community – buy local program Use incentives/carrots to reward good behavior. Examples: • Can use City parking or new garage only if you cooperate • Can use marketing program/website only if you maintain evening hours	X	
	Fix parking requirements to reflect actual demand (e.g. – residential standards always modified)		X
	Create permanent Wednesday Market site (will need to be subsidized)	X	X
	Create better signage and wayfinding	X	
	Facilitate community conversation on buying and using local	X	
	Create an economic climate that promotes economic development. Follow the lead of other cities		X
LOWER PRIORITY	Facilitate consolidations of properties to create larger retail floor plates		X
	Establish City maintenance standard for merchants/property owners to take care of their sidewalks	X	
	Create immediate action plan to help businesses stay alive	X	
	Improve circulation • More bus stops • Trolley/transport between districts	X	X
	Create consolidated internet marketing and retailer networking website (e.g. – weddings)	X	
	Use economic downturn time to plan for the future		X
	Facilitate retail networking and communications	X	
	Play to our current strengths – e.g. restaurants	X	
	Encourage property owners to use standard lease	X	
	Facilitate clustering of businesses	X	

Due to the rapidity and severity of subsequent economic events nationally and locally, the DAC and the City of Kirkland have both moved forward to re-assess options most viable in view of a fast-changing fiscal and economic environment. As noted, the recommendation of the DAC to the City Council with this *Must Do* list encompasses a strategic emphasis on downtown retail as a *reinvigorated destination with strong local component.*

Other Strategic Recommendations. The DAC addressed two other primary topics in its recommendations – retail streets potential and guidelines for downtown banking activities.

- The DAC concluded that there were not significant differences in the long-term potential of downtown *retail streets*. The downtown area is viewed as compact enough and with enough potential that all streets can be 'outstanding' – if the right initiatives are taken. Assigning any streets a lower retail priority could become a self-fulfilling prophesy and diminish the true potential.
- With regard to downtown banking activities, the DAC has provided the following findings and recommendations:
    - ✓ Banks are valued uses in the downtown and should continue to be allowed
    - ✓ Banks in the retail core should be true retail banks with multiple tellers
    - ✓ The square footage of banks on the ground floor should be limited so that they do not dominate retail projects
    - ✓ Additional bank square footage (e.g. space above any specific size limit) could be located on the second story
    - ✓ Existing drive through facilities for core area banks are not ideal, but should be continue to be grandfathered so that bank sites are not discouraged from redeveloping.

CITY ECONOMIC DEVELOPMENT SUPPORT

In the time period since the mid-2008 initiation of this Downtown Kirkland Retail Strategy, the City of Kirkland has taken steps in support of city-wide and downtown economic development. These steps relate to diversification of revenue sources and rapid response economic development implementation.

Diversification of Revenue Sources. The mortgage financing and then broader economic recession has resulted in relatively rapid and sharp declines in City revenues, especially sales tax (from construction and retail sales) and permit revenues. While successful downtown revitalization can improve both sources of revenue, the City is interested in looking to sources less dependent on sales tax.[18]

Potential sources considered include and increase in utility tax and/or revision in the business license tax based in part on employment count "scaled to where success is." At the same time, an important objective with any changes in Kirkland's revenue base will be to address concerns of business leaders. A goal expressed by firms such as Google and Nintendo is that they "want Kirkland to preserve the 'coolness' factor of downtown."[19]

Rapid Response Economic Development Implementation. In response to downtown and business community concerns together with effects of the current economic downturn, efforts to attract more business to Kirkland are already underway with the City's Economic Development Program. City Council initiative is demonstrated by rapid progress toward code amendments following the resolution of key downtown project appeals. Anticipated for City Council action in March, this initiative is aimed to provide better clarity and predictability to the CBD development process.

The City has enhanced the role of a retention consultant, a part-time position housed at the Chamber of Commerce and paid for by the City. Twice monthly, the consultant reports to the City Council and department directors/managers on major Kirkland tenants looking for space. The consultant also provides identification of suitable space that is available.

A special focus of the retention consultant is assistance to tenants in commercial areas planned for redevelopment – including Parkplace and Totem Lake. Related key initiatives include:

- Providing more information about Kirkland and business opportunities to commercial real estate brokers throughout the region.
- Researching companies that are not currently located in the region but might be interested in establishing offices in Kirkland – followed by contacts including transmittal of collateral marketing materials. Examples of companies targeted include information technology, finance/insurance/real estate, telecom, and interactive video.
- Working with these and other prospects who express interest in a Kirkland location.

The City is using state CTED funding to develop a *buy-local* program, aimed at economic development and community building. This initiative is the result of the *Sustainable Economy Study* finding that residents and businesses are interested in reducing their carbon footprint by shopping locally – but without always knowing what goods or services can be secured in Kirkland. Consequently, the buy-local program will include a website listing Kirkland businesses and offering searches for local goods and services.[20]

In support of its commitment to the vitality of downtown, the Kirkland City Council has also designated the Kirkland Downtown Association (KDA) as a partner organization with the 2009-10 budget. This designation provides annual funding to KDA to carry out services that the city requires in support of its economic development program.[21]

REMAINING STEPS

With adoption of a downtown Kirkland retail strategy, it is recommended that the DAC and City of Kirkland also take remaining steps needed for:

- Refinement and approval of the *Must Do* list – as a working guide for downtown retail and related revitalization.
- Identify resources as necessary to get underway with the *top priority* list items – core area/waterfront master plan, creating new retail space, building a parking structure, attracting a true anchor to downtown and further consolidation or resources between the

KDA, Chamber and City (over the remainder of 2009 and 2010 to achieve measurable results).

- Evaluate *mid and lower priority* DAC recommendations for leveraged opportunities – In ways that allow initial action but without need for near term use of added City resources.
- Establish a downtown DAC/City retail implementation *work plan* – to be reviewed at least every other year (preferably annually).
- Publish an annual *report card* on annual implementation – and update the retail strategy within five years.

IX. CONCLUSION

As noted at the outset, this *Downtown Kirkland Retail Strategy* is intended to fulfill a vision first articulated in October 2007– offering two distinct but related images of Kirkland's downtown:

- As a "vibrant and charming urban waterfront community with unique shopping, destination dining, public art and galleries, beautiful parks and gathering places."
- And as 'an economically vital, pedestrian-friendly district that attracts the City's residents and visitors to enjoy its heritage and waterfront ambiance."

Because downtown Kirkland has enjoyed a level of retail success that many other cities would feel extraordinarily lucky to emulate, the question posed at the outset was: where do we go from here? How can Kirkland go *from good to great* – not just for today, but sustainably for generations yet to come?

This strategic retail planning process has occurred in partnership with downtown's stakeholders – retail businesses, property owners, customers, the City and broader community. Over the course of the planning process, the broader economic environment within which this strategic approach must navigate has gone from robust to uncertain to unexpectedly weak. While the timing remains uncertain, economic recovery will come. In some respects, the present time may seem too challenging for strategic retail action; in many ways there is no better time.

This is a time for preparation followed by action – for visible signs of momentum and accomplishment. The actions taken over the course of the next 12-24 months are important to stabilize downtown Kirkland retail as best possible, then to set the stage for an even more vibrant downtown as economic recovery takes hold.

The Downtown Advisory Committee (DAC) has recommended a strategic option focused on downtown retail that serves as reinvigorated destination with strong local appeal. *Must Do* top priorities are also recommended by the DAC for action:

- Core and waterfront area master plan to coordinate public and private initiatives
- To complete the pedestrian spine from Parkplace to the lake and improve the orientation of downtown to the lake, create a visual and pedestrian connection west of Lake Street
- Creating new retail space for critical mass
- Increasing the supply of public parking
- Partnerships to bring a true anchor tenant to downtown
- Consolidating resources and efforts between KDA, Chamber and City
- Define downtown shopping district though unified streetscape improvements including elements such as seasonal banners, lighting, and plantings

These recommendations are augmented by action the City of Kirkland is already taking for *rapid response* implementation. Working together, this retail strategy is intended to offer a framework for action that can bring downtown Kirkland from *good to great* – starting now.

APPENDIX A. PREPARER PROFILE

This retail strategy has been prepared for the City of Kirkland by the economic and development consulting firm E. D. Hovee & Company, LLC. From the planning to the completion of strategic business, real estate and public investments, E. D. Hovee & Company, LLC provides consulting services for public agencies, private firms, and individual investors.

Business Profile. Based in Vancouver, Washington office, the firm is focused primarily on the Pacific Northwest states of Washington and Oregon – albeit with substantial experience throughout the U.S. as well. Our economic and development services include:

- *Economic research* – from economic forecasting to impact analysis.
- *Market and feasibility assessments* – for private business and development projects as well as for public-private ventures.
- *Development planning and strategic services* – to better position businesses and communities for success in today's increasingly differentiated marketplace.
- *Development packaging and marketing* – for public-private projects ranging from public parking facilities to mixed use revitalization in urban centers and neighborhoods.

For nearly 25 years, the firm has been committed to the ongoing process of economic restructuring for entire communities, for emerging and revitalized downtowns, and for successful business and residential developments both in and outside the Pacific Northwest. A particular strength is a multi-use approach to urban real estate development – covering residential, office, live/work, lodging, cultural/entertainment venues, and parking as well as retail.

Related Project Experience. E. D. Hovee & Company, LLC has conducted retail market, business mix, and development consulting for:

- Public and non-profit organizations throughout the state of Washington including the State of Washington Department of Community, Trade and Economic Development, Washington State University - Spokane, and cities of Tacoma, SeaTac, Renton, Snoqualmie, Bellingham, Mount Vernon, Yelm, Longview and Vancouver.
- Private real estate development and retail clients such as Opus NW, Gramor Development, Killian Pacific, Birtcher Properties, Fred Meyer, and Home Depot.
- Other public and non-profit clients including the Portland Development Commission, Portland Business Alliance and cities of Hillsboro, Beaverton, Gresham, Tigard, Wilsonville, Eugene, Medford and Newport in Oregon; Santa Cruz, Stockton and Thousand Oaks in California; St. Joseph and Hannibal in Missouri – and also across the U.S. for the Natural Main Street Center and National Trust for Historic Preservation.

Preparers. Personnel who have been involved in the preparation of background research and strategic assessments with this retail strategy are Eric Hovee – Principal, Tess Jordan – Senior Economic Planner, and Andrea Logue – Research Coordinator.

APPENDIX B. RESIDENT & BUSINESS SURVEYS

Resident and business surveys have been conducted in conjunction with a separate, concurrent *Kirkland Economic Sustainability Assessment* – prepared for the City of Kirkland by O'Brien & Company in cooperation with E. D. Hovee & Company, LLC. This combined survey effort has proved useful as a means to effectively gauge community interests and needs for downtown retail within a broader community framework for economic, environmental and social sustainability.

SURVEY PURPOSE & APPROACH

Two surveys were conducted in the Spring of 2008 for the sustainability assessment:

- The *resident survey* was designed to cover questions related both to sustainability and downtown retail.
- *Business survey* information also was tabulated for downtown business respondents.

Downtown-specific results of both surveys are summarized and highlighted as part of this downtown retail strategic planning process.

RESIDENT SURVEYS – CITYWIDE DATA RESULTS

As of the closing date of May 30, 2008, 272 respondents had completed the resident survey. Summarized below is an overview of the survey results for questions most pertinent to consideration of downtown retail potentials.

Survey Demographics. Responses were received from all neighborhoods identified in the survey, with higher percentages in the Highlands, Moss Bay, and Norkirk neighborhoods (22%, 15%, and 13%, respectively).

The highest percentage of respondent groups reflected:

- 1- or 2-person households (58%)
- Between 36-65 years of age (75%)
- Employed (including self-employed) with annual household incomes ranging from $50,000 - $200,000 (74%)
- A sizable but minority proportion (39%) who sometimes or always work in Kirkland
- A significant percentage of respondents (92%) who own their own home
- A minority of respondents (41%) who have children living at home

In comparison with citywide demographics (as from ESRI and Census sources), survey respondents appear to be more strongly comprised of homeowners and households with children – and more likely to work in Kirkland.

What follows is a summary of *question-by-question* responses. With responses to each survey question, particular attention is paid to implications of survey results for downtown retail.

What goods and services do Kirkland residents purchase within the City of Kirkland? The table below reflects the responses with the *highest percentage* for each category of goods and service. Those goods and services that appear in the 'Rarely' and 'Never' purchased in the City of Kirkland provide an indication of business opportunities that are currently underserved.[22]

GOODS			
Always	**Sometimes**	**Rarely**	**Never**
Groceries (59%) Pharmaceuticals (60%)	Natural Foods/Specialty Foods (39%) Hobby items (39%) Gifts & Specialty (47%) Dining (62%) Wine/Liquor (41%) Entertainment (54%) Pet Products (25%)* Gas/Automotive (45%)	Apparel (adult) (39%) Home Furnishings (33%) Hardware/garden supplies (29%)	Apparel (childrens) (30%) Electronics/Computers (43%)
SERVICES			
Always	**Sometimes**	**Rarely**	**Never**
Pharmacy (54%) Medical Health Care (31%) Vision Health Care (31%) Fitness (24%) Banking/Finance (47%) Dry cleaning/Laundromat (56%) Veterinarian (30%) Realty (15%)* Mailing/Postal (62%) Copy/Print (38%)	Personal Care (Salon, spa, etc.) (28%) Community & Social Services (24%)* Automotive (28%)		Dental Health Care (36%) Vision Health Care (31%) Alternative Health Care (21%)* Childcare (12%)* Hotel (31%)* Attorney & Legal (40%) Insurance (50%) Worship (19%)*

Downtown Implications: Many of the retail goods and services desired by Kirkland residents are either not available or only modestly available in the downtown area. This is true for some of the categories for which residents always shop in Kirkland (but maybe not downtown) as well as for categories for which residents never shop anywhere in Kirkland.

Key questions for this downtown retail strategy are essentially two fold: (a) is there adequate market to support *additional downtown businesses* that would fill these identified gaps; and (b) to what extent and in what manner should the City prioritize local serving business in Kirkland's downtown? These are questions to which this interim report returns in subsequent discussion of opportunities/gaps and strategic options for downtown Kirkland.

How satisfied are the residents of the City of Kirkland with the shopping and services locally available? Listed below are the *highest response* percentages for

satisfaction levels for a variety of features and qualities that customers look for in their shopping/service experience (both for goods and services). Those that are listed in the 'Poor' and 'Average' ranking categories represent opportunities to enhance the local consumer experience in the City of Kirkland.

Excellent	Good	Average	Poor
---	Quality of Products (39%) Pedestrian Accessibility (38%) Mass Transit Accessibility (31%) Family Friendly (37%)	Affordability (58%) Customer Service (41%) Convenience (31%) Clustering of Stores (39%) Parking Availability (36%) Bike Parking Available (39%) Visual Appearance (35%) Hours of Operation (46%) Environmental Commitment (44%) Community Commitment (36%)	Variety (38%)

Downtown Implications: While survey responses reflect perceptions citywide, the observations noted can be expected to apply to downtown – perhaps in greater degree than would be the case citywide. Factors for which Kirkland rates as 'good' are consistent with strengths expected of downtown retail – with its pedestrian orientation and strong mix of independent, locally-owned stores.

Small businesses cannot be expected to score as well on variety – unless larger format retailers and/or other new competition is drawn into downtown. The *swing* factors appear to be those rated 'average' by Kirkland residents. Downtown can improve its competitive presence for local as well as non-local destination clientele by addressing factors for which the community does not currently stand out.

What are Kirkland residents' priorities when selecting goods and services? An average of 65% of Kirkland residents stated that **Quality**, **Cost**, and **Convenience** are the top three priorities when selecting goods and services. These three factors received far higher response rates than any of the other potential priority categories, such as brand recognition, environmental concerns, uniqueness, locally produced, or family owned.

Downtown Implications: Kirkland is already known for quality, but with opportunity to move upscale from 'good' to 'excellent'. Convenience represents the factor with perhaps the greatest opportunity to broaden market appeal to local residents – especially for those living or working in close proximity to downtown.

What are Kirkland residents' shopping habits? The majority of Kirkland residents shop by car (88%). A significant portion also shops by walking (47%), and a smaller portion by delivery or online (34%).[23] Only 12% shop by bus, and 9% by bike. As noted, 37% shop near their home in Kirkland, and 16% shop near their workplace or on their way home.

Downtown Implications: For residents, the greatest downtown retail opportunity may be to cater to those who shop by walking, bus and bike – likely living (or working) in or near downtown.

What do Kirkland residents want to see more of in their city? Identified are:

- Hardware (28%)
- Clothing – affordable, for adults & kids (10%)
- Restaurants – local, family, open air, inexpensive, unique, organic, ethnic (11%)
- Grocery/Market – natural, local, affordable (11%)

Downtown Implications: Downtown is already represented by restaurant and to a lesser extent by grocery and clothing activity – though not with all of the qualities desired by Kirkland residents. Like many downtowns, Kirkland no longer has a local downtown hardware store. A strategic question is whether these local serving attributes can be layered in with features that also appeal to destination visitors – or whether these customer segments are in competition with each other.

In your words…What does a sustainable Kirkland Economy mean to Kirkland residents? While the focus of this question on sustainability goes beyond the immediate scope of this retail study, responses are nonetheless useful to set a context for themes to consider regarding such items as downtown store mix, merchandising, promotions, and branding.

Figure 23. Elements of a Sustainable Economy – for Kirkland Residents

- ✓ A walkable community with a unique identity and one-stop shopping
- ✓ Better public transit to downtown and neighborhoods
- ✓ Diverse and comprehensive mix of locally owned stores that are affordable for residents and tourists and meet basic daily needs
- ✓ Enjoyable, affordable downtown to shop, dine, have office and green space
- ✓ Keep high-rise development in downtown to a minimum
- ✓ Stop going to Bellevue or Redmond for most of our daily, monthly, and annual shopping needs
- ✓ Convenient long-term parking (preferably covered) that provides easy pedestrian access to shopping, but is not intrusive to the downtown feel
- ✓ Corner markets and small scale amenities in neighborhoods: revitalize voids
- ✓ Incentives to local, green entrepreneurs

Downtown Implications: These sustainability elements all represent attributes that Downtown either currently or prospectively could fulfill. A pivotal question is whether and to what extent some elements pose trade-offs for downtown's recent and current role as a destination retail and entertainment district serving much of the eastside. A related question is whether downtown can or should succeed independent of added residential activity in the immediate downtown area.

RESIDENT SURVEYS – DOWNTOWN-SPECIFIC RESULTS

The resident surveys also included three specific questions focused on patronage of Downtown Kirkland for retail goods and services, and to rating selected features of the downtown experience.

Downtown Retail Shopping. As indicated by the following chart, the two types of good for which residents say they *always shop downtown* are pharmaceuticals (66%) and groceries (65%). Other retail categories for which residents *always or sometimes* shop downtown at least 50% of the time include natural and specialty foods, gift and specialty items, dining (all forms), wine/liquor, entertainment, pet products, and gas/automotive.

Figure 24. How often do you shop in Downtown Kirkland for the following goods?

	Always	Sometimes	Rarely	Never	Not Applicable*	Total Respondents
Groceries	65%	30%	4%	1%	0%	246
Natural Foods/Specialty Foods	32%	42%	13%	7%	6%	248
Pharmaceuticals	66%	18%	7%	5%	3%	245
Apparel (adult)	3%	25%	43%	30%	0%	247
Apparel (children)	1%	12%	28%	32%	28%	240
Home Furnishings	1%	28%	36%	33%	2%	249
Electronics/Computers	2%	14%	33%	48%	2%	243
Hardware/Garden supplies	6%	30%	32%	30%	2%	250
Hobby items (books, sports, music, etc.)	4%	43%	35%	17%	1%	247
Gifts & Specialty items	4%	52%	32%	11%	2%	246
Dining - Breakfast	17%	53%	19%	4%	6%	247
Dining - Lunch	11%	69%	15%	4%	1%	247
Dining - Dinner	10%	79%	10%	1%	0%	248
Dining - Coffee/Tea	22%	55%	11%	6%	6%	247
Wine/Liquor	23%	45%	13%	8%	11%	249
Entertainment	3%	60%	26%	10%	1%	247
Pet Products	26%	27%	11%	5%	30%	246
Gas & Automotive	40%	50%	6%	5%	0%	247

*Notes: On the survey form, the complete response is Not Applicable (I do not purchase these products).

Source: O'Brien & Company for City of Kirkland, *Sustainability Assessment*, June 2008.

In contrast, goods for which 50% or more of respondents say they *rarely or never shop downtown* are apparel (all types), home furnishings, electronics/computers, hardware/garden supplies, and hobby items.

Use of Downtown Services. Kirkland residents report that they patronize downtown businesses for services far less frequently than for retail shopping. There are no services indicated for which a majority of survey respondents indicate that that they *always utilize* downtown businesses. There are only two types of services for which a majority of respondents indicated that they patronize downtown businesses *always or sometimes* – banking/finance and mailing/postal.

Figure 25. How often do you use the following services in Downtown Kirkland?

	Always	Sometimes	Rarely	Never	Not Applicable*	Total Respondents
Pharmacy	8%	8%	14%	67%	4%	247
Medical Health Care	2%	4%	4%	88%	2%	246
Dental Health Care	10%	1%	5%	83%	0%	246
Vision Health Care	11%	4%	7%	76%	3%	246
Alternative Health Care (acupuncture, massage therapy, etc.)	6%	12%	11%	53%	17%	247
Personal Care (salon, spa, etc.)	8%	23%	17%	43%	9%	248
Fitness	7%	8%	8%	60%	17%	248
Banking/Finance	24%	30%	18%	28%	1%	247
Dry Cleaning/Laundromat	20%	8%	10%	55%	8%	248
Veterinarian	5%	2%	5%	54%	34%	247
Childcare	1%	2%	1%	26%	70%	246
Community & Social Services (counseling, after school programs, playgrounds, classes, etc.)	5%	23%	14%	28%	30%	241
Realty	5%	6%	9%	48%	32%	247
Hotel	2%	7%	12%	58%	21%	248
Attorney & Legal	4%	5%	9%	64%	18%	247
Automotive	6%	14%	7%	69%	3%	245
Insurance	8%	4%	6%	74%	8%	247
Mailing/Postal	37%	34%	13%	15%	0%	246
Copy/Print	19%	29%	20%	26%	6%	246
Worship	3%	4%	7%	46%	40%	244

*Notes: On the survey form, the complete response is Not Applicable (I do not purchase these products).

Source: O'Brien & Company for City of Kirkland, *Sustainability Assessment*, June 2008.

In contrast, a majority of those surveyed say they *never* come downtown for services that include pharmacy, health care (all forms), fitness, dry cleaning/laundromat, veterinarian, hotel, legal, automotive and insurance.

Rating the Downtown Shopping & Service Experience. A final question asked those surveyed to rate varied features of the downtown shopping and services on a scale of 1 (poor) to 4 (excellent). While no feature was noted as *excellent* by a majority of respondents, features that received *excellent or good ratings* by a majority included quality of products, pedestrian and mass transit accessibility, visual appearance, community commitment and family friendly.

In contrast, two features received *poor* ratings by a majority of respondents – variety and parking availability.

Figure 26. On a scale of 1 (poor) to 4 (excellent), how do you rate the following features of shopping and services for the Downtown Kirkland?

	(1) Poor	(2) Average	(3) Good	(4) Excellent	Total Respondents
Quality of Products	6%	38%	44%	13%	234
Variety	52%	33%	13%	3%	240
Affordability	41%	52%	6%	0%	239
Customer Service	4%	47%	37%	12%	236
Convenience	18%	35%	33%	14%	242
Clustering of Stores	30%	37%	28%	5%	241
Parking Availability	50%	34%	12%	3%	242
Bike Parking Availability	21%	55%	16%	8%	205
Pedestrian Accessibility	7%	27%	40%	27%	237
Mass Transit Accessibility (bus stops nearby)	9%	33%	36%	22%	228
Visual Appearance	8%	38%	37%	16%	241
Hours of Operation	23%	49%	25%	3%	239
Environmental Commitment	14%	50%	29%	7%	228
Community Commitment	11%	40%	35%	15%	235
Family Friendly	6%	39%	38%	16%	233

Source: O'Brien & Company for City of Kirkland, *Sustainability Assessment*, June 2008.

BUSINESS SURVEYS

O'Brien & Company also completed a sustainability survey with Kirkland businesses – both in and outside the downtown area. Results of note for this downtown retail assessment are summarized with this report.

Business Respondent Profile. A smaller sample of businesses (77 in total) completed a business survey. Approximately 41% of the businesses (or 31 respondents) were located in downtown Kirkland.[24]

Citywide, the largest proportion of respondents consisted of retail businesses (33%), followed by business and personal services (30%). Other respondents included real estate, engineering/architecture, health science and information technology firms.

Over half of the respondents offered their business services to the regional Puget Sound area, and over 40% offered services to the entire Pacific Northwest. Retail businesses tended to be more focused on local market areas – albeit with some exceptions.

The majority of the respondents (79%) were businesses with 20 or fewer employees. Over 40% of the businesses had internet based customers, 57% had walk-customers, and 76% had other businesses as customers. *Note:* business survey respondents could select multiple customer types.

In Their Words…What Does a Sustainable Kirkland Economy Mean to Local Businesses? Overall, responses center on the theme of "an economy that ensures both natural resources and a healthy environment for our future generations."

Figure 27. Sustainability for Kirkland Businesses – Key Themes

Focus on the environment:

- ✓ Zero waste! Recycling and reuse of local products.
- ✓ Businesses that strive to recycle, reduce energy, and be responsible with all waste generated.
- ✓ Green buildings, and restoration of existing buildings

Diverse, locally supported businesses:

- ✓ Rent control to prevent turnover of small, diverse businesses
- ✓ Citizens and local businesses that promote and support local businesses
- ✓ Competitively priced services with a broad appeal, rather than niche appeal
- ✓ Obtaining all daily needs in Kirkland – at affordable prices
- ✓ Presence of well known, anchor retailers

Easy access for citizens & businesses to be locally supportive:

- ✓ A pedestrian downtown with outlying parking and free, easily accessible transit – a "Car-Free Kirkland!"
- ✓ Clustered, higher density shopping districts that are supportive to each other and encourage shoppers to walk from business to business
- ✓ Customer access to parking

City & business accountability & engagement:

- ✓ Holding building and land owners accountable for decisions that affect the health of businesses
- ✓ City-supported business expansion and development
- ✓ City-led green standards and incentives that 'push the envelope'
- ✓ City engagement of local businesses to promote green activities

Source: O'Brien & Company for City of Kirkland, *Sustainability Assessment*, June 2008.

While some of the themes heard may be in conflict with each other and some are more easily implemented than others, they provide a context for thinking sustainably – and for creating new competitive advantage today and in the years immediately ahead.

What are Kirkland Businesses Doing to Become More Sustainable? Over 60% of the Kirkland business respondents indicated that it is somewhat to very important for the public and their customers/clients to view their company as 'green.' Internally, businesses are making changes to become more sustainable.

A minority (33%) of respondents have employed a sustainability mission statement or vision in their company. Larger proportions (over 75%) purchase energy efficient products either sometimes or all the time, and recycle all the time.

Are Kirkland Businesses Locally Supportive of Each Other? Less than 20% of Kirkland businesses stated that they always, or often, seek out business goods and services from within

Kirkland. However, a larger proportion of 45% stated that they sometimes or often participated in joint promotions to support other local businesses.

What are Opportunity Areas for Kirkland Businesses to Expand their Sustainable Practices and Support Each Other? Suggestions received including implementing Environmental Management Systems and providing green incentives for employees.

Items of importance to retailers include initiatives to minimize packaging, offer reusable bags/packaging, provide a take back program for products/packaging, and offer green products and services. For restaurants, an opportunity area is to increase composting practices – as 66% of those who handle food stated they throw away food waste with only 20% composting at present.[25]

What is Holding Kirkland Business Back From Going Green? The most oft-noted concern relates to are cost barriers – identified by 26% business survey respondents as the reason they've not yet implemented desired green practices. Also noted is information on benefits of going green – with 22% indicating that they needed more information and education on green practices.

How Can the City Help? About 20% of Kirkland businesses suggested that the following City provided services/information might help them establish their green goals – specifically in the areas of incentives, workshops and trainings, and online information.

Downtown Retail Strategy Implications. In summary, building sustainability into a retail strategy for downtown Kirkland is important for two reasons:

- Growing public awareness of the global ethic for a more sustainable approach to consumer purchases – accelerated by recent rapid increases in fuel costs.
- Opportunity to brand downtown Kirkland for sustainability – ahead of the suburban competition in an intentional, authentic and sustained manner.

APPENDIX C. STATISTICAL DATA COMPENDIUM

Figure 28. Summary Trade Area Demographics (2000-2013)

	Kirkland	Destination	4-County
Population			
2000	45,054	248,557	3,275,847
2008	48,410	279,904	3,633,000
2013	51,924	301,815	3,890,673
Households (HH)			
2000	20,736	97,334	1,282,984
2008	23,163	111,161	1,470,850
2013	24,844	119,861	1,541,818
Average HH Size			
2000	2.13	2.54	2.49
2008	2.09	2.51	2.47
2013	2.09	2.51	2.47
Median Age			
2000	36.2	35.5	35.2
2008	39.0	37.8	36.9
Median Household Income			
2000	$60,399	$66,193	$51,168
2008	$82,493	$86,546	$68,793

Source: Washington Office of Financial Management, ESRI Business Information Solutions and the City of Kirkland.

Figure 29. Age Distribution of Population (2000, 2008)

	Kirkland		Destination		4-County	
Population by Age	2000	2008	2000	2008	2000	2008
Total	45,054	48,413	248,557	279,904	3,275,847	3,633,000
0 - 4	5.5%	5.3%	6.4%	6.1%	6.5%	6.5%
5 - 9	5.1%	4.8%	7.0%	6.3%	7.0%	6.2%
10 - 14	5.0%	5.0%	7.4%	6.8%	7.1%	6.4%
15 - 19	5.2%	5.3%	6.8%	6.7%	6.8%	6.8%
20 - 24	7.1%	6.4%	5.7%	5.9%	6.6%	7.1%
25 - 34	19.9%	16.3%	15.9%	13.8%	15.7%	14.3%
35 - 44	18.2%	17.1%	18.8%	16.3%	17.6%	15.2%
45 - 54	15.3%	16.7%	16.3%	17.2%	14.5%	15.7%
55 - 64	8.6%	12.4%	8.1%	12.1%	8.1%	11.2%
65 - 74	5.0%	5.5%	4.0%	4.8%	5.1%	5.4%
75 - 84	3.7%	3.5%	2.8%	2.8%	3.7%	3.6%
85+	1.5%	1.6%	1.0%	1.2%	1.3%	1.7%
18+	81.5%	81.9%	74.9%	76.6%	75.3%	76.9%

Source: ESRI Business Information Solutions.

Figure 30. Race/Ethnicity Comparison (2000, 2008)

	Kirkland		Destination		4-County	
Population by Race/Ethnicity	**2000**	**2008**	**2000**	**2008**	**2000**	**2008**
Total	45,054	48,410	248,556	279,903	3,275,847	3,633,000
White Alone	85.3%	82.5%	85.7%	83.1%	78.7%	75.9%
Black Alone	1.6%	1.8%	1.3%	1.4%	4.9%	5.2%
American Indian Alone	0.5%	0.5%	0.5%	0.5%	1.2%	1.1%
Asian or Pacific Islander Alone	8.0%	9.7%	7.7%	9.1%	8.8%	10.1%
Some Other Race Alone	1.7%	2.1%	1.8%	2.3%	2.3%	2.8%
Two or More Races	2.9%	3.5%	3.0%	3.6%	4.2%	4.9%
Hispanic Origin	4.1%	5.5%	4.5%	5.9%	5.3%	6.8%

Source: ESRI Business Information Solutions.

Figure 31. Educational Attainment of Adult Population Age 25+ (2000)

	Kirkland	Destination	4-County
Total	33,952	190,920	2,438,966
Less than 9th Grade	0.9%	1.2%	2.7%
9th - 12th Grade, No Diploma	2.7%	3.2%	6.1%
High School Graduate	14.9%	16.2%	23.1%
Some College, No Degree	22.0%	22.0%	24.1%
Associate Degree	7.7%	9.1%	8.9%
Bachelor's Degree	35.3%	33.2%	23.3%
Master's/Prof/Doctorate Degree	16.4%	15.2%	11.8%

Source: U.S. Census, ESRI Business Information Solutions.

Figure 32. Housing Characteristics (2000, 2008)

	Kirkland	Destination	4-County
2000 Housing Units	21,831	101,270	1,348,146
Owner Occupied Housing Units	54.1%	66.1%	59.5%
Renter Occupied Housing Units	40.9%	30.0%	35.7%
Vacant Housing Units	5.0%	3.9%	4.8%
2008 Housing Units	23,481	116,858	1,526,074
Owner Occupied Housing Units	57.8%	68.8%	61.8%
Renter Occupied Housing Units	35.6%	26.3%	32.4%
Vacant Housing Units	6.6%	4.9%	5.8%
Median Home Value			
2000	$263,486	$249,150	$190,470
2008	$483,787	$462,898	$358,787
2000 Median Rent	$891	$868	$660

Source: ESRI Business Information Solutions.

Figure 33. Comparative Household Income Distribution (2008)

2008 Households by Income	Kirkland	Destination	4-County
Household Income Base	23,163	111,160	1,470,844
< $15,000	4.2%	3.5%	6.8%
$15,000 - $24,999	3.4%	3.6%	6.7%
$25,000 - $34,999	4.9%	4.7%	7.6%
$35,000 - $49,999	9.1%	8.7%	12.5%
$50,000 - $74,999	20.3%	18.0%	20.9%
$75,000 - $99,999	21.0%	20.9%	18.3%
$100,000 - $149,999	18.7%	21.4%	16.1%
$150,000 - $199,999	8.7%	9.2%	5.5%
$200,000 +	9.6%	10.1%	5.6%
Average Household Income	$115,198	$116,544	$88,416

Source: ESRI Business Information Solutions.

Figure 34. Employed Population Age 16+ by Occupation (2008)

	Kirkland	Destination	4-County
Total	29,327	162,350	1,891,070
White Collar	77.2%	73.9%	64.6%
Management/Business/Financial	24.1%	21.0%	16.0%
Professional	26.9%	28.2%	23.8%
Sales	12.8%	12.2%	11.1%
Administrative Support	13.4%	12.5%	13.7%
Services	11.1%	12.2%	16.0%
Blue Collar	11.7%	13.9%	19.4%
Farming/Forestry/Fishing	0.0%	0.2%	0.3%
Construction/Extraction	3.9%	4.7%	6.0%
Installation/Maintenance/Repair	2.7%	2.4%	3.1%
Production	2.9%	3.4%	4.6%
Transportation/Material Moving	2.1%	3.2%	5.4%

Source: ESRI Business Information Solutions.

Figure 35. Work Commute Patterns (2000)

	Kirkland	Destination	4-County
Workers 16+ by Means of Transportation to Work			
Total	27,060	136,436	1,642,700
Drove Alone - Car, Truck, or Van	76.0%	77.2%	71.3%
Carpooled - Car, Truck, or Van	9.8%	10.8%	12.8%
Public Transportation	5.5%	4.4%	7.1%
Walked	2.2%	1.6%	3.2%
Other Means	1.3%	1.0%	1.4%
Worked at Home	5.3%	5.0%	4.2%
Workers 16+ by Travel Time to Work			
Total	27,060	136,435	1,642,700
Did not Work at Home	94.7%	95.0%	95.8%
Less than 5 minutes	3.5%	2.1%	2.3%
5 to 9 minutes	9.3%	7.7%	7.7%
10 to 19 minutes	32.4%	26.4%	25.6%
20 to 24 minutes	16.3%	14.7%	14.7%
25 to 34 minutes	19.7%	22.7%	20.9%
35 to 44 minutes	4.9%	8.1%	7.4%
45 to 59 minutes	5.4%	8.4%	8.6%
60 to 89 minutes	2.3%	3.6%	5.8%
90 or more minutes	0.8%	1.3%	2.8%
Average Travel Time to Work (in min)	21.9	25.6	27.8

Source: U.S. Census, ESRI Business Information Solutions.

Figure 36. Residence Locations of Downtown Kirkland Shoppers (2008)

Distance	Weekday Count	Weekday Percent	Weeknight & Weekend Count	Weeknight & Weekend Percent
1 Mile	58	8.09	109	10.23
2 Miles	47	6.56	111	10.41
1-2 miles	**105**	**14.64**	**220**	**20.64**
3	79	11.02	109	10.23
4	54	7.53	99	9.29
5	50	6.97	76	7.13
3-5 miles	**183**	**25.52**	**284**	**26.64**
6	29	4.04	58	5.44
7	43	6.00	70	6.57
8	32	4.46	54	5.07
9	45	6.28	59	4.44
10	46	6.42	38	3.56
6-10 miles	**195**	**27.20**	**279**	**25.07**
11	18	2.51	26	2.44
12	31	4.32	33	3.10
13	25	3.49	30	2.81
14	19	2.65	20	1.88
15	12	1.67	13	1.22
11-15 miles	**105**	**14.64**	**122**	**11.44**
>15 miles	**129**	**17.99**	**161**	**15.10**
Subtotal	717	99.86	1,066	80.15
UnMapped	1	0.14	264	19.85
Total	718	100.00	1,330	100.00

Source: Parking Advisory Board.

Figure 37. Tapestry Lifemodes (2008)

Kirkland Tapestry Segment	Percent	Destination Tapestry Segment	Percent	4-County Tapestry Segment	Percent
Enterprising Professionals	20.5%	Sophisticated Squires	19.5%	Sophisticated Squires	8.4%
Urban Chic	16.3%	Enterprising Professionals	16.9%	Main Street, USA	6.0%
Laptops and Lattes	15.4%	Suburban Splendor	14.5%	Old and Newcomers	5.5%
Old and Newcomers	15.2%	In Style	10.8%	Up and Coming Families	5.1%
In Style	12.2%	Old and Newcomers	6.4%	Metro Renters	4.8%
Subtotal	79.6%	Subtotal	68.1%	Subtotal	29.8%

Source: ESRI Business Information Solutions.

Figure 38. Kirkland Sales Tax History by Business Sector (2000-2007)

1995-2007 Annual Sales Tax Revenue by Business Sector

Business Sector	2000	2001	2002	2003	2004	2005	2006	2007
Auto/Gas Retail	$ 2,417,404	$ 2,325,651	$ 2,283,057	$ 2,532,728	$ 2,632,937	$ 2,797,473	$ 2,973,380	$ 3,276,488
General Merch/Misc Retail*	$ 1,706,633	$ 1,657,343	$ 2,076,488	$ 2,377,572	$ 2,539,027	$ 2,366,854	$ 2,524,268	$ 2,562,537
Retail Eating/Drinking*	$ 996,116	$ 979,774	$ 1,015,032	$ 1,031,527	$ 1,108,676	$ 1,181,884	$ 1,228,127	$ 1,294,444
Other Retail*	$ 1,629,860	$ 1,494,485	$ 1,184,893	$ 1,259,370	$ 1,354,672	$ 1,787,484	$ 1,800,744	$ 1,738,458
Subtotal Other Retail	*$ 4,332,609*	*$ 4,131,602*	*$ 4,276,413*	*$ 4,668,469*	*$ 5,002,375*	*$ 5,336,222*	*$ 5,553,139*	*$ 5,595,439*
Wholesale	$ 1,438,407	$ 929,125	$ 759,878	$ 1,112,417	$ 746,446	$ 984,837	$ 1,320,124	$ 1,111,079
Contracting	$ 1,781,496	$ 1,739,136	$ 1,463,962	$ 1,497,052	$ 1,770,262	$ 2,315,568	$ 3,279,243	$ 3,007,168
Services	$ 1,427,576	$ 1,418,678	$ 1,342,157	$ 1,277,213	$ 1,404,937	$ 1,518,349	$ 1,722,501	$ 1,779,742
Communications	$ 700,362	$ 644,333	$ 551,003	$ 936,836	$ 579,081	$ 689,090	$ 793,243	$ 657,923
Miscellaneous	$ 647,641	$ 648,901	$ 544,290	$ 647,736	$ 567,937	$ 668,259	$ 786,514	$ 1,098,629
TOTAL	**$ 12,745,495**	**$ 11,837,426**	**$ 11,220,760**	**$ 12,672,451**	**$ 12,703,975**	**$ 14,309,798**	**$ 16,428,144**	**$ 16,526,468**

Business Sector Percentage of Total Sales Revenue

Business Sector	2000	2001	2002	2003	2004	2005	2006	2007
Auto/Gas Retail	19.0%	19.6%	20.3%	20.0%	20.7%	19.5%	18.1%	19.8%
General Merch/Misc Retail*	13.4%	14.0%	18.5%	18.8%	20.0%	16.5%	15.4%	15.5%
Retail Eating/Drinking*	7.8%	8.3%	9.0%	8.1%	8.7%	8.3%	7.5%	7.8%
Other Retail*	12.8%	12.6%	10.6%	9.9%	10.7%	12.5%	11.0%	10.5%
Subtotal Other Retail	*34.0%*	*34.9%*	*38.1%*	*36.8%*	*39.4%*	*37.3%*	*33.9%*	*33.8%*
Wholesale	11.3%	7.8%	6.8%	8.8%	5.9%	6.9%	8.0%	6.7%
Contracting	14.0%	14.7%	13.0%	11.8%	13.9%	16.2%	20.0%	18.2%
Services	11.2%	12.0%	12.0%	10.1%	11.1%	10.6%	10.5%	10.8%
Communications	5.5%	5.4%	4.9%	7.4%	4.6%	4.8%	4.8%	4.0%
Miscellaneous	5.0%	5.6%	4.9%	5.1%	4.4%	4.7%	4.7%	6.7%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: City of Kirkland.

Figure 39. Kirkland Sales Tax History by Business District (2000-2007)

Business District	2000	2001	2002	2003	2004	2005	2006	2007
Totem Lake	4,055,643	3,900,014	3,592,917	4,242,034	4,318,859	4,552,763	4,753,780	5,091,625
NE 85th St	2,074,729	1,973,998	1,905,350	2,027,565	2,126,868	2,250,246	2,361,132	2,441,384
Downtown	830,121	795,275	738,832	838,476	855,239	976,319	1,071,865	1,090,444
Carillon Pt & Yarrow Bay	710,554	449,396	319,184	430,272	507,000	537,496	494,436	491,422
Bridle Trails	123,279	135,546	132,268	178,875	236,417	131,487	147,529	163,227
Houghton	131,234	128,189	129,074	134,008	137,013	404,637	385,237	464,600
Juanita	125,572	126,044	155,132	324,831	366,237	247,544	264,154	282,786
Unassigned or No District:								
Contracting	1,781,496	1,739,100	1,473,561	1,497,052	1,770,262	2,320,753	3,279,273	3,004,347
Other	2,912,867	2,589,864	2,774,442	2,999,337	2,386,079	2,888,553	3,670,738	3,496,633
Total	**12,745,495**	**11,837,425**	**11,220,759**	**12,672,450**	**12,703,974**	**14,309,798**	**16,428,144**	**16,526,468**
% Change from Prior Year								
Kirkland City Total	--	-7.1%	-5.2%	12.9%	0.2%	12.6%	14.8%	0.6%
Downtown	--	-4.2%	-7.1%	13.5%	2.0%	14.2%	9.8%	1.7%
Downtown % of Total	6.5%	6.7%	6.6%	6.6%	6.7%	6.8%	6.5%	6.6%

Source: City of Kirkland.

Figure 40. City of Kirkland Retail Sales & Leakage (2008)

NAICS	Retail Categories	Demand (Retail Potential)	Supply (Retail Sales)	Retail Leakage (Demand-Supply)
441	Motor Vehicle & Parts Dealers	$210,745,874	$350,200,574	-$139,454,700
442	Furniture & Home Furnishings Stores	$34,812,102	$20,362,729	$14,449,373
443	Electronics & Appliance Stores	$32,349,609	$42,828,285	-$10,478,676
444	Bldg Materials, Garden Equip. & Supply Stores	$28,346,764	$12,428,096	$15,918,668
445	Food & Beverage Stores	$155,344,226	$157,132,213	-$1,787,987
446	Health & Personal Care Stores	$29,681,502	$62,207,850	-$32,526,348
447	Gasoline Stations	$98,992,869	$61,657,459	$37,335,410
448	Clothing and Clothing Accessories Stores	$48,486,823	$13,530,223	$34,956,600
451	Sporting Goods, Hobby, Book, & Music Stores	$10,220,850	$11,841,833	-$1,620,983
452	General Merchandise Stores	$140,489,606	$97,182,899	$43,306,707
453	Miscellaneous Store Retailers	$18,045,744	$21,403,546	-$3,357,802
454	Nonstore Retailers	$32,608,447	$30,010,334	$2,598,113
722	Food Services & Drinking Places	$134,460,397	$133,930,301	$530,096
44-45, 72	Total Retail Trade and Food & Drink	$974,584,813	$1,014,716,342	-$40,131,529

Source: ESRI Business Information Solutions.

Figure 41. Supportable City of Kirkland Retail Space Demand (to 2013)

		Building Space Demand (sf)		
Retail Categories	Retail Sales/SF	Leakage Recapture	Future Growth	Leakage + Growth
Motor Vehicle & Parts Dealers	NA	-	-	-
Furniture & Home Furnishings Stores	$400	40,000	7,000	47,000
Electronics & Appliance Stores	$875	-	3,000	3,000
Bldg Materials, Garden Equip. & Supply Stores	$620	43,000	3,000	46,000
Food & Beverage Stores	$560	6,000	21,000	27,000
Health & Personal Care Stores	$875	-	3,000	3,000
Gasoline Stations	NA	-	-	-
Clothing and Clothing Accessories Stores	$695	62,000	5,000	67,000
Sporting Goods, Hobby, Book, & Music Stores	$490	-	2,000	2,000
General Merchandise Stores	$500	78,000	21,000	99,000
Miscellaneous Store Retailers	$380	2,000	4,000	6,000
Nonstore Retailers	NA	-	-	-
Food Services & Drinking Places	$860	34,000	12,000	46,000
Total Retail Trade and Food & Drink		265,000	81,000	346,000

Note: Building space need is not calculated for retail categories of motor vehicle and parts dealers, gasoline stations, and nonstore retailers.

Source: E. D. Hovee & Company, LLC from ESRI Business Information Solutions and Urban Land Institute.[26]

Figure 42. Best Case Destination Trade Area Sales & Leakage (2008)

NAICS	Retail Categories	Demand (Retail Potential)	Supply (Retail Sales)	Retail Leakage (Demand-Supply)
441	Motor Vehicle & Parts Dealers	$1,082,679,304	$503,354,342	$579,324,962
442	Furniture & Home Furnishings Stores	$182,297,734	$120,494,108	$61,803,626
443	Electronics & Appliance Stores	$155,776,127	$287,856,690	-$132,080,563
444	Bldg Materials, Garden Equip. & Supply Stores	$157,964,470	$110,705,736	$47,258,734
445	Food & Beverage Stores	$804,527,634	$656,902,163	$147,625,471
446	Health & Personal Care Stores	$150,424,911	$127,847,247	$22,577,664
447	Gasoline Stations	$507,396,048	$243,181,318	$264,214,730
448	Clothing and Clothing Accessories Stores	$238,901,332	$104,954,159	$133,947,173
451	Sporting Goods, Hobby, Book, & Music Stores	$51,589,889	$58,109,168	-$6,519,279
452	General Merchandise Stores	$688,793,600	$427,891,216	$260,902,384
453	Miscellaneous Store Retailers	$97,366,317	$65,542,251	$31,824,066
454	Nonstore Retailers	$168,967,647	$482,910,570	-$313,942,923
722	Food Services & Drinking Places	$678,048,179	$405,620,953	$272,427,226
44-45, 72	Total Retail Trade and Food & Drink	$4,964,733,192	$3,595,369,921	$1,369,363,271

Source: ESRI Business Information Solutions.

Figure 43. Best Case Destination Trade Area Retail Space Demand (to 2013)

		Building Space Demand (sf)		
Retail Categories	Retail Sales/SF	Leakage Recapture	Future Growth	Leakage + Growth
Motor Vehicle & Parts Dealers	NA	-	-	-
Furniture & Home Furnishings Stores	$400	193,000	36,000	229,000
Electronics & Appliance Stores	$875	-	14,000	14,000
Bldg Materials, Garden Equip. & Supply Stores	$620	128,000	20,000	148,000
Food & Beverage Stores	$560	338,000	112,000	450,000
Health & Personal Care Stores	$875	26,000	13,000	39,000
Gasoline Stations	NA	-	-	-
Clothing and Clothing Accessories Stores	$695	227,000	27,000	254,000
Sporting Goods, Hobby, Book, & Music Stores	$490	-	8,000	8,000
General Merchandise Stores	$500	520,000	108,000	628,000
Miscellaneous Store Retailers	$380	74,000	20,000	94,000
Nonstore Retailers	NA	-	-	-
Food Services & Drinking Places	$860	418,000	62,000	480,000
Total Retail Trade and Food & Drink		1,924,000	420,000	2,344,000

Note: Building space need is not calculated for retail categories of motor vehicle and parts dealers, gasoline stations, and nonstore retailers.

Source: E. D. Hovee & Company, LLC from ESRI Business Information Solutions and Urban Land Institute.

Figure 44. Retail Purchases in Kirkland (2008 Resident Survey)

		Survey Response: Extent to which Respondents Shop in Kirkland			Growth Potential According to	
Retail Type	**Type of Good**	**Always**	**Sometimes**	**Rarely or Never**	**Survey Results**	**Data Results**
Groceries	Convenience	65%	30%	4%	No	No
Natural foods/specialty foods	Both	34%	45%	21%	Some	No
Pharmaceuticals	Convenience	68%	19%	13%	No	No
Apparel in general						Strong
Apparel (adult)	Both	3%	25%	72%	Strong	
Apparel (children)	Both	2%	17%	81%	Strong	
Home furnishings	Destination	1%	29%	70%	Strong	Strong
Electronics/computers	Destination	3%	14%	83%	Strong	No
Hardware/garden supplies	Convenience	6%	31%	63%	Strong	Strong
Hobby items (books, sports, music)	Both	4%	43%	52%	Strong	No
Gifts & specialty items	Both	4%	52%	43%	Some	No
Dining in general						Some
Dining – breakfast	Both	18%	57%	25%	Some	
Dining – lunch	Both	11%	70%	19%	Some	
Dining – dinner	Both	10%	79%	11%	No	
Dining - coffee/Tea	Convenience	23%	59%	18%	Some	
Wine/liquor	Convenience	26%	50%	23%	Some	NA
Entertainment	Both	3%	60%	37%	Some	NA
Pet products	Convenience	38%	39%	23%	Some	NA
Gas & automotive	Both	40%	50%	10%	Some	Strong

Source: O'Brien & Company, E.D. Hovee & Company, LLC.

Figure 45. Attributes of Kirkland Retail (2008 Resident Survey)

	Survey Response			
Attributes of Shopping Experience	**Excellent**	**Good**	**Average**	**Poor**
Quality of Products	19%	42%	35%	4%
Variety	4%	20%	36%	40%
Affordability	1%	13%	64%	22%
Customer Service	13%	39%	45%	3%
Convenience	19%	30%	34%	18%
Clustering of Stores	2%	20%	43%	35%
Parking Availability	4%	18%	39%	38%
Bike Parking Availability	10%	18%	50%	23%
Pedestrian Accessibility	13%	42%	31%	13%
Mass Transit Accessibility (bus stops nearby)	13%	37%	33%	17%
Visual Appearance	14%	35%	38%	13%
Hours of Operation	4%	31%	51%	14%
Environmental Commitment	7%	31%	51%	11%
Community Commitment	15%	35%	40%	11%
Family Friendly	14%	41%	40%	5%

Source: O'Brien & Company, E.D. Hovee & Company, LLC.

Figure 46. Services Are Obtained In Kirkland (2008 Resident Survey)

	Survey: Extent to which Respondents obtain Services within Kirkland			
Service Type	**Always**	**Sometimes**	**Rarely or Never**	**Growth Potential**
Medical Health Care	34%	32%	34%	
Dental Health Care	40%	11%	49%	
Vision Health Care	35%	13%	52%	
Alternative Health Care (acupuncture, massage therapy, etc.)	29%	25%	46%	Strong
Personal Care (salon, spa, etc.)	19%	35%	45%	Strong
Fitness	32%	22%	45%	Strong
Banking/Finance	51%	32%	17%	
Dry Cleaning/Laundromat	69%	15%	16%	
Veterinarian	51%	14%	35%	
Childcare	16%	16%	66%	Strong
Community & Social Services (counseling, after school programs, playgrounds, classes, etc.)	24%	40%	35%	Strong
Realty	28%	27%	44%	
Hotel	5%	18%	77%	
Attorney & Legal	9%	11%	79%	
Automotive	29%	31%	40%	
Insurance	18%	11%	70%	Strong
Mailing/Postal	68%	26%	6%	
Copy/Print	46%	30%	23%	

Source: O'Brien & Company, E.D. Hovee & Company, LLC.

Figure 47. Kirkland CBD Building Permits (1994-Present)

KIRKLAND CBD BUILDING PERMITS (1994 - Present)

PERMIT	PROJECT NAME	Address	Housing Units	Hotel Rooms	Office Sq Ft	Retail Sq Ft	Parking Spaces	PARCEL	Valuation	Lot Size (Sq Ft)
BLD94-00162	EASTSIDE TRAINS	217 CENTRAL WAY				8,041	23	124450-0066	$500,000	13,692
BLD94-00992	EMERALD BUILDING OFFICE	520 KIRKLAND WAY			44,972		139	052505-9017	$3,472,389	59,706
BLD03-01227	PLAZA ON STATE CONDOS/A	102 STATE ST S	39				165	681787-0000	$5,241,557	72,026
BLD03-01228	PLAZA ON STATE CONDOS/B		42					681787-0000	$5,334,692	
BLD95-00674	602 5TH ST CONDOS	602 5TH STREET	14				31	780405-0000	$3,000,000	16,500
BLD96-00110	PORTSMITH CONDOS/A	108 2ND AVE S	54				276	687200-0000	$7,040,864	71,625
BLD96-00052	PARK AVENUE CONDOS	615 6TH STREET	38				84	664115-0000	$5,184,138	32,981
BLD96-01155	WATERMARK APARTMENTS	530 2ND AVE	60				106	124870-0115	$5,325,343	35,438
BLD96-00931	TIARA DE LAGO CONDOS	210 MARKET ST	13			2,360	30	388580-8750	$3,112,248	10,686
BLD96-01341	520 6TH AVE CONDOS	520 6TH AVENUE	22				49	388580-7640	$4,571,475	22,002
BLD95-00072	MARINA HEIGHTS CONDOS	134 CENTRAL WAY	21			10,000	48	514880-0000	$6,278,847	24,987
BLD96-00674	PARK 34 CONDOS	319 3RD ST	12				25	390010-0995	$1,874,161	9,687
BLD96-00421	BREZZA CONDOS/A	225 4TH AVE	36				148	106700-0000	$6,048,976	45,994
BLD96-00422	BREZZA CONDOS/B		39					106700-0000	$6,266,951	
BLD96-01172	PORTSMITH CONDOS/B	109 2ND ST S	95					687200-0000	$11,384,893	
BLD98-00623	TERA APARTMENTS/A	598 CENTRAL WAY	58			7,000	226	390010-1690	$7,708,700	67,393
BLD98-00624	TERA APARTMENTS/B	538 CENTRAL WAY	52					390010-1690	$3,744,797	
BLD98-00625	TERA APARTMENTS/C	503 6TH AVE	51					390010-1690	$3,797,217	
BLD98-01508	220 1ST ST CONDOS	220 1ST ST	48				85	919799-0000	$5,100,000	6,942
BLD99-00621	HOSSMAN BLD	278 CENTRAL WAY				16,648	49	390010-1125	$1,191,457	20,033
BLD98-00508	SOHO CONDOS/A	511 7TH AVE	28				89	388580-7590	$5,874,594	11,000
BLD98-00507	SOHO CONDOS/B	521 7TH AVE	30					388580-7590	$2,500,658	11,000
BLD99-01508	MCLEOD BLDG	213 LAKE ST S	1			920	6	082505-9097	$1,125,000	19,372
BLD00-00054	WESTWATER APARTMENTS	221 1ST ST	64			11,900	118	388580-8730	$8,592,502	5,610
BLD04-00683	KIRKLAND CENTRAL CONDOS	211 KIRKLAND AVE	110			9,168	176	124400-0040	$11,557,000	6,054
BLD04-01069	BOULEVARD CONDOS	375 KIRKLAND AVE	119			8,839	179	788260-0005	$20,000,000	71,999
BLD03-01248	HEATHMAN HOTEL	220 KIRKLAND AVE		91			91	124450-0300	$8,450,000	18,410
BLD07-00152	MERRILL GARDENS ASSIST LIV	201 KIRKLAND AVE	116			6,613	141	124400-0005	$19,260,213	38,924
BLD05-01484	STATE STREET CONDOS	128 STATE ST	124				168	082505-9267	$18,928,000	68,567
BLD08-00036	LAKE ST MIXED USE	118 LAKE ST S			130,704	39,050	520	017600-0030	$37,000,000	71,961
BLD08-00066	BANK OF AMERICA	101 KIRKLAND AVE	73			11,805	134	082505-9011	$16,278,000	28,329
			1,359	**91**	**175,676**	**132,344**	**3,106**		**$245,744,672**	**860,918**

Note: In many cases, new retail square footage replaces older, substandard retail business. Consequently, the figures indicated are not as much a reflection of net new square footage as of modern, updated retail space.

Source: City of Kirkland, information is as of August 2008 and subject to revision.

Figure 48. Kirkland Multi-family Residential Development (1994-2007)

YEAR	CITY TOTAL	CBD UNITS
1995	268	39
1996	164	42
1997	400	166
1998	169	68
1999	338	228
2000	333	151
2001	159	58
2002	115	65
2003	350	-
2004	54	-
2005	61	-
2006	442	229
2007	185	124
Total	3,038	1,170

Source: City of Kirkland.

APPENDIX D. BUSINESS INTERVIEWS

This appendix provides a list of discussion topics covered by business interviews together with a list of persons and groups interviewed.

DISCUSSION TOPICS

The following questions served as a general guide to discussion. As interviews were conducted informally, different conversations emphasized topics of most interest to those involved.

1. Please describe your firm or organization's *involvement with downtown* Kirkland and retail activity in particular.
2. Over the last 1-2 years has downtown *retail business activity* increased, declined or remained about the same? Generally? For your business?
3. How would you describe *downtown's customer* (in terms of demographics and geography)?
   Do you see the customer mix changing in the future?
4. What *other changes* have you seen with downtown retail in the last 3-5 years?
   What changes do you anticipate in the next 3-5 years?
5. In comparison with other communities, what do you see as the *strengths* (or benefits) of having a retail business in downtown Kirkland? What specific retailers or clusters of activity are strongest?
6. Conversely, what are the *weaknesses* (or disadvantages)? What gaps are most apparent?
7. What is the primary *competition* for downtown Kirkland retail? How would you compare Kirkland with the competition in terms of store mix, image/appeal, access to customers, cost of doing business, other factors?
8. Over the next 3-5 years, what do you see as the *best opportunities* for strengthening and enhancing your business and the retail environment in downtown? Is anything being overlooked?
9. In what ways does the City's *regulatory process* affect downtown generally or your business in particular? Be as specific as possible (comments are confidential). What (if any) changes in regulatory process or incentives are suggested?
10. Are there specific retailers that should be *recruited* – to open a store or expand – in downtown (e.g. local, regional or national tenants)? Any to be avoided?
11. In summary, what is the *#1 priority recommendation* that you would identify as most important to anchor a downtown retail strategy? High might it be implemented? And, how would successful accomplishment make a difference for your firm or downtown retailing?
12. Other *comments or suggestions*?

PERSONS INTERVIEWED

The following individuals were interviewed as part of this strategic retail planning process. Interviews were conducted in person when possible – both in group and one-on-one settings. The participation of all who provided their time and expertise is greatly appreciated.

Person	Firm or Organization
Jessica Greenway, Jim Lauinger, Bob Sternoff	City Council Economic Development Committee
Pat Howard (Howard Mandville), Gunnar Nordstrom (GN Gallery), Patricia Rovzar (Rovzar Gallery), Penny Sweet (Grape Choice)	Gallery Owners
Pete Manguoras	George's Restaurant
Bonnie Lindberg	Hallmark Real Estate
Rick Drotz	Kennedy Wilson Real Estate
Dick Beazel, Julie Metteer	Kirkland Downtown Association
Ken Dueker, Dave Godfrey, Jack Wherry , Tami White	Parking Advisory Board
Ruth Williams	Property Owner
Andy Loos	SRM Development
Douglas Howe and Jeff Cole	Touchstone Corporation

APPENDIX E. RETAIL IMPLEMENTATION TOOL KIT

On the following pages is provided a detailed listing of implementation tools viewed as potentially applicable for downtown retail enhancement. Two tool kit resources are inventoried with the attached listing:

- *Retail Tool Kit* – involves assessment and possible suggested strategic refinement of the current City, Chamber of Commerce and Kirkland Downtown Association initiatives related to business recruitment, retention and marketing – with supportive customer and image marketing opportunities also covered. This kit addresses two types of tools – those that are:
    - ✓ Customer-focused
    - ✓ Business-focused

- *City Tool Kit* – focusing on the tools available directly or indirectly to City government as means to encourage or facilitate downtown retailing. This set of tools is organized more by type of organizational and funding resource, notably:
    - ✓ Public-private partnership
    - ✓ Planning & regulatory
    - ✓ City resources
    - ✓ State & regional resources
    - ✓ Federal resources

Each tool kit resource is accompanied by a description of general features together with summary listing of opportunities, challenges and potential application in downtown Kirkland.

Tool Kit Resource	Description	Opportunities	Challenges	Application
RETAIL TOOLS – Customer Focused				
Downtown Events & Festivals	Repositioning of existing events or additions to calendar aimed to coincide with targeted downtown demographics, especially younger clientele.	• Can include both direct retail sales promotions & and more general public events for downtown image-building.	• Not all events & festivals generate same-day retail sales, sometimes diluting business owner support.	Recommend revisiting the existing calendar of events to assure attraction of desired retail clientele & stronger business owner support.
Downtown Customer Information	Key features could include: • Regularly updated downtown business directory • Interactive explorekirkland.com website, with survey capability • Downtown kiosks, signage & wayfinding program	• Data tools allow for regular updating, printed & web-based communication. • Potential to combine with joint business promotions & public parking program.	• Requires on-going commitment to data base & wayfinding system maintenance.	Suggested as initial element to a *customer first* agenda, later expanded to also cover joint promotion & hospitality training program
***Buy Local* Program**	A program to promote & encourage Kirkland residents to shop downtown, closer to home, for a "zero waste Kirkland".	• Visible complement to sustainability agenda & reduced vehicle travel. • A distinctive & authentic competitive advantage for Kirkland retail.	• A buy local ethic may not achieve expectations if customers are not provided clear personal benefits from shopping downtown	*Shop Kirkland* recommended as initial step of downtown retail agenda in conjunction with City-wide sustainability initiative.
Downtown Image Campaign	Print & media campaign to re-introduce downtown Kirkland as the eastside village destination.	• Can be combined with *Shop Kirkland* aimed at resident + destination markets.	• Requires business sponsorship & adept public service placement.	Suggested as second step of *Shop Kirkland* campaign.
RETAIL TOOLS – Business Focused				
***Business-to-Business* Marketing & Recruitment**	Use of peer network with joint marketing targeted to fill local & destination gaps in the downtown retail business mix.	• Complements sustainability objectives for local business networking & green business recruitment.	• May involve lead private sector role coordinated via Property Owners Group & KDA/Chamber with City support.	Later step of downtown retail program after customer information & image programs are in place.

Tool Kit Resource	Description	Opportunities	Challenges	Application
Retail Tenant Marketing	Active contacts of successful local & regional specialty retail/ entertainment businesses with systematic follow-up in cooperation with property owners, & local & regional real estate brokerage firms.	• Greatest interest expected from the region with some potential national interest. • Opportunity for public-private cooperation, with peer-to-peer contacts.	• Requires on-going systematic effort, often over a multi-year period. • Closing the "early year" deals may depend on availability of incentives.	Recommended as joint program in concert with *business-to-business* marketing (with City & private participation).
Property Owner Coordination	Cooperative initiatives for property maintenance/ improvements, data tracking, tenant mix & marketing	• Similar to functions of building owners & managers associations in larger cities	• Continued need to address both existing properties & new development	Utilize the Downtown Kirkland Commercial Property Owners Group
CITY TOOLS – Public-Private Partnership				
Building Owner Design & Financial Assistance	Provision of no- or low-cost architectural design, cost estimating and business/real estate financing services to encourage business & property owner reinvestment.	• Most appropriate for renovation of smaller existing structure & infill development. • Possible opportunity for financial institution participation via Community Reinvestment Act (CRA).	• Direct City funding support to individual businesses may be limited by state "lending of credit" constraints.	Suggested as public-private program targeted to encourage storefront improvements & new investment, especially to improve for good & weak retail sites in downtown.
Façade Improvement Grants & Loans	Could involve a program within a specified geographic area offering low interest loan funds &/or grants for renovation of storefront façades. Might be accompanied by technical assistance to business & property owners focused on architectural design & cost estimating services.	• Non-local funds may include resources as diverse as CDBG & bank lending. • Direct local City funding may be possible through mechanisms such as façade easements. • Business or building owner funding can be either in the form of a loan or grant.	• For some buildings, investment need may extend well beyond building façades. • In cases where demolition is the best option, the focus might shift to evaluation of options for façade preservation.	Suggested as program to be launched in participation with local lending institutions, also addressing Community Reinvestment Act (CRA) objectives.
Streetscape Improvement	Could address landscaping, signage, wayfinding, sidewalks, cross-walks with distinctive pavers, benches & trash receptacles, lighting standards & banners.	• Private owner participation encouraged. • Can create a cohesive streetscape theme for downtown or subdistricts.	• Property owner improvements may require periodic streetscape modification to best serve changing storefront needs.	Recommend program initially focused on private development projects & improved connection with Parkplace redevelopment via *on-the-way* retail activation.

Tool Kit Resource	Description	Opportunities	Challenges	Application
Site Assembly	Purchase of selected properties within a target revitalization area by the City or its designee with the intent of public-private redevelopment pursuant to a development offering. Acquisition must be for public use & purpose.	• May be critical to correct blight or assemble multiple properties for redevelopment to be financially feasible. • Can be coupled with development offering to facilitate retail and/or mixed use development.	• Purchase negotiations can be protracted if the seller is not motivated or does not see benefits. • Usually depends on voluntary sale with eminent domain rarely considered.	Recommended for consideration with high visibility sites subject to owner interest & participation.
Public Development Offering (RFP/RFQ)	Request for Proposal (RFP) or Request for Qualifications (RFQ) could be issued by the City for single properties or assemblages Each RFP/RFQ would identify desired uses together with listing of incentives & process for developer selection/negotiations.	• An effective means of securing development interest, especially for challenging redevelopment projects. • RFP/RFQ process can be used with priority properties, whether publicly or privately owned.	• Requires up-front willingness of public sector participants to deliver on commitments stated with the development (RFP/RFQ) offering.	Recommended for consideration, after pre-testing with property owners & developers. RFQ more appropriate than detailed RFP in soft or pioneering markets, allowing greater negotiating flexibility with public & private parties.
Public-Private Redevelopment	An overall approach to urban revitalization predicated on active involvement by public & private entities to invest in specific economic development, real estate & supporting public improvement projects.	• A wide range of development models are available, based on previous experience throughout the state of Washington. • Best facilitated with added public sector tools such as Public Development Authority (PDA). Development agreement considered with Lake & Central.	• Strict state constitutional prohibition against lending of public credit requires public use and purpose for project components involving public investment. • Can be complex &is sometimes controversial.	Recommended for consideration with major downtown opportunity sites, especially sites for which private redevelopment initiative is not forthcoming on its own. Development agreement used with Totem Lake but first phase has not happened. Park Place may consider similar arrangement with using tax increment approach (see ROI below).

Tool Kit Resource	Description	Opportunities	Challenges	Application
Public Development Authority (RCW 35.21.730-32.21.755)	Authorized as a "public corporation," a sub-agency of a city, town, or county with no defined authority. Intent is to improve administration of federal grant programs, improve governmental efficiency. PDA funds & indebtedness "shall not constitute public moneys or funds of any city, town, or county and at all times shall be kept segregated and set apart from other funds."	• Liabilities are those solely of the PDA and not those of the creating city or county. • May avoid state "lending of credit" issues if project is funded through federal or non-state/local contributed resources (with PDA serving a "conduit" role). • PDA property & revenues are exempt from taxation in a manner equivalent to that of a city, town or county.	• PDAs have no power of eminent domain nor power to levy taxes or special assessments. • In effect, PDAs do not confer any added advantages for *locally generated* municipal financing beyond what is already available to city & county governments. No direct City experience to date.	Potentially viable as a governing structure – especially if other options prove to be unsuitable for downtown project funding & governance. Advantages of this public organizational structure are greatest if significant federal or other non-local funding and/or public-private partnerships are involved.
Return on Investment (ROI) Model for City Incentive Funding	Applies an ROI metric to determine the *maximum* appropriate level of City funding for targeted downtown projects. Key steps are to: • Estimate all City tax revenues (property, sales, other) realized from a development project. • Compare to City-incurred costs. • Capitalize 20-25 year net income as net present value (NPV). • Approve incentive when NPV of revenues exceeds costs.	• Offers an objective, tested mechanism to determine supportable public investment yielding positive net revenue to the City. • Can be combined with other City incentive tools such as supportable bond funding or public-private development partnership agreements. Similar approach also considered for Parkplace, Lake & Central.	• Requires in-house City financial modeling or review capability for proposed development projects. • Most successful if City articulates commitments via a formal development solicitation or offering & carries through per stated terms & conditions.	Recommended as financial keystone (the ROI Perspective) for consideration with downtown and retail revitalization programs. City committed $15 million at Totem Lake from projected sales tax increment, contingent on leases. Would likely be financed by GO bonding with repayment from the City share of the tax increment.
CITY TOOLS – Planning & Regulatory				
Land Use Planning (GMA)	Planning tools under the state's Growth Management Act can be used to affect commercial land allocations, type of use, building form (design, height, density) & off-site effects (as with parking, landscaping, buffers, etc.)	• Planning regulations & incentives function best in a strong market setting. • Planning is increasingly understood & accepted by the public as a legitimate public regulatory function.	• Regulatory-focused approach is less effective in a weak market or where development feasibility is questionable.	Tools of potential importance for Kirkland retail include downtown preferences for retail street presence, building height & density, mixed use development & off-street parking.

Tool Kit Resource	Description	Opportunities	Challenges	Application
Capital Facilities Plan (CFP) Projects	Funding of infrastructure for projects of high downtown & city – wide priority. Funding targeted by type but not specific to downtown.	• Can utilize existing CFP process consistent with state GMA planning framework, e.g. as with Park Lane.	• Downtown & retail district enhancements compete with other project priorities city-wide.	Most appropriate for core infrastructure such as roads, utilities & public facilities. Possible extension to Lake.
CITY TOOLS – with City Resources				
Historic Property Tax Abatement (RCW 84.26)	As adopted by the 1985 Washington State Legislature, historic properties may qualify for "special valuation" with rehabilitation improvements not taxed for 10 years.	• Available to commercial & residential structures. • Kirkland has adopted a required local ordinance and a board to review applications.	• Property must be listed in a local or national historic register. • Rehabilitation costs must be 25%+ of a building's assessed valuation prior to application.	Potential use for qualifying downtown structures through local review process. The only federally recognized buildings are on Market Street. Most of downtown built in 40s and 50s.
Urban Center Residential Property Tax Abatement (RCW 84.14)	Post-2007, this program provides: • 8-year property tax freeze for new multi-family construction, conversion & rehabilitation. • 12-year property tax freeze for housing rented or sold with 20%+ as affordable to low & moderate income households.	• Applies to multifamily housing of 4+ units. • Available for rental & owner-occupied housing, including live-work units. • Targeted to urban centers as a compact district offering a variety of retail products, services & mixed use.	• New or rehabilitated housing must be in a residential targeted area as designated by the City. • 50%+ of space must be for permanent residential occupancy. • Not directly available for commercial uses	Potential incentive for the residential portion of mixed use development with retail ground floor use. Kirkland has a residential tax abatement program but with no active program as yet for downtown residential.
General Obligation Bonds (Voted or Non-Voted)	Downtown projects with public purpose and/or use could be funded through voted or non voted GO bond funding. Backed by full faith and credit of issuing public agency. Approx. $142.7 million non-voted, $97.3 million voted capacity.	• Can use a portion of the City's available voted or non-voted debt capacity. • Up-front funding allocation could be used to incent desired private development.	• Limited to projects for which there is clear public use & public purpose (to avoid constitutional lending of credit issues in state of Washington).	Most suited for high priority downtown improvements (e.g. parking, streetscape, parks) of broad public benefit.
Revenue Bonds (Non-Recourse)	Municipal debt for public improvements backed only by revenues of the project being financed (without recourse to general fund revenues).	• Bonds do not count against a city's overall debt limit. • Avoids risk of tapping taxpayer revenues in event of bond default.	• Only suited for projects with sufficient revenue to repay operating expenses, debt payments & added coverage reserve.	Potential use for public parking facilities at high demand locations charging market rates.

Tool Kit Resource	Description	Opportunities	Challenges	Application
Direct City Funding Contribution	Direct contribution by City typically to a non-profit organization for downtown promotion & revitalization purposes. Could draw from general fund or special funds as with hotel/ motel for added overnight stays.	• Current source of funding support for programs of Kirkland Downtown Association and Kirkland Chamber of Commerce.	• Funding is discretionary & subject to budget availability. • Funds tied to contractual services for clear public use & purpose.	Potential application in conjunction with early phase sustainability initiative such as a *Shop Kirkland* campaign. Major project funding is currently limited with City budget shortfall.
Local Improvement District (RCW 35.43)	Assessment of property owners for the costs of a public improvement (as for public parking & transportation facilities, utility infrastructure or public facilities). Used with undergrounding & sidewalks, Park Lane, Lake/ Central & Marina parking lots; no LIDs currently outstanding.	• Can be paid over time via City bonds repaid by owner assessments (enforceable). • Widely used mechanism with payments structured proportionate to benefits & Parking Advisory Board interest.	• Subject to remonstrance if protested by owners paying 60%+ of proposed improvement. • Differential rate structures can be difficult to set (covering both zone determination & findings of benefit).	Most suited for improvements of widespread public benefit (as for shared parking or streetscape). Recommended as later phase of retail & parking strategy; needs buy-in from those with their own parking.
Parking & Business Improvement Area (RCW 35.87A)	Similar to LID except that business rather than property owners are assessed. Can be used for promotion, management & planning as well as capital improvements.	• Ability to assess businesses if more supportive than property owners. • Flexibility in assessment formula and ability to pay for operating as well as capital expenses.	• Subject to remonstrance if opposed by owners paying 50%+ of proposed assessment. • Less ability to enforce repayment, especially as collateral for bonds.	Most appropriate for on-going programs, e.g. downtown promotion or Clean & Safe rather than as source of funding for major capital improvements.
Community Revitalization Financing (RCW 39.89)	Authorized by the 2001 Legislature. CRF enables 75% of the added property tax generated within a geographically defined "increment area" to fund public improvements (infrastructure including park facilities) encouraging development in areas characterized by unemployment & stagnant job/income growth. Can utilize general revenue or general obligation (GO) bonds.	• CRF may be coordinated with other programs by the local government or other jurisdictions. • May receive less than full increment as long as bond payments are covered. May be securitized by non-public participants. • Implemented in Spokane (Iron Bridge TIF area).	• CRF increment area requires prior written agreement from taxing districts levying 75%+ of regular property tax. • Not usable for projects not covered by "public improvements" definition. • Not widely used to date in Washington State.	Most suitable for downtown projects centers that fit with the statutory definition of a public improvement, and will directly stimulate or are within an area in which substantial new private tax assessed valuation is being developed.

Tool Kit Resource	Description	Opportunities	Challenges	Application
Community Renewal (RCW 35.81)	Adopted by the 2002 Legislature as a replacement for the state's urban renewal laws. Allows purchase of property, public improvements & public-private development pursuant to a community renewal plan within an area declared as "blighted." Funding can be provided by GO, revenue, or LID bonds. Allows for excess property & sales taxes to pay for capital costs for up to 5 years.	• Renewal areas have been established in cities such as Anacortes, Bremerton (with Kitsap Housing) & Vancouver. • May be implemented directly by the local government or delegated to another public body including PFD, PDA, port district or housing authority. • Can be coupled with eminent domain for public use or community renewal.	• Requirement for declaration of blight limits flexibility of program in some high performing urban centers. • Does not directly provide new funding resources except as are already available to local municipalities.	Potential tool for projects considered as integral to revitalization of blighted portions of a community within the context of a broader renewal plan.
CITY TOOLS – with State & Regional Resources				
Washington State Main Street Program (CTED)	Washington state's program provides services and assistance for downtown revitalization focused on organization, promotion, design & economic restructuring	• Program based on a proven model pioneered by the National Trust for Historic Preservation • Offers a *tiered approach* to participation – at the start-up, affiliate and designation levels.	• May be less suitable for downtowns unprepared to commit staff resources or in non-traditional settings. • State funds limited for added cities @ top tier designation level (11 as of July 2008)	Kirkland Downtown Association is currently at affiliate level.
Main Street Tax Credit Incentive Program (RCW 82.73)	Provides a 75% Business & Occupation (B&O) or Public Utility Tax (PUT) credit for private contributions to eligible downtown or neighborhood commercial district revitalization organizations.	• Applicant can be a nonprofit commercial district revitalization organization. • No restriction on fund use as long as the non-profit meets its exempt purpose.	• Limited to a total of $1.5 million in credits statewide & $100,000 annually to each downtown program.	Potentially available for organizations such as Kirkland Downtown Association. Researched but state CTED not supportive of Parkplace inclusion to date.

Tool Kit Resource	Description	Opportunities	Challenges	Application
Community Economic Revitalization Board/ Local Infrastructure Financing Tool Competitive Program (CERB/LIFT)	Authorized by the 2006 Legislature (as E2SHB 2673) to fund public infrastructure including roadway, utility, sidewalk, parking and public park/recreation facilities. Utilizes a form of tax increment financing with revenue or GO bonds repaid over up to 25 year as a state sale/use tax credit matched by increased local funds including local sales/use & property tax revenues within a defined Revenue Development Area (RDA). Projects funded to date in Bellingham, Spokane County, Vancouver, Bothell, Everett & Federal Way.	• Offers the most comprehensive form of tax increment financing available to date in Washington State. • Added revenues return to local governments after bonds are repaid. • Authorizes securitization of debt from non-public participants – including the private developer with whom the sponsoring government has contracted for private improvements.	• Limited to projects involving private development that also increase RDA sales & property taxes. • Limited to one RDA per county, and maximum of $1 million per year to any single project. • Statewide cap of $2.5 million for 2008 competitive funding. • No longer generally available for cities within King & Snohomish Counties. Hard to qualify with low income benefit.	In its current form, CERB/LIFT is most suited for downtown projects that involve committed on-site or nearby significant private investment. Greater utility as a sustainable tool likely is predicated on future legislative amendments. Kirkland has considered CERB funding for Totem Lake. Approx. $3 million available from CTED, intended for public improvements, dependent on job creation.
Port District (RCW 53)	In addition to authority for harbor, transportation & industrial related facilities, Ports may improve land for commercial use, use community revitalization financing & powers of a community renewal agency, engage in economic development, and provide park & recreation facilities linked to water & transport activity.	• Ports may annually levy up to $0.45 per $1,000 tax assessed value *plus* a 6-year (renewable) industrial development district levy of up to an added $0.45. • Non-voted property tax base provides stable funding for a wide range of economic development purposes.	• Downtown development is often viewed as outside the purview of core Port operations & facilities. • However, Port of Seattle funds the downtown Bell Harbor conference center & participates in the Bellevue Entrepreneur Center.	May be appropriate for downtown consideration, especially for projects in which there is expressed Port interest, coupled with linkage to existing Port activities such as waterfront or related economic development.

Tool Kit Resource	Description	Opportunities	Challenges	Application
CITY TOOLS – with Federal Resources				
Federal Historic Preservation Tax Credit	The Tax Reform Act of 1986 provides tax credits of: • 20% for certified rehabilitation of certified historic commercial & rental residential structures. • 10% credit for rehabilitation of non-historic, non-residential buildings built before 1936. Expenditures must exceed the adjusted basis of the building.	• One of the most powerful federal tax incentives available. • 20% applicable to structures in national historic districts. • Substantial track record across the U.S. & state of Washington via the State Historic Preservation Office (SHPO) as first point of property owner contact.	• 20% tax credit projects must meet Secretary of Interior standards for "certified rehabilitations". • In some cases, cost of meeting rehab standards may equal or exceed value of the tax credit.	Potential use for qualifying downtown structures through consultation with City & SHPO.
New Markets Tax Credits	Federal program of tax credits over 7 years for up to 39% of the investment cost of qualified equity investments through a Certified Development Entity (CDE). Investments must be made in low income communities or for low income persons.	• Most commercial & mixed use projects in low income communities qualify. • May be combined with historic tax credits • To date 294 awards have been made totaling $16 billion across the U.S.	• Requires a commercial use component (can not be residential rental only). • Has required on-going reauthorization by Congress. • Complex program needing experienced CDE partner.	Possible funding source for major mixed use redevelopment with demonstrated low income benefit (as for residential). Depends on finding suitable recognized CDE/banking partner. Only tax credit used has been for Google (R&D).
Community Development Block Grant (CDBG)	CDBG projects require that at least 51% of the new jobs created must be for persons of low or moderate income. Project priorities cover expansion of economic opportunity, provision of decent housing & suitable living environment.	• Funds typically available for planning an implementation of community & economic development projects. • Can include Section 108 lending for economic development projects.	• Non-entitlement cities (less than 50,000 population) have less discretion over funding & apply for funds on a competitive basis. Focus on housing, arts & human services in Kirkland.	Possible consideration as a source of pilot or start-up/early year funding, as for façade improvements. Might also be used to incent retail façade or building improvements.

Notes: Lesser used state/federal programs or resources not as common with downtown revitalization programs are not included with this listing. Information is subject to change without notice. [27]

Source: E. D. Hovee & Company, LLC. Updated as of September 2008.

END NOTES

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[1] Information for this downtown retail strategy has been compiled from sources generally deemed to be reliable. However, the accuracy of information from third party sources can not be guaranteed and is subject to change without notice. Demographic and market data was compiled primarily as of the mid-2008 time period. Findings contained in this report are those of project consultant E. D. Hovee & Company, LLC and should not be construed as representing the opinion of any other party prior to express approval, whether in whole or part.

[2] Provisions of particular importance for downtown retail with the City's design guidelines include sidewalk widths, storefront activity zones, pedestrian coverings, avoidance of blank walls, street trees, restriction of curb cuts, parking garage locations on terraced sites, building modulation (especially above the second story), high visibility architectural treatments at "T" intersections, pedestrian-oriented signage, and view protection.

[3] In a metro area community such as Kirkland, trade area definition can be challenging for two reasons: a) customers have multiple relatively close-by options in and outside the local jurisdiction in which they reside; and b) different types of retail and entertainment businesses will draw from widely varying geographic areas based on business reputation and willingness of customers to drive further as for a destination experience.

[4] City and 4-county metro area population estimates for 2008 are from the State of Washington Office of Financial Management. Destination trade area population is estimated by ESRI Business Information Solutions.

[5] Undoubtedly, some (currently unknown) portion of the 11% of parkers surveyed by the Parking Advisory Board are coming from the 11-15 mile band (including west of the lake). Customers may come from outside the eastside destination trade area used with this report as well as a smaller portion of the 6-10 mile band (especially from Hunts Point, Medina, and the north side of Bellevue).

[6] The labels given by the data researchers are intended to be descriptive and immediately evoke an image – useful to private businesses seeking to pinpoint marketing to local demographics. The labels or terminologies used in this report are those of ESRI Business Information Solutions.

[7] Revenue data is from www.ci.kirkland.wa.us/depart/Finance_and_Administration/Budget/Revenue_Guide.htm.

[8] Year to year citywide sales tax revenue growth slowed from 14.8% (in 2005-06) to just 0.6% (2006-07). In this most recent year, sales tax revenues actually declined for taxable categories including retail (excluding auto/gas, general merchandise and dining), wholesale trade, contracting, and communications.

[9] ESRI-estimated retail sales volume covers sales that are non-taxable (as for grocery and pharmacy) as well as sales that are taxable.

[10] Comparable ESRI trade analysis of the eastside I-405 corridor extending from just north of Renton to just about the Lynnwood junction with I-5 indicates the market has retail sales that *exceed* resident generated demand nearly 30%. This surplus of supply over demand covers every retail category (except gasoline stations) and is due, in large part, to the dominant role of Bellevue in the eastside retail market – drawing customers from elsewhere in the region.

[11] For growth projections to 2020, the City provided projection of 53,898 residents is applied to Kirkland. For the larger destination trade area, a 2000-2020 average annual growth rate of 1.4% is applied from analysis of pertinent forecast area zone (FAZ) data from the Puget Sound Regional Council.

[12] The typical footprint of a Nordstrom store is 190,000-250,000 square feet. However, a Nordstrom Rack takes about 30,000-40,000 square feet, Facconable Boutique 8,000-17,000 square feet and Last Chance Clearance about 25,000 square feet. Saks Fifth Avenue typically operates a 100,000-200,000 square foot store, but with Off-5th Outlets at 20,000-35,000 square feet. Fashion-oriented department stores such as Barney's will consider as little as 10,000 square feet and Neiman Marcus will start at about 30,000 square feet. Information is from Trade Dimensions, *2006 Retail Tenant Directory*.

[13] The CoStar inventory estimate of 900,000 square feet downtown area retail space exceeds the estimate of less than 485,000 square feet of downtown/Parkplace retail provided by with Downtown Strategic Plan update

process with the Market Analysis Summary, August 23, 2007. This strategic plan data is from the King County Assessors Office as of 2005. CoStar uses a definition of retail that typically includes non-retail ground floor commercial space uses, some of which likely is classified by the Assessor as office space. This is evident by also comparing CoStar's downtown office estimate of 450,000 square feet to the Assessor's estimate of just under 745,000 square feet. CoStar data is utilized as more indicative of industry standards.

[14] Appealed projects (as of mid-2008) were the Bank of America building at 101 Kirkland Avenue and the McLeod Lake Street mixed use development proposed for 118 Lake Street (both recently approved).

[15] Data is from the International Council of Shopping Centers (ICSC)) publication *Office Worker Retail Spending Patterns: A Downtown and Suburban Area Study*, 2004.

[16] CoStar reported rents range from as low as $32 per square foot for a multi-tenant building to $38 per square foot annually. Only four of 42 identified retail properties have reported lease rates to CoStar. This relatively low response rate is typical for commercial areas with smaller buildings listed or managed through local firms rather than major brokerages.

[17] Kirkland Parkplace information is as described in the *Seattle Daily Journal of Commerce*, "Developer considers a mostly office option for Kirkland Parkplace," June 11, 2008.

[18] Sales tax revenues have been and are expected to be affected due to downturn in construction, autos and potential opening of two new Costco stores outside Kirkland that may reduce Kirkland store revenues by an estimated one-third.

[19] As of late 2008, Google was planning to increase to an estimated to 800 jobs in Kirkland; Nintendo has been at about 400.

[20] Over time, with a committed stakeholder group, the City of Kirkland plans to add buy-local program options such as business-to-business and business-to-consumer transactions, listings of current events, and opportunities for donations to local charitable activities.

[21] Previously, KDA applied for funding from the City's General Fund every year. The City also provided (Hotel-Motel) Lodging Tax funds for KDA 2009 programs.

[22] Note that this table excludes the 'Not Applicable' category, which in some cases was the highest percentage of responses. In such cases, the next highest response category was indicated – as indicated by an asterisk (*).

[23] Survey respondents were able to select more than one category of transportation.

[24] The number of business survey respondents was not large enough to be statistically valid on its own, so downtown responses are reported together with those of other businesses throughout the City.

[25] Green practices that business respondents are interested in implementing include green auto sales and service, more fuel efficient transportation, computer recycling, use of reusable bags and biodegradable packaging, going paperless, installing alternate heating and cooling fuel sources, reducing energy and water consumption, increasing education about sustainable practices, supporting clean-tech, green building, and waste exchange.

[26] The 2008 edition of the Urban Land Institute publication *Dollars and Cents of Shopping Centers* was used to estimate sales per square foot by retail type. Sales performance data was calculated based on stores performing above the median per square foot experience nationally for comparable store types.

[27] State of Washington specific tools not included with this evaluation as not anticipated for downtown funding include Public Facility District (PFD), Metropolitan Parks District (MPD), Community Economic Revitalization Board (CERB) economic development infrastructure funding, and sales and use tax/B&O tax exemptions, deferrals and credits (related to activities such as manufacturing, high tech, aerospace, and warehousing . Federal tools not covered include Small Business Administration (SBA) programs, Enterprise Zones, Industrial Revenue Bonds, Foreign Trade Zones, and 63-20 non-profit tax-exempt financing. Information provided with this listing is in summary form and should not be construed as representing all resource-related requirements. Has been 63-20 discussion for Lake & Central (used for Redmond City Hall and parking garage under Pacific Place in downtown Seattle).

Council Meeting: 05/05/2009
Agenda: Unfinished Business
Item #: 10. b.

CITY OF KIRKLAND
Planning and Community Development Department
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MEMORANDUM

To: David Ramsay, City Manager

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

Date: April 13, 2009

Subject: CENTRAL BUSINESS DISTRICT ZONING – REMAINING "PARKING LOT" ISSUES, FILE NO. ZON08-00019

RECOMMENDATION

Review and prioritize the list of issues to decide which items should move forward for further consideration in the 2009 Planning Work Program. For those items added to the work program, delegate tasks to appropriate boards and commissions for study.

BACKGROUND

During the recent process of updating CBD zoning, the City Council agreed to "park" certain issues. These were issues one or more Council members felt might have value but were not germane to the scope of the CBD amendments. At the March 3rd Council meeting, the Council discussed the need to review the list and determine an approach and priority for addressing each issue.

DISCUSSION

The attached matrix is staff's compilation of "parking lot" issues identified by the City Council though the CBD amendment process. Staff has grouped the issues by category and attempted to provide an initial assessment of the work program scope in terms of applicable codes and which boards or commissions would be involved. The budget column indicates potential relative cost (indicated by $) and potential relative time to process (indicated by ⏲). The final column is simply intended to provide Council members space to prioritize the list, either individually or as a group.

Attachments

1. Matrix
2. Planning Work Program

ISSUE	AFFECTED CODE	BOARD/COMMISSION	BUDGET[1]	TIME[2]	COUNCIL PRIORITY
Retail Requirements ▪ Address retail requirements (depth, allowed uses, etc) following Hovee/DAC report[3] ▪ Tighten/loosen allowances for retail service and office uses on ground floor	KZC	Planning Commission, City Council	0	⏲⏲	1...2...3...4...5
Review CBD parking requirements – examples:					
▪ Waive retail parking requirements to encourage redevelopment potential	KZC	Parking Advisory Board, Planning Commission, City Council	$$$	⏲⏲⏲	1...2...3...4...5
▪ Parking modifications authority[4]	KZC	Planning Commission, City Council	0	⏲	1...2...3...4...5
▪ Adjust residential parking standards per PAB suggestions[5]	KZC	Parking Advisory Board, Planning Commission, City Council	0	⏲	1...2...3...4...5
Incentives:[6]					
▪ Parking waivers for lower buildings	KZC	Parking Advisory Board, Planning Commission, City Council	$$$	⏲⏲⏲	1...2...3...4...5
▪ Green building incentives	KZC	Planning Commission, City Council	$$	⏲⏲	1...2...3...4...5
▪ Incentivize pedestrian crossings, pedestrian connections, and public plazas	KZC	Design Review Board, Transportation Commission, Planning Commission, City Council	$$	⏲⏲	1...2...3...4...5
Resolve CBD 2 issues:					
▪ Reality check on whether redevelopment is even feasible	NA	Consultant, City Council	$$$	⏲⏲	1...2...3...4...5
▪ CBD 2 public/private master plan		Task Force	$$$$$	⏲⏲⏲⏲⏲	1...2...3...4...5
▪ Parking waiver	KZC	Parking Advisory Board, Planning Commission, City Council	$$	⏲⏲⏲	1...2...3...4...5
▪ Height trade-offs for pedestrian access and view corridors	KZC	Planning Commission, City Council	$$$	⏲⏲⏲⏲	1...2...3...4...5
Review Sidewalk cafes ▪ Review current allowances ▪ Are they a good thing? ▪ Minimum sidewalk width ▪ Analyze relationship with public realm	KMC	City Council	0	⏲	1...2...3...4...5
Review economics of redevelopment (reality check) – what can we expect under regulations (CBD 1 and 2)	NA	Consultant	$$$$	⏲⏲	1...2...3...4...5
Design guideline for intersection of Third Street and Central Way	KMC	Design Review Board, Planning Commission, City Council	0	⏲	1...2...3...4...5
Review DRB appeal process (Council or Hearing Examiner)[7]	KZC	Planning Commission, City Council	0	⏲⏲	1...2...3...4...5
Discuss façade preservation through new development	KZC?	Design Review Board, Cultural Council, Planning Commission, City Council	$	⏲⏲	1...2...3...4...5

[1] Relative estimated cost with more $ signs indicating higher cost
[2] Relative time commitment, with more ⏲ signs indicating more time
[3] Hovee report to Council on 4/7/2009
[4] Previously administrative decision, inadvertently assigned to DRB during prior code amendment
[5] PAB has collected data on parking utilization and recommended a change to the code to avoid parking modifications on a project by project basis
[6] Council should identify potential incentives. Assume some economic analysis for any scenario to determine if the policy/regulation will actually incentive desire outcome.
[7] Council deferred until after Bank of America process debrief, scheduled for 4/7/2009

Attachment 2

DRAFT 2009 – 2011 PLANNING WORK PROGRAM: LONG RANGE TASKS March 5, 2009

				2009												2010				2011			
TASK		**PROJECT MANAGER**	**2009 STAFF**	**J**	**F**	**M**	**A**	**M**	**J**	**J**	**A**	**S**	**O**	**N**	**D**	**1st**	**2nd**	**3rd**	**4th**	**1st**	**2nd**	**3rd**	**4th**
POLICIES, PLANS & REGULATIONS																							
1	**Comprehensive Plan**																						
	• 2009 Plan Update - General	**Brill**	**.3 FTE**																				
	• 2009 Plan Update - Concurrency	**PW - Godfrey**																					
	• Private Amendment Requests (????)	**Soloff**	**????**																				
	• 2010-2011 GMA/Comp Plan	**Swan**																					
2	**Neighborhood Plans**		**2.0 FTE**																				
	• Lakeview Plan	**Soloff**																					
	• Central Houghton Plan	**Ruggeri**																					
	• Bridle Trails & South Rose Hill																						
	• Everest																						
	• Moss Bay																						
3	**Downtown**	**McMahan**	**.3 FTE**																				
4	**Code Amendments**																						
	• Misc. Code Amend (Fast Track)	**Cox**																					
5	**Housing**		**1.2 FTE**																				
	• Affordable Housing Regs	**Collins/Nelson**																					
	• TOD @ Park & Ride	**Collins**																					
	• Affordable Housing Strategies	**Nelson/ARCH**																					
6	**Community Character**																						
	• Small Lot Regulations																						
7	**Natural Resources/Stewardship**		**1.8 FTE**																				
	• Shoreline Master Program	**Swan/Clauson**																					
	• Critical Area Regs																						
	• Tree & Landscaping Revisions	**Powers/Regala**																					
	• LID Regs	**Gaus/Barnes**																					
	• Green Building Program	**Barnes/Jensen**																					
	• Green Team/Env. Stewardship	**Stewart/Schroder**																					
8	**Database Management**	**Goble**	**.2 FTE**																				
9	**Regional Coordination**	**Shields**	**.1 FTE**																				
10	**Annexation**																						
	• Bridleview Annexation	**Brill**	**.2 FTE**																				
	• Potential Annexation	**Shields/Cox**	**????**																				
	Planning Commission Tasks																						
	Other Tasks																						

CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
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Council Meeting: 05/05/2009
Agenda: Unfinished Business
Item #: 10. c.

MEMORANDUM

To: Dave Ramsay, City Manager

From: Rob Jammerman, Development Engineering Manager

Date: May 5, 2009

Subject: Aubry Short Plat Driveway Issue, File No. SPL06-00007

On April 15, 2009, the City Council received an e-mail message from Mr. Clement Neil regarding the location of the proposed driveway to Lot 3 of the Aubry Short Plat, File No. SPL06-00007. The Council discussed the e-mail message at the April 21, 2009 Council meeting, and requested that Public Works brief them on the proposed driveway at the May 5, 2009 Council Meeting. In preparation for the briefing, Public Works would like to offer the following background information:

1. On July 19, 2007, the City Council upheld an appeal to not open the 5th Avenue South right-of-way, along the south side of the Aubry Short Plat, to public vehicular use. At the end of the appeal proceedings, it was mentioned to Council that Mr. Aubry would need to build a driveway in the 5th Avenue South right-of-way in order to gain access to Lot 3.

2. At the August 7, 2007 City Council meeting, the Council approve Resolution R-4657 which adopted the findings, conclusions, and decisions in the Aubry Short Plat Appeal. Within Exhibit A of the Resolution the following conclusion is stated:

   7. The applicant may propose to locate a residential driveway in the unopened 5th Avenue South right-of—way to access Lot 3 of the Aubry Short Plat. The design for the required pedestrian and bicycle path and the driveway will be reviewed and approved by the Public Works Department.

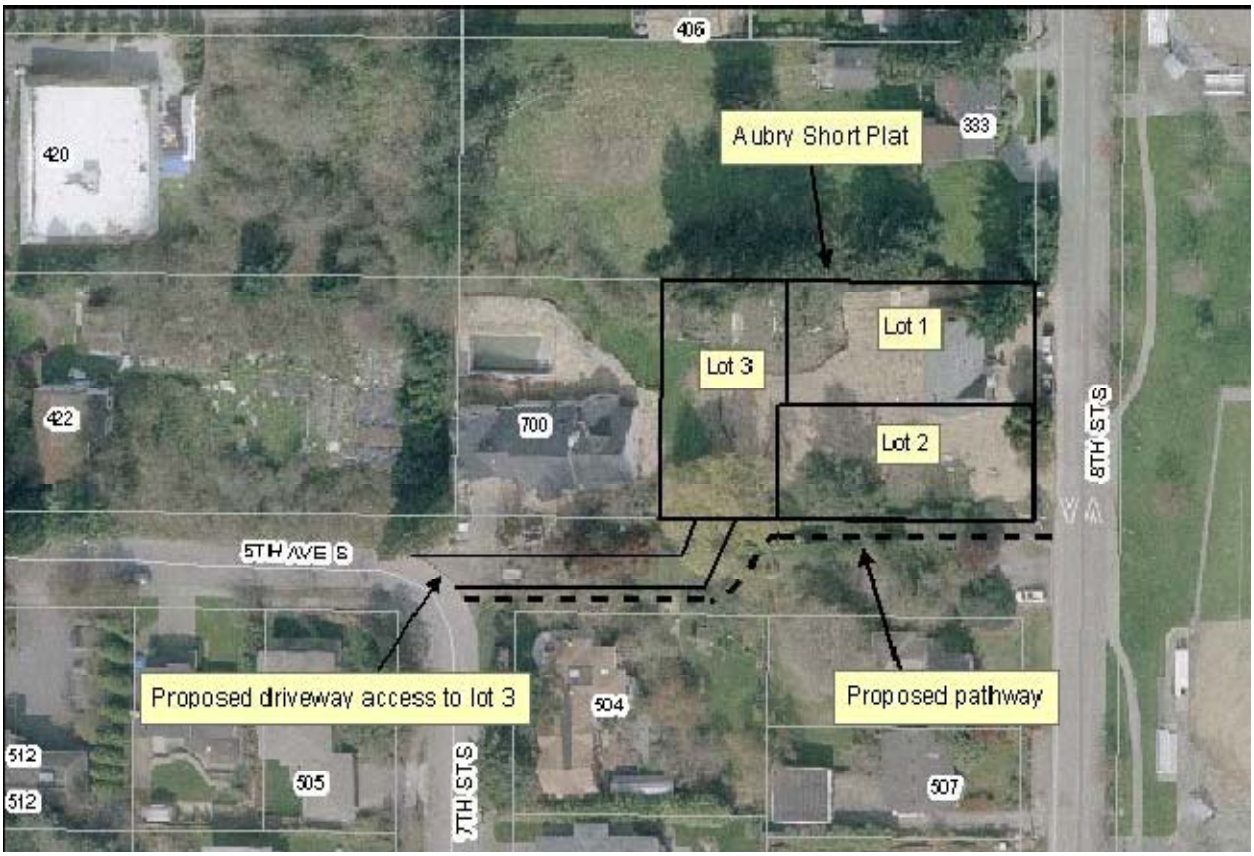
3. Shortly after the Aubry Short Plat was approved, Mr. Aubry and the owners of the three properties adjacent to the 5th Avenue South right-of-way began discussing the proposed location of the driveway for Lot 3, but they could not reach a consensus. The Public Works Department agreed that a driveway, located in the unopened 5th Avenue South right-of-way could access either 7th Street South or 8th Street South. Given that dispute over the driveway was primarily a civil matter, we then recommended that the owners and Mr. Aubry attend mediation, but they were unable to resolve the matter in mediation.

4. Mr. Aubry has applied for and has been issued a Land Surface Modification (Grading) Permit, to install all of the required Short Plat improvements, including the driveway to Lot 3. The proposed driveway takes access from 7th Street South, provides vegetation on each side of the driveway to buffer it from the adjacent properties, and relocates a portion of the path so that it doesn't conflict with the driveway (see attached sketch of proposed driveway).

5. The three adjacent property owners are aware that the Grading Permit has been issued, and if they want to file an appeal, it must be received by the City by May 9th, 2009. An appeal of a Grading Permit is heard by the Hearing Examiner.

Attachment

Aubry Short Plat Site Plan



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

MEMORANDUM

To: David Ramsay, City Manager

From: Tracey Dunlap, Director of Finance and Administration

Date: April 24, 2009

Subject: Annexation Resource Needs

At the April 7 Special Meeting, the City Council passed a resolution to submit a notice of intention to the King County Boundary Review Board to place the question of annexation of Kirkland's Potential Annexation Area (PAA) on the November 2009 General Election ballot. There are a variety of tasks that need to be carried out by City staff on a strict timetable and, to accomplish those tasks, additional resources are necessary. The tasks include:

- Brief staff and the City Council on Public Disclosure Commission rules regarding pre-election annexation communication;
- Complete the PAA zoning and hold hearings;
- Prepare for and attend Boundary Review Board Hearing, including securing letters of support from other agencies;
- Meetings with other agencies (King County, 3 Fire Districts, 2 Utility Districts, and Parks District) and Interlocal Agreement negotiations;
- Update and develop Communications Strategy;
- Financial analysis and planning tasks (cash flow forecasting, state sales tax credit implementation, facilities financing, etc.);
- Election process planning and implementation;
- Understanding the authorizing environment and prepare documents.

City staff has identified the following resource needs to address these pre-election tasks:

- Temporary budget analyst position from 6/1/09-12/31/09. The position would be used to backfill senior Finance resources and Intergovernmental Relations Manager tasks (performance measurement), to provide capacity required for those positions to focus on annexation analytical tasks and implementation planning. Annexation financial tasks include developing the initial cash flow forecast for use in developing a recommended

effective date, establishing the state sales tax credit process and record-keeping requirements, month-by-month implementation planning and cost analysis, facilities financial planning based on updated costs from the needs assessment, interlocal agreement financial support, etc. Amount of Request: $50,000

- Professional Services - Outside legal counsel to advise on the election process ($3,000) and financial consulting support, primarily related to the fire district analysis and state sales tax credit record-keeping requirements (up to $7,000). Amount of Request: $10,000.

- Administrative Support to annexation coordination and communications functions. The CMO Administrative Assistant currently maintains the annexation webpage, monitors incoming correspondence, coordinates and records minutes as needed for all annexation meetings including intergovernmental meetings, assists in preparation of documents and public informational brochures and coordinates distribution, and coordinates community meetings. The Administrative Assistant's hours would be supplemented with hours from the Executive Assistant as needed. Amount of Request: $32,000.

- Communications Support for the production and mailing of one information flyer to the annexation area and one full-page ad in the Kirkland Reporter regarding annexation. The Kirkland Reported is distributed to all Kirkland and PAA residents. The informational flyer would be mailed directly to addresses in the PAA and will focus on information needed by residents prior to the annexation election. Amount of Request: $10,000.

- A temporary IT resource is requested to assist with timely implementation of a required upgrade to the City's financial system. It is essential that this upgrade be completed by the end of the year to allow the City to be prepared for the budget process necessary to implement annexation and track the expenditures in a manner that supports the state sales tax credit requirements. IT proposes to temporarily work 0.75 FTE of a Help Desk position out of class for 6 months to assist with the upgrade and backfill the Help Desk with an intern to maintain current Help Desk services. Note that the funding source for this request is IT cash. Amount of Request: $23,000.

- The current level of development activity in the Planning Department has slowed considerably. If activity and revenues do not increase, it is likely that Planning would need to reduce its staff by mid-year. Given the additional workload associated with annexation, a full-time planner position will be re-directed toward annexation tasks through the end of 2009 (4/1/09-12/31/09), which will also help preserve trained resources for the near future. While there is no net impact to the General Fund budget for this reallocation, an adjustment of the budget to reduce the 2009 planning revenue projection and reduce the Non-Departmental contingency is recommended (which in effect backfills for a portion of the current shortfall in planning revenues). The dollar amount of these adjustments is $75,000.

Funding for the requested resources is recommended from the Non-Departmental contingency reserve. As described in the October 30, 2008 budget presentation, this reserve was increased as part of the 2009-2010 adopted budget from the typical amount of $50,000 to $580,000 in anticipation of the likelihood of unforeseen expenditure needs given the budget reductions. In addition, IT cash reserves are recommended to fund the IT portion. To summarize, the following budget adjustments are recommended (a fiscal note is attached):

Request	Amount	Source
Budget Analyst	$ 50,000	Line item transfer from Non-Departmental contingency
Professional Services	10,000	Line item transfer from Non-Departmental contingency
Administrative Support	32,000	Line item transfer from Non-Departmental contingency
Communication Support	10,000	Line item transfer from Non-Departmental contingency
Temporary IT Resource	23,000	Line item transfer from IT Cash reserves
Planner Reallocation	75,000	Backfill through reduction in Planning revenues offset by Non-Departmental contingency
Total Requests	$200,000	Net Impact on General Fund is reduction in appropriation of $75,000

Two other adjustments have been approved from the Non-Departmental contingency so far this year:

- As described in the memo and fiscal note in the packet for the 4/7/09 Council meeting, an adjustment to the budget for the Verizon franchise negotiations/Title 26 update of $20,000 was approved.

- In late March, the City Manager approved an extension through May of the ICMA Fellow position, which would have expired on 3/31/09, from the Non-Departmental contingency ($13,500).

Taking into account these adjustments and the recommended transfers for annexation, the balance in the Non-Departmental contingency would be $369,500.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request

Tracey Dunlap, Director of Finance and Administration

Description of Request

Request funding of $177,000 from the General Fund Contingency for resources needed to complete work leading up to a vote on annexation in November 2009. Additional work is needed to get through the Boundary Review Board process, analyze cash flows from expected revenues, negotiate interlocal agreements with several special districts, etc. This work needs to be completed on a very tight timetable and additional resources are needed to complete the work, or backfill current staff who will be pulled off of their regular responsibilities while they complete the annexation work.

Legality/City Policy Basis

Fiscal Impact

The resources request totals $200,000 with $177,000 funded from the General Fund Contingency and $23,000 funded by IT reserves. In addition, a reduction will be made to Planning revenues in the amount of $75,000 for the Planning resources request. This revenue is backfilled by the reduction in the contingency.

One-time use of $177,000 of the General Fund Contingency. The reserve is able to fully fund this request.

Recommended Funding Source(s)

	Description	2010 Est End Balance	Prior Auth. 2009-10 Uses	Prior Auth. 2009-10 Additions	Amount This Request	Revised 2010 End Balance	2010 Target
Reserve	General Fund Contingency	580,000	33,500	0	177,000	369,500	50,000
	2009 Prior Authorized Uses include $20,000 for additional funding to complete the Verizon franchise negotiations and an update to Title 26, and $13,500 to fund an extension of the ICMA Fellow position to complete budget and performance measurement projects.						
Revenue/Exp Savings							
Other Source							

Other Information

Prepared By	Sandi Hines, Financial Planning Manager	Date	April 24, 2009

Council Meeting: 05/05/2009
Agenda: Unfinished Business
Item #: 10. e.

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

To: Dave Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
David Godfrey, P.E., Transportation Engineering Manager

Date: April 23, 2008

Subject: SR 520 VARIABLE TOLLING ENVIRONMENTAL ASSESSMENT

RECOMMENDATION**:**

It is recommended that the City Council authorize the Mayor to sign a letter of comment on the Environmental Assessment that has been released by WSDOT (Attachment 1).

BACKGROUND DISCUSSION:

The Transportation Commission reviewed this subject at their April 22 meeting and members reviewed and edited the attached comment letter. The City Council adopted a tolling policy (see next page) in May 2008. The Transportation Commission examined the Assessment in the context of the this policy. Some parts of the policy, which address when and where tolling should occur are issues decided by State Legislature.

The SR 520 project is made up of several sub-projects, such as construction of the floating bridge pontoons, reconstruction of the floating bridge itself and improvements on the eastside of the bridge. Another of the sub projects is implementation of variable tolling.

Example of gantry structure that could be used on the Evergreen Point Bridge

WSDOT is seeking comments on the Environmental Assessment of the variable tolling project. The project scope is to add electronic tolling equipment to the existing eastern high rise. Tolls will be collected electronically using transponders compatible with other state tolling systems. There will be no toll booths, electronic tolling will be conducted at highway speed. If a vehicle does not have a transponder, a photo will be taken of its license plates the registered owner will be billed. Tolls are variable, they change by time of day. The toll rates do not change in response to the amount of traffic or congestion. The Assessment only looks at tolls on SR 520, tolls are not assumed on I-90. This scenario is consistent with legislation that is under consideration by the State Legislature as of this writing.

The Commission felt that the two most important issues that are not addressed by the Assessment are 1)possible effects of traffic diversion and 2)possible effects of increased transit demand. While modeling for the project predicts little diversion no mitigation is identified for impacts that may occur if the modeling is incorrect. The tolling program is expected to produce increases in transit ridership on the order of 30%, but there is no specific funding in place to

provide increased service across the lake. The Urban Partnership Grant will likely fund purchase of additional coaches and could fund Park and Ride expansions, but construction of a TOD project at South Kirkland Park and Ride is complicated.

City of Kirkland Roadway Pricing Policy Statement (May 2008)

The City of Kirkland generally supports roadway pricing.

Roadway pricing appears to be an effective tool for better managing our transportation system while at the same time being able to generate some additional revenue to leverage against existing revenue sources. We support early tolling of SR 520, tolling of I-90 when SR 520 is tolled and implementation of HOT[1] lane systems on I-405. Our support assumes that potential impacts to Kirkland are considered before and addressed after implementation of any such roadway pricing program.

Revenues from pricing may be used for a variety of purposes, but there must be a reasonable nexus between collection and spending.

Revenue need not be confined to paying the capital costs for construction of the facility where it was collected. Besides funding construction, examples of reasonable uses for pricing revenue include: transit service on the priced or parallel facilities, mitigation of pricing impacts like diversion onto non-priced routes and operations/maintenance of the priced facility. Pricing revenues should supplement not supplant current revenue sources.

Pricing for management must have clear objectives.

Pricing can be optimized to meet various objectives such as maximizing revenue, maximizing person trips or minimizing vehicle miles of travel. The objective for pricing will vary depending on the system being priced. This objective will typically be set by the agency operating the priced facility. However, prior to implementation of pricing, it is important that impacted jurisdictions have an opportunity to comment on the pricing objective.

Any pricing efforts must include careful consideration of potential negative impacts.

Before pricing is implemented funding should be designated to mitigate impacts from pricing. A comprehensive system of measurements should be made before and after pricing is implemented to evaluate its impacts especially with regard to traffic diversion. This is particularly important when considering early tolling of SR 520. In order to minimize negative impacts of pricing, choices such as high quality transit must be provided on priced corridors. Predictable and reasonable tolls will also help to minimize negative impacts.

It is important to consider the needs of low income users of priced facilities.

Experience from other parts of the county show that low income users are supportive of pricing systems both before and after such systems are implemented. With electronic tolling it is relatively easy to reduce the cost of pricing to individual users through subsidies. Low income users may benefit most from viable alternatives to pricing such as high quality transit.

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[1] High Occupancy Toll (HOT) lanes – combine HOV and pricing strategies by allowing single occupancy vehicles to gain access to HOV lanes by paying a toll. The lanes are "managed" through pricing to maintain free flow conditions. HOT lanes are in operation now on SR 167.

Last year, the Tolling Implementation Committee[2] examined scenarios for tolling I-90 and/or SR 520. Extensive modeling was completed as part of the Committee's work and a and final report (Attachment 2) was issued by the Committee. That report suggests for mitigation (below), much of which would address the concerns raised by the Transportation Commission. Most of this mitigation is not considered in the Environmental Assessment.

Excerpt from Tolling Report*, prepared by the Tolling Implementation Committee for the Washington State Legislature, January 28, 2009 Page 36. Mitigations relevant to Kirkland Comments:*

Committee mitigation recommendations related to tolling include:

- *System-wide instrumentation and traffic monitoring*
  – Additional coverage would be needed on 522.
  – Local access roads may need to be added such as Ballinger Way, NE 145th Street, and Juanita Drive.

- *A toll mitigation account to respond to traffic diversion effects would be set up to fund the noted mitigation strategies and to find other mitigation as necessary. A joint state/local process would be developed to decide which projects should be implemented to mitigate the actual effects of diverted traffic once tolling begins. Funds from the account would be focused on the six-year period following tolling authorization.*

- *A coordinated transit implementation plan developed by WSDOT, King County and Sound Transit.*

- *Transit service expansion via the Urban Partnership Agreement in the 520 corridor and possible other improvements to transit service in response to anticipated or actual traffic diversion.*

- *Transit-related improvements such as new or expanded park-and-rides should be added, including in the I-90 corridor, if it is tolled.*

- *Local jurisdictions support new transit service in the corridor. The Urban Partnership Agreement would fund the purchase of 45 new buses, but operational funds are needed.*

- *Funding to operate transit needs to be identified and secured. Using toll revenues to pay for that service is a policy decision to be made by the Legislature.*

The Environmental Assessment does include mitigations to account for disproportionate impact on minority or low income populations. These are listed below

[2] The 520 Tolling Implementation Committee was created by the Washington State Legislature in 2008 to evaluate tolls as a means of financing a portion of the 520 Bridge Replacement and HOV Program, engage citizens and regional leadership in the evaluation, enhance understanding of tolling alternatives, and report to the Governor and Legislature in 2009.

If the SR 520 Variable Tolling Project is undertaken, WSDOT has already decided to employ these five strategies to help minimize adverse effects on low income or limited-English proficient populations:

1. ***Permanent customer service center storefronts:***
WSDOT will establish permanent customer service center storefronts at either end of the Evergreen Point Bridge. Both locations will be transit accessible. Drivers will be able to purchase Good To Go!™ transponders and establish prepaid accounts with cash at these centers.

2. ***EBT cards can be used to establish and replenish Good To Go!™ accounts:***
Low-income Evergreen Point Bridge users will be able to establish and replenish their prepaid accounts using their Electronic Benefit Transfer (EBT) card. EBT functions like a debit card and allows recipients who receive federal benefits to pay for products and services, such as groceries and health care.

3. ***Transponder retail outlets:***
WSDOT will explore the possibility of establishing permanent Good To Go!™ retail outlets at convenient locations, such as grocery stores, convenience stores, or pharmacies throughout the region. Low-income focus group participants and Spanish-speaking interview participants indicated that this will make it much easier for them to purchase transponders and set up prepaid accounts with WSDOT.

4. ***Multi-language outreach:***
WSDOT will conduct outreach in multiple languages to provide information about how to purchase a transponder, establish an account, and use the system. Target languages will be the same languages that the Washington Department of Licensing uses for its translation: Chinese, Korean, Japanese, Russian, Spanish, and Vietnamese. WSDOT will also use pictograms whenever possible to explain the system. WSDOT will distribute information about the new tolling system and transponders throughout the region via community-based organizations, social service offices, churches, and schools; purchase SR 520 Variable Tolling Project EA 5-21 advertising in ethnic newspapers and radio stations; and establish hotlines with multi-lingual customer service agents well in advance of tolling.

5. ***Training of social service workers:***
WSDOT will provide social service agencies with information about tolling and options to avoid the tolls. This will assist social service workers in sharing accurate information with clients. In addition, the following strategies could be considered for minimizing the effects of tolling on low-income populations. Some options may require legislative action, coordination with other agencies, or commitment of additional funding other than tolling revenue.

In addition, the following strategies could be considered for minimizing the effects of tolling on low-income populations. Some options may require legislative action, coordination with other agencies, or commitment of additional funding other than tolling revenue.

1. ***Targeted transit improvements:***
The Washington State Legislature could consider allocating additional funding to King County Metro Transit and Sound Transit to increase service along SR 520 routes that are used by low-income populations, especially in the University District and Crossroads in Bellevue. These routes could be identified by overlaying the travel shed map with King County Metro and Sound Transit route maps. Service could also be increased between low-income residential neighborhoods and job/education centers.

2. Refunds to social service agencies: *The Washington State Legislature could allocate funding to provide refunds to social service agencies that broker transportation for low-income populations that meet certain thresholds.*

 D R A F T

May 6, 2009

Mr. Paul W. Krueger
WSDOT SR 520 Variable Tolling Project Environmental Manager
401 2nd Ave S Suite 300
Seattle, WA 98104

Dear Mr. Krueger:

Thank you for the opportunity to Comment on the SR 520 Variable Tolling Project. This letter is a summary of our comments on the Environmental Assessment. A set of comments that address some of Kirkland's main concerns in greater depth is included as an attachment.

The City of Kirkland supports replacement of the SR 520 floating bridge and recognizes tolling as an important mechanism for funding that project and the main reason for tolls at this time. We also understand that early tolling of SR 520 is a requirement for the 520 corridor to receive Federal Urban Partnership grant funding. Both of these principles are supported by the City of Kirkland's Roadway Pricing Policy Statement, which is attached to this letter.

The Environmental Assessment assumes that auto diversion from SR 520 to surrounding freeways and arterials will be small. This assumption is supported by the modeling developed by the Tolling Implementation Committee (TIC). However, because the modeling is subject to error, *a mitigation program as suggested in the TIC report (see next page) should be a part of the Variable Tolling Project. Careful monitoring of traffic diversion, including diversion to arterials, and specific funding for mitigation of these impacts should be part of the project.* Our Pricing Policy also supports this strategy.

Pairing high quality transit service with tolling is a theme throughout Kirkland's Roadway Pricing Policy Statement. Forecasts for decreased vehicle miles of cross lake travel with implementation of tolling are encouraging, as are forecasts for increased transit ridership. Because transit ridership is expected to increase by 30% under tolling it will be important that new transit service and additional coaches are available to carry the increased passenger loads. Coaches are likely to be funded through the Urban Partnership grant, but funding for new service has not been identified at this time. *Therefore, the Environmental Assessment should not assume adequate service and the project should include mitigation for the subsequent impacts.* Additionally, added Park and Ride capacity may be needed, in particular at the South Kirkland Park and Ride. The underutilized Houghton Park and Ride may also be a possible source of capacity. *As with traffic diversion, the transit related mitigations called for in the TIC report should be incorporated into the project.*

We are pleased to see the proposed mitigations intended to minimize adverse effects on low income or limited-English proficient populations. Again, this is an important principle in our Pricing Policy.

Thank you for consideration of these comments.

Sincerely,

Kirkland City Council

By James L. Lauinger, Mayor

Excerpt from Tolling Report*, prepared by the Tolling Implementation Committee for the Washington State Legislature, January 28, 2009 Page 36. Mitigations relevant to Kirkland Comments:*

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• A coordinated transit implementation plan developed by WSDOT, King County and Sound Transit.

• Transit service expansion via the Urban Partnership Agreement in the 520 corridor and possible other improvements to transit service in response to anticipated or actual traffic diversion.

• Transit-related improvements such as new or expanded park-and-rides should be added, including in the I-90 corridor, if it is tolled.

• Local jurisdictions support new transit service in the corridor. The Urban Partnership Agreement would fund the purchase of 45 new buses, but operational funds are needed.

• Funding to operate transit needs to be identified and secured. Using toll revenues to pay for that service is a policy decision to be made by the Legislature.

City of Kirkland Roadway Pricing Policy Statement

May, 2008

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Detailed Comments from City of Kirkland

Transit demand versus capacity. The EA assumes that there will be a sizable increase in transit ridership, between 26% and 32% depending on the toll scenario. It cites the fact extra transit capacity will be needed, however such capacity is not funded. The question remains: if the EA assumes transit service but such service is not available what will be the impacts? Therefore, there is a significant impact, increased transit demand, that is not mitigated. Previous environmental studies on SR 520 have also failed to answer this question.

Transit service analysis. Because of the increased demand for transit caused by tolling, the EA should analyze current transit service (load factors, platform hours, etc) and future transit demand to understand the type and location of future transit service that is needed. The EA mentions that a number of coaches may be available for future service but does not explore whether or not this is an adequate number of coaches or where they should be deployed. The EA references transit analysis completed as part of the 2006 DEIS for the SR 520 Bridge Replacement and HOV project. This analysis is out-of-date, particularly because of the significant and documented increase in transit ridership over the last few years. In addition, King County Metro is facing significant reductions in transit revenue and is considering reducing service levels throughout the system. The EA needs to identify how the shift from vehicles to transit will be accommodated - otherwise such a significant shift to transit appears to result in a significant impact to that mode of travel.

Park and Ride analysis. Similar to the transit service analysis, there is no analysis of current or future Park and Ride demand. In Kirkland, South Kirkland, Houghton and Kingsgate Park and Rides each service routes that cross SR 520 and will certainly be impacted by tolling on SR 520. Recently published park and ride utilization rates by PSRC indicate usage has increased over the last three years for most parts of King County. Like transit service, current and future demand should be analyzed to understand the impacts of tolling on Park and Ride facilities and appropriate mitigation should be part of the project.

Diversion of traffic from SR 520. The EA does not investigate the diversion of traffic from SR 520 to local streets. A paragraph at the bottom of page 5-2 describes that the model used is inadequate for exploring this question. This is not a sufficient treatment of the topic. As for other routes, the EA should include a clear and more detailed explanation of why diversion will be minor. Only fairly broad statements concerning temporal changes in trip making and reduction in trip making are now in the EA. What types of trips are not being made? If, for example, they are home-based work trips, it is unlikely that such shifts in land use patterns would take place over the "interim" time line that is proposed for this project. Therefore, the assumptions in the EA may be incorrect and these incorrect assumptions may lead to impacts that are not mitigated.

Monitoring of traffic diversion. The EA assumes that auto diversion from SR 520 to surrounding arterials will be small. Much of the analysis is based on the regional travel demand model which focuses on high level assumptions and regional freeway travel behavior. Mitigation of impacts to local arterials is not identified in the EA because the

analysis of traffic diversion was only evaluated at a very high level. Due to the difficulty in evaluating possible local traffic diversion, the EA should identify a traffic mitigation program to monitor possible impacts tolling may have on local arterials. The monitoring program should compare with and without tolling performance measures for specific arterials throughout the study area based on input from local agencies. Kirkland is particularly concerned about corridors in the northern part of the City and our proposed annexation area. Many of those corridors already serve a high proportion of traffic from SR 522, one of the main corridors where traffic diversion might occur. Tables 4-5 and 4-6 in the Transportation Discipline Report (Appendix E) are of particular interest because they indicate no likely change in travel times or speeds along SR 522 with implementation of tolls. Changes in travel times and speeds are just one example of the type of traffic data that should be monitored to truly determine and ultimately address possible impacts to the local arterial system. Specific funding should also be identified and allocated towards mitigation that could address local impacts as they arise.

Purpose of the project. Traffic congestion relief and funding for the SR 520 Bridge replacement appear to be joint purposes of the Variable Tolling project. The EA should further explain why each of these purposes is important. Providing revenue to complete the SR 520 bridge replacement project is a key purpose of tolling. If tolling revenue is not supplemented with other revenue to build the entire project, how is early implementation of tolling along SR 520 going to ensure the bridge is replaced?

Land use changes. Page 5-23 of the EA states that there will be "no effect on employment trends in the region" as a result of the project. This statement seems inaccurate, if fewer trips are being made across the corridor, or they are being shifted in time or route and some of these trips are work trips, it is likely that employment trends will change. The EA should have further explanation of why it is expected that there will be no effect on employment trends.

SR 520 Variable Tolling Project

Environmental Assessment

March 2009

U.S. Department of Transportation
Federal Highway Administration

Washington State Department of Transportation

SR 520 Variable Tolling Project

King County, Washington

Environmental Assessment

Submitted Pursuant To:
National Environmental Policy Act (Section 42 U.S. Code 4332 (2)(c) and 23 CFR Part 771)
State Environmental Policy Act (Chapter 43.21C, Revised Code of Washington)

Submitted By:
U.S. Department of Transportation, Federal Highway Administration, Washington Division, and the Washington State Department of Transportation

Pete Jilek, P.E.
Federal Highway Administration
Urban Area Engineer

3/31/2009
Date of Approval

Megan White, P.E.
Washington State Department of Transportation
Director, Environmental Services

3/30/09
Date of Approval

The following persons may be contacted for additional information concerning this document:

Pete Jilek, P.E.
Urban Area Engineer
Federal Highway Administration
711 South Capitol Way, Suite 501
Olympia, WA 98501
(360) 753-9550

Paul W. Krueger
SR 520 Variable Tolling Project
Environmental Manager
Washington State Department of Transportation
401 2nd Avenue S, Suite 300
Seattle, WA 98104
(206) 716-1135

In compliance with the National Environmental Policy Act (NEPA) and the State Environmental Policy Act (SEPA), this Environmental Assessment (EA) describes the environmental consequences of implementing a toll on all lanes of State Route (SR) 520 at the Evergreen Point Bridge across Lake Washington. This analysis concludes that the project will not have a significant effect on the environment.

Comments must be postmarked or received by May 11, 2009, and should be returned to:

Paul Krueger, SR 520 Variable Tolling Project Environmental Manager
Urban Corridors Office
Washington State Department of Transportation
401 2nd Avenue S, Suite 300
Seattle, WA 98104
or email SR520VariableTolling@wsdot.wa.gov

Information about how to obtain a copy of this document, as well as the date and location of the public hearing are found on the next page.

The Environmental Assessment is available for review at the Seattle Public Library and King County Library System libraries listed below.

Seattle Public Library

- Central Library
- Montlake Branch
- Northeast Branch
- Queen Anne Branch
- University Branch

King County Library System

- Bellevue Regional Library
- Bothell Regional Library
- Mercer Island Library
- Kirkland Library
- Library Connection at Crossroads
- Redmond Regional Library

Printed copies of this document may be purchased for $14.60, which does not exceed the cost of reproduction. This document is also available online at: http://www.wsdot.wa.gov/Projects/LkWaMgt/

Two public hearings on this Environmental Assessment will be held. The first will be on Tuesday, April 28, 2009, from 5:30 p.m. to 7:00 p.m. at:

Bellevue Regional Library

1111 110th Ave. NE

Bellevue, WA 98004

The second public hearing will be held on Thursday, April 30, 2009, from 4:00 p.m. to 7:00 p.m. at:

Seattle Library/University Branch

5009 Roosevelt Way N.E.

Seattle, WA 98105

SR 520 Variable Tolling Project

Environmental Assessment

Submitted Pursuant To:

National Environmental Policy Act Section (42 U.S. Code 4332 (2)(c) and 23 CFR Part 771) and State Environmental Policy Act (Chapter 43.21C, Revised Code of Washington)

Submitted By:

U. S. Department of Transportation
Federal Highway Administration

Washington State Department of Transportation

Abstract:

The U.S. Department of Transportation (USDOT) initiated a program, *National Strategy to Reduce Congestion on America's Transportation Network*, for federal, state, and local officials to consider as they work together to reverse current trends of congestion. The Urban Partnership Program is a major component of this initiative. The selected applicants will adopt the Four "Ts": tolling, transit, telecommuting and technology. These strategies have been found to effectively reduce traffic congestion. In 2007, Seattle was selected to join the Urban Partnership Program. This SR 520 Variable Tolling Project is included in the Lake Washington Urban Partnership Agreement (UPA).

State Route (SR) 520 is one of the main transportation corridors to cross Lake Washington. It connects Seattle with major population and employment centers on the Eastside. Congestion is a problem along the SR 520 corridor and will continue to worsen unless strategies are implemented to reduce it. Therefore, this Environmental Assessment (EA), in compliance with the National Environmental Policy Act (NEPA) and the State Environmental Policy Act (SEPA), describes the environmental consequences of implementing tolling along SR 520.

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A Federal agency may publish a notice in the Federal Register, pursuant to 23 USC §139(I), indicating that one or more Federal agencies have taken final action on permits, licenses, or approvals for a transportation project. If such notice is published, claims seeking judicial review of those Federal actions will be barred unless such claims are filed within 180 days after the date of publication of the notice, or within such shorter time period as is specified in the Federal laws pursuant to which judicial review of the Federal agency action is allowed. If no notice is published, then the periods of time that otherwise are provided by the Federal laws governing such claims will apply.

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Acronyms

ATM	active traffic management
B5	five percent biodiesel
B10	10 percent biodiesel
B20	20 percent biodiesel
BMPs	best management practices
CAA	Clean Air Act of 1970
CEQ	Council of Environmental Quality
CFR	Code of Federal Regulations
CO	carbon monoxide
CSC	Customer Service Center
dBA	decibel (A-weighted)
EA	Environmental Assessment
EBT	Electronic Benefit Transfer
EIS	Environmental Impact Statement
EPA	U.S. Environmental Protection Agency
ETC	electronic toll collection
FAZ	forecast analysis zone
FHWA	Federal Highway Administration
FONSI	Finding of No Significant Impact
GHGs	greenhouse gases
HAC	high-accident corridors
HAL	high-accident locations
HSS	highway of statewide significance
HOV	high-occupancy vehicle
HOT	high occupancy toll
I	Interstate

Acronyms

mph	miles per hour
MSATs	Mobile Source Air Toxics
NAAQS	national ambient air quality standards
NAC	Noise Abatement Criteria
NCES	National Center for Education Statistics
NEPA	National Environmental Policy Act
NO2	Nitrogen Dioxide
NRHP	National Register of Historic Places
O3	Ozone
PAL	pedestrian accident locations
PM	Particulate Matter
PSCAA	Puget Sound Clean Air Agency
PSRC	Puget Sound Regional Council
SEPA	State Environmental Policy Act
SIP	State Implementation Plan
SO2	Sulfur Dioxide
SOV	single-occupancy vehicle
SR	State Route
TESC	temporary erosion and sediment control
UPA	Urban Partnership Agreement
USDOT	U.S. Department of Transportation
VMT	vehicle miles traveled
WAC	Washington Administrative Code
WSDOT	Washington State Department of Transportation

Chapter 1 Executive Summary

Chapter 1 summarizes the project background, the effects of the project, how this document is organized, and the next steps in the process.

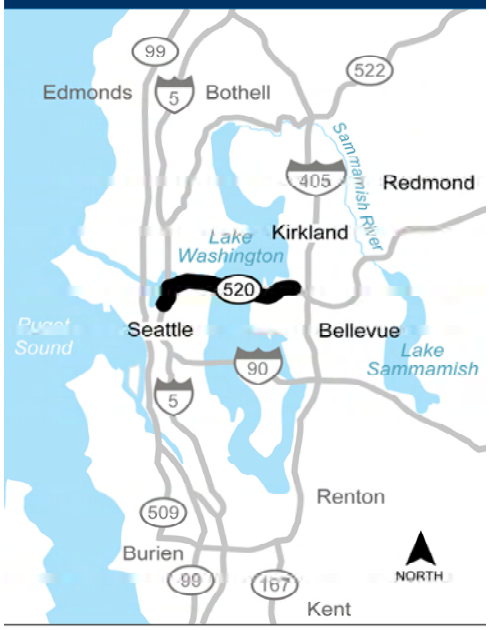
What is the SR 520 Variable Tolling Project?

The SR 520 Variable Tolling Project will implement variable pricing (tolls) on all through-lanes of SR 520 between Interstate 5 (I-5) and Interstate 405 (I-405). All tolls will be collected electronically. The project will reduce traffic congestion and generate revenue. Revenue generated will be invested in the SR 520 corridor, subject to legislative appropriation, as required by state law (RCW 47.56.820).

Where is the SR 520 Variable Tolling Project located?

The study area for the SR 520 Variable Tolling Project is bounded by SR 522 to the north, I-405 to the east, I-90 to the south, and I-5 to the west. As shown in Exhibit 1-1, the project corridor itself is along SR 520, bounded by I-5 on the west and I-405 on the east. SR 520 is one of only two east-west roadways that cross Lake Washington. The other is I-90.

Exhibit 1-1
Project Corridor



Who is leading the project?

The Federal Highway Administration (FHWA) and the Washington State Department of Transportation (WSDOT) are joint lead agencies for this project. FHWA is the lead federal agency complying with the

National Environmental Policy Act (NEPA). WSDOT is the lead state agency complying with the State Environmental Policy Act (SEPA).

What are the benefits of the project?

Reduced Congestion: Variable pricing will encourage drivers to choose alternate routes, times, and travel modes, or to eliminate trips altogether. This will result in reduced congestion, providing a more reliable trip for users of SR 520 as described in the *Transportation Discipline Report* in Appendix E.

Funding Improvements: Revenue generated will be invested in the SR 520 corridor, subject to legislative appropriation. The toll revenue could be used for replacing bridges, adding HOV lanes, and other types of transportation improvements.

How will the project affect the future environment?

The SR 520 Variable Tolling Project is an interim project that will be built and operated only until the existing Evergreen Point Bridge is replaced by a new bridge. The new bridge will have a different configuration and likely have different toll rates, so the conditions we analyzed for this document will no longer exist after the new bridge opens. WSDOT plans to open the replacement of the Evergreen Point Bridge in 2016. Therefore, we used 2016 as the horizon year for our analysis of how the project would affect the environment in the future. Our analysis does not extend beyond 2016.

Transportation: SR 520 connects Seattle on the west side of Lake Washington with Medina, Hunts Point, Yarrow Point, Clyde Hill, Kirkland, Bellevue, and Redmond on the east side of the lake. It serves as a critical connection for people and goods crossing Lake Washington.

The primary transportation effects of the tolling project are:

- Congestion relief on SR 520 in peak periods.
- Less traffic in general on all cross-lake routes during peak periods.

Peak period traffic volumes will be 11 percent to 18 percent lower on SR 520 after a toll is implemented than if a toll is not implemented. However, with a toll on SR 520, volumes on I-90 and SR 522 would increase only zero percent to four percent and volumes on I-405 and I-5 would not noticeably change.

The tolling project will result in minimal to no noticeable diversion of traffic to SR 522, I-90, I-405, and I-5 during peak periods because many people will be making other choices. They will change the time-of-day for their trip, use transit instead of driving, or choose a different destination that doesn't require crossing Lake Washington.

As a result of the changes in traffic volumes, we expect to see higher average travel speeds, lower travel times, and reduced vehicle miles traveled on SR 520 during peak periods and minimal changes on alternate routes.

Social Resources: The project will reduce traffic congestion during peak hours, thus improving travel reliability and reducing travel times. Increased mobility and reliability will benefit emergency service providers, and community cohesion will not be affected as a result of the project. There will be no effect on any park or recreation resource.

Environmental Justice: There are three principal ways in which project operation will adversely affect low-income or minority populations if not mitigated:

- The cost of the tolls will present a burden to low-income bridge users.

- The cost of the tolls will present a burden to social service agencies that depend on the Evergreen Point Bridge to serve their low-income or minority clients.
- Bridge users will be required to purchase a transponder and set up an account with the Washington State Department of Transportation (WSDOT) to pay the toll, which may present a burden to low-income Evergreen Point Bridge users who are less likely than the general population to have a credit or debit card.

If the SR 520 Variable Tolling Project is undertaken, WSDOT and its partners have already decided to employ the following strategies to help minimize adverse effects on low-income or minority populations:

1. WSDOT will establish permanent customer service center storefronts on both sides of Lake Washington.
2. WSDOT is exploring the possibility of establishing permanent *Good To Go!*™ retail outlets at convenient locations, such as grocery stores, convenience stores, or pharmacies throughout the travelshed.
3. Low-income users will be able to establish and replenish their prepaid accounts using their Electronic Benefit Transfer (EBT) card. An EBT card functions like a debit card and allows recipients who receive federal benefits to pay for products and services, such as groceries and health care.
4. WSDOT will conduct outreach in multiple languages to provide information about how to purchase a transponder, establish an account, and use the system.
5. WSDOT will provide social service agencies with information about tolling and options to avoid the tolls.

The above strategies will minimize barriers that otherwise would limit access to the SR 520 by low-

income populations. In addition, the following strategies could also be considered by the Washington State Legislature to further minimize adverse effects:

1. Allocating additional funding to increase transit service along SR 520 routes that are used by low-income populations.
2. Allocating funding to provide refunds to social service agencies that broker transportation for low-income and disabled populations that meet certain thresholds.

Economic Resources: The project will have little economic effect overall and no direct effects to businesses. Businesses located near the Evergreen Point Bridge are not expected to see any noticeable change in revenues as a result of the project.

Water Resources: The project will have minimal construction disturbance and will add a very small amount of impervious surface for mounting equipment cabinets. WSDOT will adhere to all existing state and federal laws pertaining to water quality by ensuring that the contractor implements best management practices (BMPs). As a result the project will have no perceptible or appreciable effect on water quality.

Geology and Soils: Because this project will have very minimal construction disturbance, geology and soils are not discussed in detail within this document. Potential effects related to soil erosion are described in the water resources section.

Ecosystems: The project will have no permanent effects to the natural environment. WSDOT will ensure that the contractor implements erosion control BMPs and timing restrictions to minimize temporary effects from soil disturbance and construction noise.

Visual: The project will cause very little change to visual resources in the project area. To minimize visual effects,

we will place the tolling equipment either on the existing truss structure or on a new gantry structure as close to the truss structure as possible. Structural elements will be painted the same color as the truss structure. The additional lighting at the tolling location will be designed to have negligible effect on existing ambient light levels and glare.

Example of gantry structure that could be used on the Evergreen Point Bridge

Cultural Resources: The Evergreen Point Bridge was completed and placed in service in 1963. It is eligible for listing on the National Register of Historic Places (NRHP). We determined that installing of the tolling equipment on the east highrise truss structure will have no adverse effect on the NRHP-eligible Evergreen Point Bridge.

Public Utilities: The project will not have an adverse effect on utilities. Some electricity will be required to operate the tolling equipment; however, the amount needed will be negligible.

Land Use: The duration of this project is too short to result in long-term land use changes.

Hazardous Materials: We do not anticipate any hazardous materials effects. The project will be constructed completely within WSDOT right-of-way and will be remote from any potential hazardous materials site.

Energy: We expect the project to improve traffic flow, reduce peak period traffic congestion along SR 520, and allow more cars to travel at more energy-efficient speeds. In addition, because little construction is involved with the SR 520 Variable Tolling Project, little energy will be spent in reducing congestion along the route. Overall, the project will reduce energy use compared to the amount of energy that would be used if the project was not implemented.

Noise: The project will not noticeably change noise levels on SR 520 or alternate routes. While peak period traffic

volumes on SR 520 would be lower, the reduction would not be enough to result in a perceptible difference in noise levels compared to existing noise levels. Similarly, the minimal diversion of traffic from SR 520 on to alternate routes (I-90, SR 522, I-405, and I-5) will not result in a substantial difference in future noise levels compared to existing noise levels. Construction activities will temporarily increase noise levels. Recommended construction noise mitigation measures are included in Chapter 5.

Air Quality: The project will not have an adverse effect on air pollutant emissions. Construction activities will temporarily generate air pollutants within the project area. BMPs to control air pollutants during construction are described in Chapter 5.

Cumulative Effects: In conjunction with other transportation and development projects planned in or near the project area, the SR 520 Variable Tolling Project could contribute to cumulative effects on transportation, Environmental Justice (low-income) populations, air quality, and climate change (greenhouse gas emissions).

A number of highway construction projects are planned on SR 520 and alternate routes between 2010 and 2016. The SR 520 Variable Tolling Project will not have any noticeable cumulative effect on travel patterns in combination with the construction of these projects. Existing capacity constraints on the highway system and planned construction on both of the direct routes across Lake Washington will limit diversion related to construction.

The SR 520 Variable Tolling Project, along with other planned highway and transit improvements, will cumulatively improve regional mobility. Transit users crossing Lake Washington will especially see benefits. They will experience a noticeable cumulative improvement as HOV lane projects are completed on both SR 520 and I-90, along with transit service increases by both King County Metro and Sound Transit. The use of transit use across Lake

What major transportation projects are planned for construction in the study area between 2010 and 2016?

SR 520
SR 520 Eastside Transit and HOV Project (2010-2013)

SR 520 Bridge Replacement and HOV Project (2012-2016)

I-90
I-90 Two-Way Transit and HOV Operations Project (2010-2014)

Sound Transit East Link Light Rail Project (2013-2020)

I-405
I-405 NE 195th to SR 527 Northbound Widening Project (2009-2010)

I-405 NE 8th Street to SR 520 Improvement Project (2009-2012)

Washington will also likely see a cumulative increase as more trips are added and people look for ways to avoid the toll on SR 520.

Construction planned for the un-tolled routes around or across Lake Washington may make it more time-consuming for low-income SR 520 users to take an alternate route to avoid paying the toll. A potential positive cumulative effect is the transit service improvements described above will make it easier for some low-income users to use transit to avoid the toll on SR 520.

This project, with other transportation projects planned to be completed between 2010 and 2016, will provide some cumulative reduction in congestion. This will likely reduce the amount of emissions emitted from autos. However, even if these projects are not built, vehicle emissions are likely to be lower in 2016 than present levels due to EPA programs to reduce emissions by 2020. Overall, we expect there will be little cumulative effect on regional air quality as a result of this project.

The project will contribute to the cumulative reduction of greenhouse gas emissions, along with other regional projects that reduce single-occupancy vehicle use and improve traffic flow. Quantitative modeling tools to evaluate greenhouse gas emissions for linear transportation projects are limited at this time. At the project level, WSDOT is currently unable to show the effect of improved traffic flow on emissions. However, since about half of the State of Washington's greenhouse gas emissions are from transportation (automobiles and trucks), reducing single-occupancy vehicle trips likely reduces greenhouse gases.

How is this Environmental Assessment organized?

This environmental assessment presents information about the project to inform the public about the potential effects of project choices and assist decision-makers in considering how the project should be accomplished.

Chapter 2 provides a background and discusses the purpose for the project. Chapter 3 describes the development of the alternatives, explains how the Preferred Alternative was chosen, and summarizes public involvement. Chapter 4 gives a project description and describes the construction of the project. Chapter 5 includes a summary of the affected environment, potential effects, and proposed mitigation measures to avoid or minimize effects, if necessary. Chapter 6 describes the cumulative effects of the project. Chapter 7 is a list of preparers of the document and Chapter 8 is a list of references. Additional information has been provided within the appendices. The appendices include agency and public correspondence, a list of commitments, and other technical reports.

What is the Environmental Assessment Process?

The SR 520 Project

Technical Analysis
The technical analysis for the environmental resources, including two discipline reports and two technical memos, studies existing conditions, the proposed actions, and how effects to environmental resources will be avoided, minimized, or mitigated.

Environmental Assessment (EA)
The draft EA, prepared in compliance with the National/State Environmental Policy Act, discusses the purpose and need for the project, summarizes development of the alternatives, and includes an analysis of effects to determine if an Environmental Impact Statement (EIS) or Finding of No Significant Impact (FONSI) would be required.

FONSI or EIS
The FONSI is prepared only when the Preferred Alternative has no significant effect on the environment, and therefore, an EIS is not required. If any significant effect is discovered, an EIS would then need to be prepared and a FONSI would not be issued.

What are the next steps in this process?

Once this EA is published, a 30-day public and agency comment period will begin, during which a public hearing will be held.

After the 30-day public comment period has ended, we anticipate that FHWA will complete the NEPA process by issuing a Finding of No Significant Impact (FONSI). FHWA will consider the analysis of environmental effects in this document and public comments when they decide if a FONSI is appropriate. WSDOT plans to complete the SEPA process by using this EA as the documentation for a SEPA Determination of Non-significance.

In addition to completing the NEPA and SEPA processes, the Washington State Legislature will need to authorize

tolling SR 520 before final design and construction can proceed. In order to implement tolling in 2010, this will need to occur during the 2009 legislative session. The Washington State House of Representatives is currently considering two bills that would authorize tolling on the SR 520 corridor (HB 2211 and HB 2319).

Our proposed construction schedule includes several elements. The first is to develop documents that request proposals from companies to build the project. We plan to complete this in early to mid-2009. Next, we expect to give the notice to proceed for construction in mid- to late 2009. The project should be complete and opened in mid- to late 2010.

Chapter 2 Introduction to the Project

Chapter 2 explains the project background, the purpose and need for the project, and how this project relates to other projects in the SR 520 corridor.

How did the SR 520 Variable Tolling Project come about?

In May 2006, the USDOT announced a major nationwide initiative to reduce transportation system congestion. The plan, called the *National Strategy to Reduce Congestion on America's Transportation Network*, provides a blueprint for federal, state, and local officials to consider as they work together to reverse the current trends of congestion. One major component of this initiative is the Urban Partnership Program. The USDOT solicited applicants that, if selected, would adopt the "Four Ts": tolling, transit, telecommuting and technology—strategies believed to be effective on a combined basis in reducing traffic congestion. In return, the USDOT will provide federal funding to the selected Urban Partners to support implementation.

In 2007, the Seattle area was selected to join the Urban Partnership program. The Lake Washington Urban Partnership Agreement (UPA) is an agreement between the USDOT and the Seattle-area Urban Partners: WSDOT, King County, and the Puget Sound Regional Council (PSRC). Variable tolling on SR 520 is just one component of the Lake Washington Urban Partnership Agreement (UPA). Other components include transit improvements, new technologies such as real-time traveler information systems and active

What are the other elements of the Lake Washington Urban Partnership?

The Lake Washington Urban Partnership includes three elements in addition to tolling. Together these four elements will be implemented to help reduce congestion along the SR 520 corridor and will meet the terms of the Urban Partnership Agreement. Detailed information can be found on the Web at www.upa.dot.gov/agreements/seattle.htm. The three additional elements include:

1) Transit

King County Metro will improve transit service on SR 520 by expanding park-and-rides, adding at least 45 new buses, increasing service hours, and increasing rider information services.

2) Technology

WSDOT will implement European-style active traffic management (ATM) techniques on SR 520 and I-90 to improve traffic flow and safety. These techniques involve the use of dynamic message signs suspended over each lane every half-mile to provide variable speed and lane control information to drivers, while queue warning information and other messages will be provided via variable message signs.

3) Telecommuting

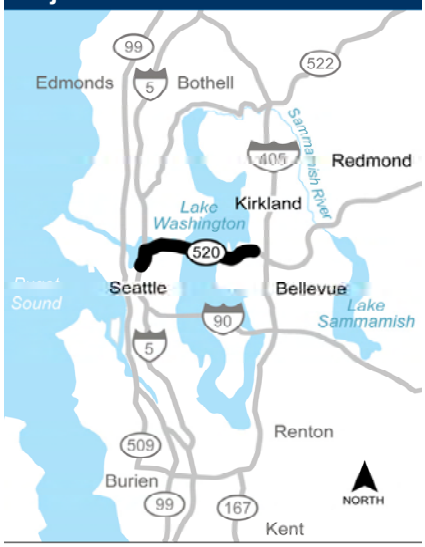
PSRC will develop programs to encourage telecommuting and the use of other transportation demand management tools. PSRC will work with employers to encourage flexible employment arrangements that improve worker productivity and reduce rush-hour traffic demands.

traffic management (ATM), and increasing telecommuting programs. These components are being implemented separately from variable tolling, with separate environmental reviews.

What is the purpose of the project?

The purpose of the Urban Partnership SR 520 Variable Tolling Project is to reduce congestion on SR 520 between I-5 and I-405 by implementing tolling, meet the requirements of the UPA, and raise revenue for future transportation improvements on SR 520.

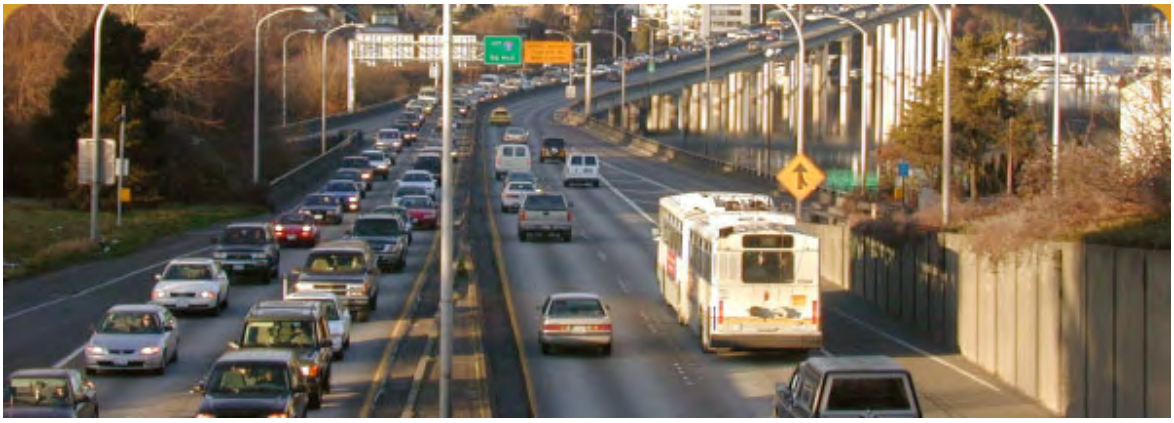
Exhibit 2-1
Project Corridor



Why is this project needed now?

The movement of people and goods needs to be improved on this important corridor.

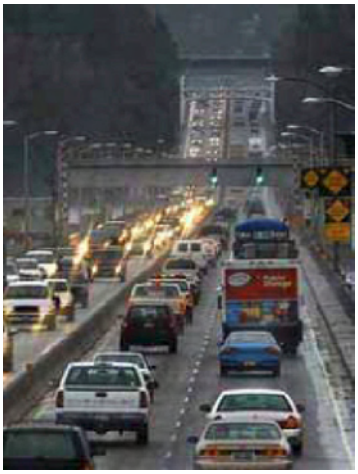
SR 520 is a regionally important transportation corridor, connecting major employment and population centers with one of the only two bridges across Lake Washington (see Exhibit 2-1). Successful implementation of regional land use plans requires the ability to efficiently and reliably move an increasing volume of people and goods across the lake.



Traffic congestion on SR 520

Traffic congestion makes travel unreliable.

This project needs to be implemented now because of the severe traffic congestion on SR 520. Population and employment growth in the central Puget Sound region has led to an increased demand for travel that exceeds the highway's capacity. This means that more drivers want to use the highway than it can accommodate. The result is a long backup of vehicles traveling at very slow speeds—a scenario that many people traveling during rush hour have experienced. Details of the traffic congestion analysis can be found in the *Transportation Discipline Report* in Appendix E.



Existing peak traffic on SR 520

The project must meet the requirements of the Lake Washington Urban Partnership Agreement.

USDOT will only provide funding for the projects that are part of the Lake Washington Urban Partnership Agreement if the Seattle-area Urban Partners meet the requirements of the agreement. Implementing a variable toll on SR 520 is one of the requirements. The agreement also requires the toll be implemented on an accelerated schedule.

How does this project relate to other SR 520 projects?

The SR 520 Variable Tolling Project is one of four projects that compose the SR 520 Bridge Replacement and HOV Program. Of those projects, three of them are physically located in the SR 520 project area. There is a fourth project, the Pontoon Construction Project, which will be located outside the project area. Exhibit 2-2 shows a brief summary of the four projects.

Exhibit 2-2
Summary of SR 520 Projects

The SR 520 Bridge Replacement and HOV Program will replace the Portage Bay and Evergreen Point bridges and improve existing roadway between I-5 in Seattle andSR 202 on the Eastside.

The SR 520 Bridge Replacement and HOV Program includes four projects:

- **Urban Partnership** – Traffic management and tolling from I-5 to I-405.
- **Eastside Transit and HOV** – Evergreen Point Road to SR 202.
- **Pontoon Construction Project** – Pontoons for catastrophic failure planning.
- **Bridge Replacement and HOV Project** – I-5 to the vicinity of Evergreen Point Road.

SR 520 Bridge Replacement and HOV Project

This project would improve the SR 520 corridor from I-5 in Seattle to the vicinity of Evergreen Point Road. It would include replacement of all the existing bridges with newer, safer bridges designed to better withstand earthquakes and windstorms. The project is currently being reviewed in a NEPA/SEPA EIS process and is planned to be open in 2016. Both the new roadway configuration and the toll rates would be different from what is being studied for the SR 520 Variable Tolling Project.

SR 520 Eastside Transit and HOV Project

The SR 520 Eastside Transit and HOV Project will enhance travel time reliability, mobility, access and safety, for transit and HOVs in rapidly growing areas along the SR 520 corridor east of Lake Washington.

The project will improve and complete the HOV lanes on the 8.5 miles of SR 520 from the Evergreen Point Transit Station near Lake Washington to SR 202 in Redmond. The HOV lanes and transit stops will be shifted from the outside to the inside of the roadway. This work will include reconstructing the approximately three-mile section of SR 520 between the Evergreen Point Transit Station and 108th Avenue NE. WSDOT is currently preparing a NEPA Environmental Assessment for the project. The project is scheduled to be complete in 2013.

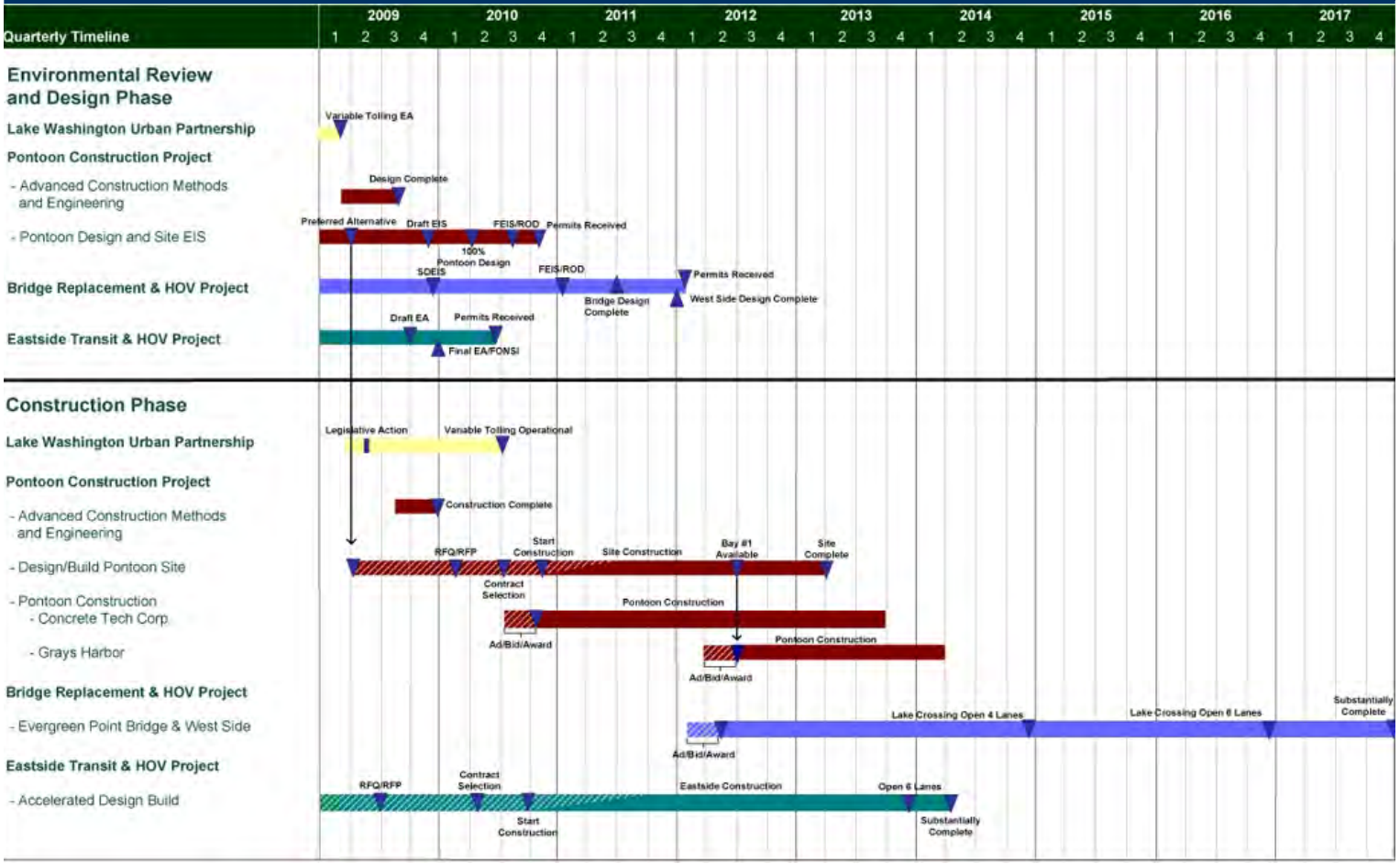
SR 520 Pontoon Construction Project

This project will advance pontoon construction so the SR 520 floating bridge can be restored in the event of a catastrophic failure. The project also includes storing these pontoons until they are needed. WSDOT is currently evaluating two potential sites – one in Aberdeen and one in Hoquiam– for construction of a new casting basin facility. An existing site in Tacoma would also be used to construct some of the pontoons. WSDOT is currently preparing a NEPA/SEPA EIS for the project. Construction of the new facility would start by the end of 2010 to enable pontoon construction to start in 2012.

Related to this project is a separate project called Advance Construction Methods and Engineering that would test proposed construction methods before construction of the new facility starts.

See Exhibit 2-3 for the current program schedule for the projects in the SR 520 program.

Exhibit 2-3
Program Schedule for the SR 520 Projects



Chapter 3 Developing the Alternatives

Chapter 3 explains the development and screening of project alternatives, how the Preferred Alternative was chosen, and the public and agency involvement that was conducted.

Evergreen Point Bridge—Existing Structure

What factors affected the development of alternatives?

The range of alternatives that we considered was greatly narrowed by the need to satisfy the UPA requirements and the short timeframe of the project.

WSDOT plans to replace the existing Evergreen Point Bridge in 2016. This project is an interim project that will be built and operated only until the new bridge opens. Alternatives that take several years to plan, design, and construct would not operate long enough to justify implementing. Therefore, we did not consider any alternative that expanded or changed the configuration of SR 520 between I-5 and I-405.

The SR 520 Bridge Replacement and HOV Project, which will replace the existing bridge, and the SR 520 Eastside

Open vs. Closed Tolling Systems

Two common tolling methods are used, open and closed systems.

Open System
In the open system, there are toll facilities (such as a toll booth or electronic toll point) along the main-line toll road. Drivers pay a toll at each facility they encounter.

Closed System
In a closed system, typically used with ticketed toll facilities, the driver stops and receives a ticket stamped with the location of the entrance to the toll facility. The driver stops again upon exiting the facility and pays the toll, which is based on the point of entry and point of exit along the facility route.

Transit and HOV Project, are considering alternatives that will expand or change the configuration of SR 520 in this area. Environmental review for these projects is taking place concurrently with the SR 520 Variable Tolling Project.

What alternatives were considered for the EA?

All of the alternatives we considered involved different ways to implement tolling in the SR 520 corridor. Details describing the various tolling alternatives considered can be found in the *Identification of Toll Configuration Alternatives* memo located in Appendix F.

In summary, we initially considered 10 tolling configuration alternatives for the SR 520 Variable Tolling Project. Variations among the alternatives included different locations for tolling, including various numbers of tolling points, and whether tolling collection equipment should be on the mainline or on off- and on-ramps. We also considered various toll pricing alternatives and discount options.

We used a screening process to identify one toll configuration and one pricing alternative to evaluate in this EA as the Preferred Alternative. In addition, we also evaluate a No Build Alternative in this EA.

What is the No Build Alternative?

The No Build Alternative establishes a baseline for comparing the effects associated with the proposed project. The No Build Alternative maintains the status quo meaning only routine activities, such as road maintenance, repair, and safety improvements, or other projects that are already planned and permitted, would take place. SR 520 across Lake Washington will remain as it is today, which consists of a four-lane highway (two lanes in each direction of travel) with no shoulders on the floating part of the bridge. The only difference between

What is Photo Tolling?

Photo tolling is a cutting-edge system of toll collection that uses high-definition cameras to record the license plates of vehicles that pass through a tolling point. The plate is then traced to the owner, who is billed.

Toll Collection Method

Three types of toll collection are used at modern toll facilities:

Manual, or staffed, toll facilities
Drivers pay the toll to an attendant who then raises a gate to permit the vehicle to pass.

Coin-basket facility
The coin-basket facility uses an unstaffed booth where drivers stop at the tollbooth and toss the exact change in coins into a basket. The machine determines whether the correct amount of toll has been paid and, if so, raises a gate to permit the vehicle to pass.

Electronic Toll Collection (ETC) systems
In the ETC system, drivers subscribe to a service and are given a transponder. Toll facilities are outfitted to detect the transponder and subtract the toll money from the driver's account when the vehicle passes the booth.

the No Build Alternative and the proposed project is the toll and the tolling equipment.

What screening criteria were used to evaluate the alternatives?

The screening criteria we used to evaluate each preliminary alternative were primarily based on the purpose and need of the project, which is described in Chapter 2 of this EA. The following screening criteria for evaluating various toll configurations and pricing alternatives related to the purpose and need were used:

- Will the alternative reduce congestion along SR 520?
- Will the alternative meet the implementation schedule?
- How will the alternative affect the complexity of processing transactions?
- How easily can the tolling and pricing be explained to the public?
- Will the alternative be accepted by the traveling public?
- What is the likely effect of the alternative on congestion in the I-90 corridor?
- What effect will the alternative have on improving safety in the corridor?
- What effect will the alternative have on improving roadway operations in the corridor?
- What is the effect of the alternative on generating potential toll revenue?

Aerial view of the existing Evergreen Point Bridge looking west

In addition to the specific criteria related to the purpose and need, the following additional screening criteria were also used:

- Will the alternative cause local diversion of traffic from the corridor?

- What is the relative ease of enforcing an HOV 3+ discount requirement for the alternative?
- Does the alternative facilitate a phased approach to implementing a new toll system?
- How easy would it be to enforce toll payment under the alternative?
- How much would the alternative cost to implement?
- What is the effect of the alternative on the environment?

Details about how each of these criteria was applied and the result of the screening can be found in the *Screening Criteria for Toll Configuration and Pricing Alternatives* memo located in Appendix F.

How was the Preferred Alternative chosen?

Toll configuration alternative

The screening criteria listed above were used to identify the Preferred Alternative that is now the proposed project. This process is described in detail in the *Qualitative Evaluation of Toll Configuration Alternatives* memo found in Appendix F.

Based on the results of the alternative screening, the alternative known as Alternative 1 was chosen as the Preferred Alternative for the SR 520 Variable Tolling Project. Alternative 1 will consist of a single, two-way tolling location with variable pricing. It will be a multi-lane, open system. Tolls will be collected by a method known as all electronic toll collection (ETC). This equipment will be mounted on the existing truss structure on the east side of the bridge, or on a separate gantry structures near the eastside of Lake Washington.

This alternative will:

- Reduce peak period congestion on SR 520 by implementing a tolling system.
- Meet the schedule of opening in mid-2010.
- Simplify the tolling operations by using only one tolling location.
- Be more readily accepted by the public since it will be simple and easy to use.
- Increase transit use by encouraging travelers to use transit instead of paying the toll.

We decided to place the tolling location on the eastern end of the bridge over Lake Washington so only people crossing the bridge pay the toll, which minimizes diversion to local streets.

We also considered other locations on land at either end of the bridge. Having the detection equipment and cameras on the bridge structure is preferable to a site located east or west of the bridge. There is little room on the land on the west side of the bridge to build the structures required to hold the equipment, and the area is more environmentally sensitive than the east side. The land on the east side of the bridge would not be preferable either because of the potential for conflicts with two other SR 520 projects (the Eastside Transit and HOV Project and the SR 520 Bridge Replacement and HOV Project). Both projects will include construction just east of the bridge that will likely include lane shifts and require the relocation of any tolling equipment placed over those lanes. If most of the equipment is on the existing bridge structure itself, it will not have to be disturbed until it is moved to its final location upon completion of the new bridge.

Variable pricing alternative

There are two types of variable pricing – static and dynamic. The main difference between the two is that static pricing has a set schedule of toll prices in advance of the trip, where dynamic pricing can change at any given time in response to changes in the amount of traffic.

Dynamic pricing works best when the decision to use the toll facility can be made close to where the toll will be applied. For SR 520, this decision would need to occur very far away from the corridor, such as south of I-90, or north of SR 522. Because of the distance required for notification, by the time a driver reaches SR 520, the toll could change dramatically. Also, static pricing does a better job of congestion reduction because a commuter will be able to make more informed decisions on their route. For example, commuters would know (while planning their trip from home or work) what tolls to expect at certain times of day. Static pricing should result in a more stable and reliable trip pattern for the corridor. Based on these reasons, we chose variable static pricing as the preferred pricing alternative.

One element of pricing that is still being studied on how to implement as part of the SR 520 Variable Tolling Project is discounted access for vehicles with 3+ occupants. We also considered other discount programs, such as resident discounts and low-emission vehicles discounts. We concluded that only the HOV discount program would help reduce traffic congestion by encouraging carpooling. However, since there is not a dedicated HOV lane at the tolling location, identifying HOV users is difficult. WSDOT has not yet found an effective method for identifying them and is working to resolve this issue. This issue does not substantially affect the traffic analysis or any other effects analysis completed for this EA.

For a detailed description of the screening of the pricing alternatives and the discount programs considered, see the *Identification and Evaluation of Pricing Alternatives* memo located in Appendix F.

How have the public, tribes, and agencies been involved?

Scoping Process

The SR 520 Variable Tolling Project team conducted two public scoping meetings. The first was held on June 24, 2008, from 4:00 p.m. to 7:00 p.m. at the Naval Reserve Building, Lake Union Park, 860 Terry Ave. N in Seattle. The second meeting was held on June 25, 2008 from, 4:00 p.m. to 7:00 p.m. at Bellevue City Hall, 450 110th Avenue NE in Bellevue.

Scoping

NEPA regulations use the term "scoping" to refer to the process of defining the content (scope) of environmental documents and the range of alternatives that will be analyzed in the document. The scoping process is used to explain the project to agencies and the public and identify the major issues of concern to both regulatory agencies and local citizens.

Most of the comments generally supported the project. Some of the more common specific comments submitted at these meetings included:

- Would like to see the project implemented as soon as possible.
- Concerned about privacy and electronic toll collection.
- Would like to see what effect this will have on air quality.
- Concerned about how tolling impacts low-income families.
- Encouraged by the potential reduction in congestion.
- Increase the number of buses and bus routes.
- Like the plans for the electronic signage.

We held a separate scoping meeting for federal, state and local agencies, as well as Native American tribes on August 6, 2008, at the WSDOT Urban Corridors Office in downtown Seattle. We mailed letters on July 24, 2008, to

all the agencies and tribes that have jurisdiction or possible interest in the project inviting them to this meeting. The letter also stated that if interested parties could not attend the meeting, written comments were welcome. Several municipalities attended the meetings. No Native American tribes attended the scoping meeting. We did receive feedback from a Muckleshoot Indian Tribe staff person over the phone. Her primary concern was the potential effect of additional lighting on fish in Lake Washington.

Details about the public and agency scoping meetings, including all comments received and responses to those comments, can be found in the *SR 520 Urban Partnership Variable Tolling Project Scoping Report* located in Appendix G.

Other Outreach

The 520 Tolling Implementation Committee conducted additional public outreach between June and December 2008. The Committee solicited feedback from the public on several SR 520 tolling concepts, including tolling SR 520 in 2010 as proposed by this project. Rather than conduct an extensive parallel public outreach program to ask similar questions, we instead relied on the outreach efforts of the Committee.

The Committee conducted 9 open houses, 10 public meetings, and numerous presentations to over 20 local jurisdictions. More than 16,000 people visited the Committee's website, over 700 attended an open house, and 13,000 submitted comments or took an on-line survey to share their opinions on tolling options for the SR 520 corridor. In addition, the Committee conducted a statistically valid, random-sample telephone survey with results very similar to those received from the 8,000 people who took the on-line survey. Their surveys found:

What is the 520 Tolling Implementation Committee?

The 520 Tolling Implementation Committee was created by the state legislature in 2008 and comprised of the Executive Director of the Puget Sound Regional Council, the Washington State Transportation Secretary, and a Washington State Transportation Commissioner.

The Committee was responsible for gathering input from the public, evaluating diversion of traffic from SR 520 to other transportation corridors, evaluating different tolling technology, exploring opportunities to partner with businesses to reduce congestion and contribute to funding the project, and reporting to the governor and legislature by January 2009. Detailed information can be found on the Web at www.build520.org.

- Three-fifths of the respondents supported tolling the Evergreen Point Bridge as a means of paying for a portion of future corridor improvements.
- When respondents learned that electronic tolling means vehicles travel at normal speeds through the toll area, a third or more were much more likely to support tolling the Evergreen Point Bridge.
- More than half supported beginning tolling of the existing Evergreen Point Bridge in 2010 when they knew that such early tolling will result in lower tolls and financing costs.
- About half supported beginning tolling of the existing Evergreen Point Bridge in 2010 when they knew that such early tolling will result in faster travel speeds on the Evergreen Point Bridge.
- Most supported variable rate tolling, and it was even more appealing when respondents knew that the toll rates during off-peak times will be about half of peak toll rates.

Outreach to Low-Income and Minority Populations

As mentioned above, the 520 Tolling Implementation Committee hosted a number of open houses. The Committee ran advertisements in the following newspapers to engage low-income and minority people:

- *Northwest Asian Weekly* (English language publication that serves an Asian-American audience)
- *Siete Dias* (Spanish language publication, translated advertisement)
- *The Seattle Medium* (targeting African-American audiences)
- *Northwest Observer* (targeting African-American audiences)

Placards advertising the open houses were placed on 1,300 King County Metro and Sound Transit buses.

In November and December of 2008, the Committee public involvement team held interviews with agencies that serve low-income and minority people. They initially sought to interview 10 to 12 agencies that serve low- and moderate-income people, but many of the agencies contacted declined the opportunity. The Committee public involvement team was successful in interviewing these agencies:

- Catholic Community Services
- King County Housing Authority
- YWCA of East King County

We also considered feedback documented in summaries of meetings that the SR 520 Bridge Replacement and HOV Project outreach team conducted with social service agencies in 2004 and 2006. These organizations included:

- Circle of Friends
- Foundation for International Understanding through Students
- Fremont Public Association
- University of Washington Ethnic Cultural Center and Theater Complex

In addition, we reviewed comments submitted by Hopelink in 2006 for the SR 520 Bridge Replacement and HOV Project Draft EIS.

The *Environmental Justice Discipline Report*, Appendix D of this document, includes summaries from the meetings with social service agencies and the public comments from Hopelink.

In general, the outreach to low-income and minority populations indicated varied support for tolling SR 520 among these groups. Of the comments received that did

not support tolling, most concerned not being able to afford the tolls. Also, most thought that transit was not a good alternative to paying the toll, but that un-tolled routes were viable. Comments were also received indicating that discounts for low-income users would make tolling more fair.

Chapter 4 Project Description

Chapter 4 describes the features and details of the proposed Variable Tolling Project. It also describes how the project will be built and various permits and approvals that will be required.

Existing truss structure on Evergreen Point Bridge

What are the features of the project?

The SR 520 Variable Tolling Project includes several components:

- A single, two-way mainline tolling location on SR 520.
- Vehicle-mounted transponders.
- Signs on routes approaching the tolling location.
- A customer service center with storefronts on both sides of Lake Washington.

Tolling Location

Example of gantry structure that could be used on the Evergreen Point Bridge

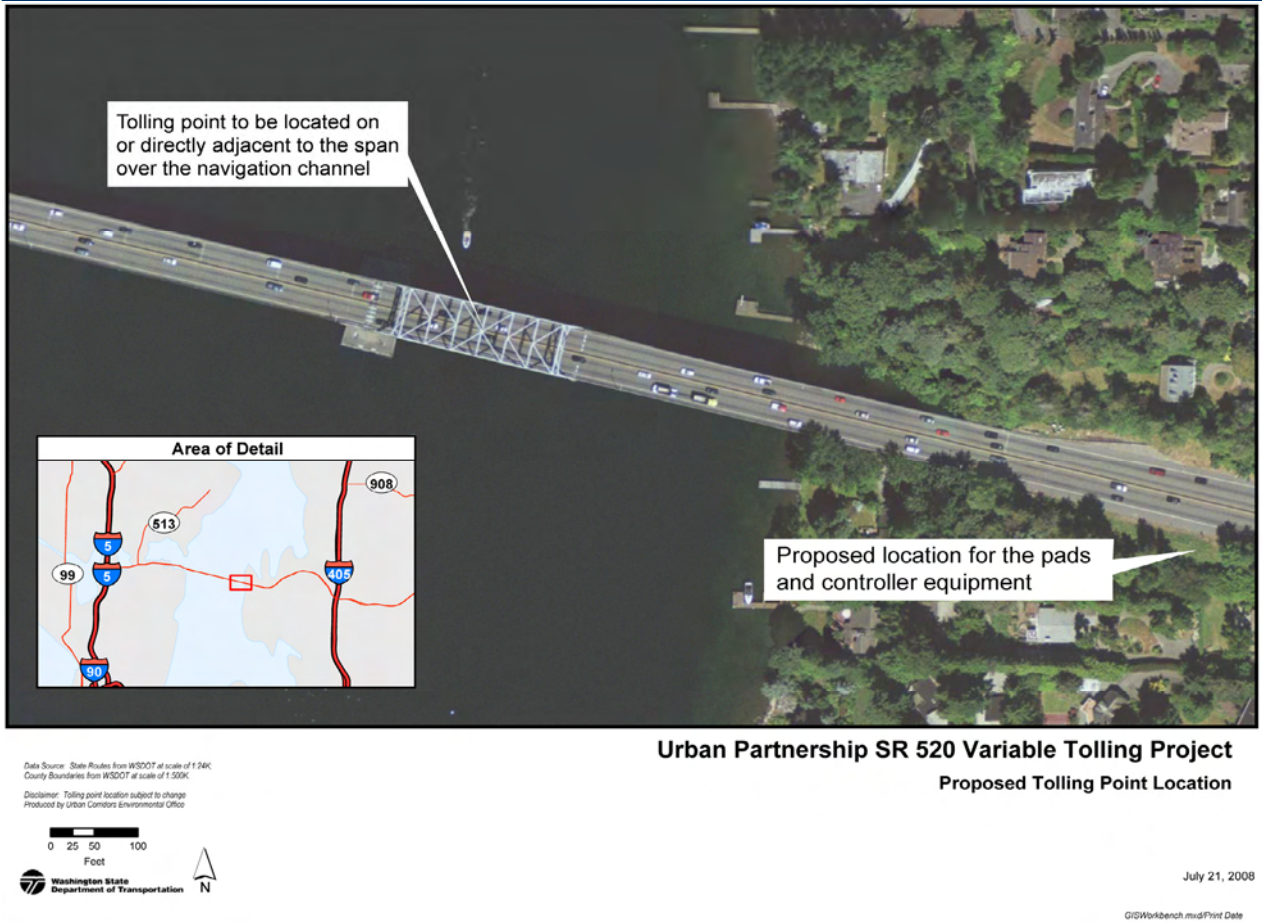
The project will place tolling equipment on the eastern end of the bridge either on the existing truss structure, or on a separate set of gantries near the truss structure. Tolling equipment will include overhead signs on the bridges for each direction of travel, an overhead automobile detection device, antennas, and other equipment that will read in-vehicle transponders, video cameras over each lane to capture license plate images, and either visible or infrared lighting.

In addition, roadside concrete pads, totaling approximately 150 square feet in area, with controller cabinets will be located on the east side of the lake just south of SR 520 in WSDOT right-of-way. A backup generator, or simply a generator transfer switch for

connection to a portable generator, will be included in case of power outages.

The proposed locations of the tolling equipment and the pads are shown in Exhibit 4-1.

Exhibit 4-1
Proposed Locations of the Tolling Equipment



Transponders

WSDOT will encourage drivers to obtain a transponder to place in their vehicle that is linked to a prepaid *Good To Go!*™ account. They will receive statements for their use of the bridge. This system is being used on both the Tacoma Narrows Bridge and the SR 167 High-Occupancy Toll (HOT) Lanes Pilot Project. Those without *Good To Go!*™ accounts will automatically have their license plate photographed and a bill sent to the address of where the

Windshield transponder

vehicle is registered. A surcharge will be added to the toll.

Signs

Signing along the corridor will be installed to inform drivers that they are approaching a tolled facility and identify the location of the last free exit. There are many options for the type and locations of the signing to be posted. For example, the toll rate could be posted, the price for the type of vehicle could be posted, the locations of the last opportunity to exit before being charged a toll could be posted, etc. We are currently studying these options and will make a decision before we implement tolling on SR 520. This decision will not affect the transportation analysis.

Customer Service Center

The customer service center maintains customer account and transaction information for those customers using the toll facility. Customers with *Good To Go!*™ accounts will have the amount of the toll debited directly from their accounts. Customers without *Good To Go!*™ accounts will be invoiced based on license plate information. Customers may access their accounts or make payments during business hours via walk-in storefronts, which will be located on both sides of Lake Washington, or 24 hours a day via telephone and the Internet. WSDOT is also evaluating whether the use of mobile units or retail locations will provide greater access to opening and maintaining accounts. WSDOT plans to migrate all current *Good To Go!*™ accounts to the new customer service center at some point to provide a single, integrated statewide center for all WSDOT tolling operations.

What is variable tolling and how will it reduce congestion?

Variable tolling can be defined as varying the price of tolls throughout the day to manage demand. This

reduces congestion by providing an incentive for drivers to change their behavior. For example, setting higher toll prices during the peak hours will encourage travelers to use an alternate route, an alternative mode of transportation, an alternate time of day, or eliminate trips altogether, which in turn will relieve congestion on SR 520 during peak periods.

WSDOT will collect tolls on SR 520 using electronic toll collection, which means no toll booths, no lines, and no delays for travelers since they will not have to stop and pay. This is similar to the way WSDOT collects tolls for the HOT lanes on SR 167 and a payment option for travelers using the Tacoma Narrows Bridge. The difference from these examples, however, is that electronic toll collection will be the only option for users of the Evergreen Point Bridge.

What toll rates are being considered?

Although the actual toll rates have not been determined, WSDOT developed two tolling scenarios that we used for this analysis. These scenarios represent the low and high ends of the range of likely toll rates. The low toll scenario represents an average one-way toll of $1.70, with daily rates between $1.00 and $2.95 depending on the time of day. The high toll scenario represents an average toll of $2.36, with daily rates between $1.50 and $3.80. All of these toll rates are expressed in 2007 dollars.

When and how will the project be built?

Currently our proposed construction schedule includes several elements. The first is to develop documents that request proposals from companies to build the project. We will complete this in early to mid-2009. Next, we will give the notice to proceed for construction in mid- to late-2009, and the project should be complete and opened in

mid- to late-2010. We expect construction to take approximately six months.

Prior to construction activities on SR 520, the WSDOT will require that the contractor install:

- High-visibility construction fencing to mark any sensitive areas located within the construction limits.
- Appropriate temporary erosion and sediment control measures in work areas prior to beginning construction activities. These measures will be monitored by WSDOT and the contractor for effectiveness throughout construction.

Installing tolling equipment above the roadway, building associated control equipment off the shoulder, and installing communications lines to connect the new system into the regional communications network will involve the following construction activities:

- Surveying the site to identify right-of-way limits, electrical and communication demarcation points.
- Clearing and grading areas adjacent to the existing highway where the tolling controller equipment will be located. WSDOT standard specifications, permit requirements and weather conditions (dry season or wet season) will limit the amount of clearing and open grading that can occur at any one time.
- Constructing the concrete pad upon which the control equipment will be mounted and installing the control equipment, transformer and backup generator on the concrete pad.
- Constructing the maintenance driveway to access the roadside equipment and the new electrical service. The driveway will be constructed of a pervious material like gravel. The new electrical service will be installed by the local utility company in coordination with WSDOT.

- Trenching in the south-side right-of-way east of the bridge structure and installing conduit to existing communications installations and the new electrical service.
- Installing conduit on the outside of the bridge, to connect over-lane equipment to the ground-mounted controllers.
- Running fiber optic lines and electrical conductors through the conduit. These will be connected on each end to create power and communications links to the new equipment.
- Installing lighting, cameras, and transponder readers overhead on the truss structure, over each lane.

The following final construction activities will be needed to complete the project:

- Testing the new equipment.
- Restoring roadside vegetation.
- Removing temporary erosion and sediment control measures and high-visibility construction fencing.

How will WSDOT let the public know about construction updates?

WSDOT will use the following techniques to provide people information regarding project construction activities:

- Updating project websites that report construction activities and the main SR 520 project Web site regularly
- Sending people messages using the existing SR 520 E-mail distribution list and other WSDOT e-mail lists
- Distributing media alerts to notify the media
- Ensuring that any road closures and detours are prominently signed

What permits and approvals will be required to build the project?

WSDOT will obtain the following permits and approvals for the project:

State

- Washington Department of Fish and Wildlife
  - Hydraulic Project Approval
- Washington State Department of Ecology
  - Coastal Zone Management Program Consistency Certification

Local

- City of Medina
  - Noise Variance
  - Shoreline Substantial Development Permit
  - Critical Areas Review

What are Critical Areas?

Critical Areas include wetlands, frequently flooded areas, critical recharge areas for local aquifers, geologically hazardous areas and fish and wildlife habitat conservation areas.

All cities and counties in Washington are required to adopt Critical Area regulations as stipulated by the Growth Management Act of 1995 (amended).

Chapter 5 The Environment: Existing Conditions, Project Effects, and Mitigation

Chapter 5 describes the existing conditions, project effects, and proposed mitigation for the social, economic, transportation, and environmental resources along the SR 520 project corridor.

Transportation

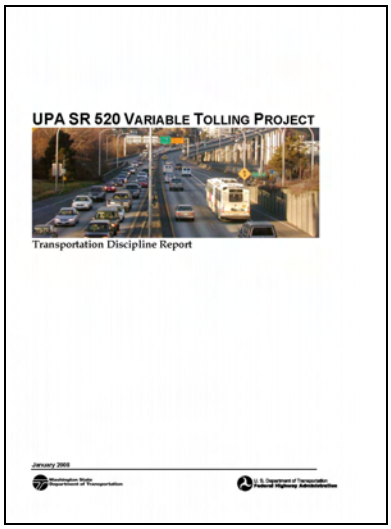
SR 520 connects Seattle on the west side of Lake Washington with Medina, Hunts Point, Yarrow Point, Clyde Hill, Kirkland, Bellevue, and Redmond on the east side of the lake and, therefore, serves as a critical connection for people crossing Lake Washington. Because SR 520 connects major communities in the state, WSDOT considers it a highway of statewide significance.

In addition, the transportation system around Lake Washington is a complex system of interconnected highway and freeway facilities. There are currently only three major roadways providing access between the east and west sides of Lake Washington: SR 520, I-90, and SR 522. These east-west corridors are connected by two major freeways running in the north-south direction: I-405 and I-5, east and west of Lake Washington.

This project will implement a multi-lane tolling system on the existing Evergreen Point Bridge, which is described in Chapter 4. We analyzed different tolling strategies and prices to determine the effects on traffic in the region. A detailed explanation of this analysis can be found in the *Transportation Discipline Report* located in Appendix E. Below is a summary of our transportation effects analysis.

How will the project affect traffic?

Methods and Analysis


UPA SR 520 VARIABLE TOLLING PROJECT
Transportation Discipline Report

We analyzed SR 520 and other major roadways in the area (I-405, I-5, I-90, and SR 522) to understand how the SR 520 Variable Tolling Project would affect future travel demand and operational performance on these roadways. We looked at 2010, which is when this project will begin, and 2016, the date currently planned for completion of a new six-lane Evergreen Point Bridge.

Because the proposed tolling will be all electronic, there will be no traffic disruptions such as those created by toll plazas. Therefore, the effects of the tolling within the project area relate to the change in the 'cost' of the route rather than to physical changes, such as a toll plaza. Since the toll rates have not been established, we analyzed these effects assuming both a low and a high price for the toll to understand the range of potential effects. The low and high toll scenarios are described in Chapter 4 of this document.

Projected future regional population and employment growth in the region will increase travel demand compared to existing conditions. We analyzed these future changes in travel patterns using the Puget Sound Regional Council's Transportation Planning Model (a regional travel demand model), which includes King, Pierce, Snohomish, and Kitsap counties. We used this model to forecast the future traffic volumes for 2010 and 2016 and to determine the traffic diversion from SR 520 onto other cross-lake routes, such as I-90 and SR 522, when the Evergreen Point Bridge is tolled.

This regional model is a very good tool for comparing the relative effects on travel choices resulting from the different toll scenarios and alternatives at a regional level. However, this model is not detailed enough for predicting what might occur at a particular interchange or local intersection. The model runs we used for our analysis allow us to make relative observations about

potential changes in travel patterns using the major highways in the network.

Total Cross-Lake Travel Volumes

Currently, all routes that cross or go around Lake Washington operate poorly during peak periods due to congestion; these routes include SR 520, I-90, and SR 522. Once the tolls are in place on SR 520, we estimate the reductions in the total number of cross-lake trips on all routes combined (as compared with the no toll scenario or No Build Alternative) will be:

- **2010 Low Toll Scenario:** 3 percent for the morning peak and 4 percent for the afternoon peak.
- **2010 High Toll Scenario:** 5 percent for both morning and afternoon peaks.
- **2016 Low Toll Scenario:** 3 percent for the morning peak and 4 percent for the afternoon peak.
- **2016 High Toll Scenario:** 3 percent for the morning peak and about 4 percent for the afternoon peak.

What are peak period volumes?

For this analysis, when we refer to peak period volumes we are talking about peak period bi-directional volumes. These are the sum of the a.m. and p.m. hourly volumes throughout the duration of the peak (6 a.m. to 9 a.m. in the morning and 3:00 p.m. to 6:00 p.m. in the afternoon) in both directions of travel.

This reduction in cross-lake traffic during the peak periods can be attributed either to people deciding to change the time of day of their trip (to avoid peak hours and the consequent higher tolls and congestion), to people changing their mode of travel from private vehicles to transit, or to people deciding not to make the cross-lake trip altogether.

Additionally, a system-wide analysis performed as part of the Tolling Implementation Committee *Tolling Report Prepared for the Washington State Legislature,* January 28, 2009 showed that the regional transportation network, (that is, beyond the limits of our study area) is relatively unaffected by the proposed tolling on SR 520.

Traffic on SR 520

The reduction in total cross-lake traffic can be attributed to the relatively large reduction in peak period volumes

specifically on SR 520 when compared with the No Build Alternative. We expect the reduction in peak period volumes on SR 520 due to people choosing other routes, changing to transit, or deciding not to make the trip across the lake will be:

- **2010 Low Toll Scenario:** 11 percent for the morning peak and 14 percent for the afternoon peak.
- **2010 High Toll Scenario:** 18 percent for the morning peak and about 17 percent for the afternoon peak.
- **2016 Low Toll Scenario:** 11 percent for the morning peak and about 12 percent for the afternoon peak.
- **2016 High Toll Scenario:** 14 percent for the morning peak and 13 percent for the afternoon peak.

This reduction in traffic will ease some of the increasing congestion expected on SR 520 by 2010 and 2016 compared to the No Build Alternative.

The results from the Puget Sound Regional Council model runs indicate that SR 520 will benefit—in terms of operational performance—from the tolling implementation as well. The reduction in traffic on this route will in turn yield better speeds and travel times. See Exhibit 5-1 for 2010 and Exhibit 5-2 for 2016.

Exhibit 5-1
Year 2010 Speeds and Travel Times

		Speeds Percentage Difference with No Build Alternative		**Travel Times** Percentage Difference with No Build Alternative	
		AM	**PM**	**AM**	**PM**
SR 520	Low Toll	18%	38%	-14%	-25%
	High Toll	17%	38%	-13%	-25%

Exhibit 5-2
Year 2016 Speeds and Travel Times

		Speeds Percentage Difference with No Build Alternative		Travel Times Percentage Difference with No Build Alternative	
		AM	**PM**	**AM**	**PM**
SR 520	Low Toll	18%	45%	-14%	-28%
	High Toll	18%	45%	-14%	-28%

Because traffic volumes will be reduced, we expect travel speeds to improve on SR 520 from 5 mph to 15 mph, depending on the peak period for both 2010 and 2016. This increase in average speed results in shortened travel times along the corridor by as much as 28 percent during the 2016 evening peak period.

The smaller differences in performance measures such as speeds and travel times observed between the low and high toll scenarios are likely due to the smaller difference between the high and low toll scenarios compared to the no toll (No Build) and low toll scenario. There is a 100 percent increase in cost from the no toll to the low toll scenario, whereas from the low to the high toll scenario the increase in cost is only 29 percent.

Traffic on Alternative Routes

As previously stated, the total cross-lake traffic is likely to decrease between three percent and five percent depending on the peak period. Therefore, the alternative routes (SR 522 and I-90) would only see a small increase in traffic in comparison with the No Build Alternative. For SR 522—and depending on the peak period and the tolling alternative—this increase will vary between one percent and three percent in 2010 and between one percent and four percent in 2016. For I-90—and also depending on the peak period and tolling alternative being considered—the traffic growth due to diversion

will range between one percent and three percent in 2010 and zero percent to three percent in 2016.

These small differences mean that levels of congestion on SR 522 and I-90 would be very similar to those which exist today.

How will the project affect safety?

WSDOT performed a safety analysis for the SR 520 corridor that looked at accident records between 2000 and 2002. WSDOT identified the following four locations along the corridor as high-accident locations during the three- year study period (Exhibit 5-3):

- SR 520 mainline near the I-5 interchange between mileposts 0.00 and 0.31.
- SR 520/Montlake Boulevard interchange westbound on-ramp between mileposts 0.00 and 0.22.
- SR 520/Montlake Boulevard interchange eastbound on-ramp between mileposts 0.0 and 0.42.
- SR 520/Lake Washington Boulevard westbound off-ramp between mileposts 0.07 and 0.27.

Exhibit 5-3
High Accident Locations on SR 520

The exposure to accident risk on a roadway is directly proportional to the average daily traffic. Because we expect a reduction in average daily traffic on SR 520 after tolling is implemented, the average exposure to accident risk on SR 520 will also be reduced. Thus, we expect the project to increase safety along SR 520.

The amount of additional traffic using SR 522 or I-90 after a toll is implemented will be small in relative (percent) terms. Therefore, we do not expect an increase in the exposure to accident risk on the other major roadways surrounding the lake beyond the natural increase that the no toll scenario (No Build Alternative) may produce by 2010 and 2016.

How will project construction affect traffic?

Motorists traveling along SR 520 will experience some disruptions and inconvenience. Construction will require temporary lane reductions or closures. WSDOT and its contractor will work together to ensure the maximum access through and around the project during construction. Lane closures will typically be restricted to nighttime hours.

These disruptions and inconveniences are minimized because much of the project will be constructed away from the roadway, off of the eastbound SR520 shoulder. Most, if not all, construction equipment will operate from the shoulder, and will not require lane closures.

Lane closures will be required in order to mount equipment above each lane. This work will occur during nighttime hours. Further closures may be required to adjust equipment during testing.

The amount of construction truck traffic will be minimal due to the limited extent of construction. Construction traffic will access most work areas from eastbound SR 520. Some vehicles will use westbound SR 520, as well as the Montlake Blvd. interchange and 108th Ave NE interchange in order to turn around.

How will construction effects on traffic be reduced?

WSDOT and its contractor will work together on the construction timing and sequencing to ensure the maximum access through and around the project area during construction. Some construction may be timed to avoid, as much as possible, the primary business hours at certain locations and special events. WSDOT will meet with individual businesses, local cities, and King County, as needed, to develop a plan that minimizes construction disruptions. The contractor will develop a traffic control plan that conforms to the established standards in the *Manual of Uniform Traffic Control Devices, Part VI* as well as any hour and/or date restrictions stipulated by WSDOT.

Social Resources

How many people are in the area and how is the area expected to grow?

According to the U.S. Census Bureau, the City of Seattle grew 9.1 percent from 516,259 in 1990 to 563,376 in 2000, while the City of Bellevue grew 26.1 percent (from 86,874 to 109,827). Together, Seattle and Bellevue comprise 37.2 percent of King County's total population. Exhibit 5-4 shows recent (2000 to 2007) population statistics for major cities and smaller municipalities that will be affected by the project.

According to forecasts prepared by the PSRC, King County is expected to grow by 38.2 percent between 2000 and 2040. An overview of the Puget Sound Regional Council's population forecasts for the major municipalities of Seattle, Bellevue,

Exhibit 5-4
Population Characteristics

	2000**	2007**	Percent Change 2000 to 2007
Bellevue	109,827	118,100	7.5%
Kirkland	45,054	47,890	6.3%
Redmond	45,256	50,680	12.0%
Seattle	563,376	586,200	4.1%
Clyde Hill	2,890	2,810	-2.8%
Hunts Point	443	480	8.4%
Medina	3,011	2,950	-2.0%
Yarrow Point	1,008	975	-3.3%
King County	1,737,034	1,864,300	7.3%
Puget Sound Region	3,275,857	3,582,900	9.4%

Source: U.S. Census Bureau, Puget Sound Regional Council

**Figures from 2000 are actual numbers from the Decennial Census, while figures from 2007 are estimated by the U.S. Census Bureau.

Kirkland, and Redmond, as well as King County, are provided in Exhibit 5-5.

Exhibit 5-5
Population Forecasts for Major Cities

	2000	2010	2030	2040
Bellevue FAZ**	104,003	111,004	137,692	149,219
Kirkland FAZ	44,009	47,758	54,848	56,809
Redmond FAZ	71,726	90,352	104,721	112,507
Seattle FAZ	563,313	586,365	672,441	718,651
King County FAZ	1,737,034	1,892,999	2,234,775	2,401,521

Source: Puget Sound Regional Council: Sub-County Forecasts, Amended 2007

**FAZ = Forecast Analysis Zone, which do not necessarily correspond to municipal boundaries.

What effects will the project have on social resources?

Due, in part, to the large amount of growth described above, congestion along SR 520 is expected to increase. The implementation of variable tolling on SR 520, compared to the No Build Alternative, will reduce traffic congestion during peak hours, thus improving travel reliability and reducing travel times. However, tolling on SR 520 will likely divert a small percentage of the traffic to nearby travel routes; most of this traffic will be redirected to I-90, I-405, and SR 522. We do not expect these small increases from diverted traffic to affect community cohesion. Further, the project will not construct any walls, separations, or barriers that would divide or separate communities.

What are public services and where do they exist in the project area?

Public services include fire and police protection, schools, and emergency services. Exhibit 5-6 shows the locations of public services in and around the project area.

Seattle Fire Station #22

What effects will the project have on public services?

Increased mobility, increased reliability, and decreased travel times along SR 520 will benefit emergency service

providers who use the roadway as an emergency service route and improve access to any public service facilities located along SR 520. Conversely, a slight decrease in mobility along routes that will accommodate diversion traffic could affect emergency services by slightly increasing response times. We expect this effect on emergency response times to be minor. Public service providers will need to pay a toll to use the Evergreen Point Bridge; however, in the case of emergencies, the toll is refunded to the provider.

Exhibit 5-6
Public Services

How will construction effects on public services be minimized?

WSDOT will coordinate in advance with emergency services, law enforcement, public service providers, and schools regarding planned detours and delays. WSDOT

will fully explain the project and familiarize them with the construction traffic plan that will be used. Additionally, WSDOT will regularly update project websites that report construction activities and the main SR 520 project website to provide information regarding construction activities and how drivers, residents, and businesses will be affected. WSDOT will require that road closures and detours are prominently signed and also widely distribute notice of changes to media covering the project area. WSDOT will coordinate with local emergency responders to ensure priority access for emergency and law enforcement vehicles.

What recreational areas are located near the project area?

Of the parks located immediately adjacent to SR 520, six are located in Seattle and four on the eastside of Lake Washington. Exhibit 5-7 lists these parks and recreational facilities located along SR 520.

Exhibit 5-7
Parks and Recreational Facilities Along SR 520

Washington Park Arboretum	Seattle
Bagley Viewpoint	Seattle
Interlaken Park	Seattle
East Montlake Park	Seattle
Montlake Community Center and Playfield	Seattle
McCurdy Park	Seattle
Hunts Point Park (D. K. McDonald Park)	Hunts Point
Fairweather Park	Medina
Wetherill Nature Preserve	Hunts Point and Yarrow Point
Yarrow Bay Wetlands	Kirkland

Wetherill Nature Preserve in Hunts Point.

Three trails fall within the project area: the Bill Dawson Trail (Montlake Bike Path) heads north from the Montlake Playfield in Montlake Park and travels underneath SR 520; the Arboretum Waterfront Trail starts in the north part of Washington Park Arboretum, crosses underneath SR 520, then heads west to East Montlake Park; and the Points Loop

Trail is east of Lake Washington, adjacent to SR 520 on the north.

Will the project affect any recreational areas?

The SR 520 Variable Tolling Project will not have any effect on parks or recreational facilities.

Environmental Justice

Why is it important to consider Environmental Justice during planning?

Environmental Justice acknowledges that the quality of our environment affects our lives, and negative environmental effects should not disproportionately burden low-income or minority communities.

Negative environmental effects associated with transportation projects may include, among others: limited access to a publicly-funded facility, disruptions in community cohesion, presence of hazardous materials, raised noise levels, or increased air or water pollution.

What studies did we complete for this analysis?

We used four approaches to collect data on low-income and minority populations:

- Demographic analysis
- Surveys of Evergreen Point Bridge users
- Focus groups and telephone interviews with Evergreen Point Bridge users
- Public involvement activities

We also collected data on limited-English proficient populations to ensure that our outreach efforts take into account the potential need for translation. Based on the results of our data collection, surveys were translated

What federal orders and policies guide Environmental Justice?

Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations in 1994 was issued to reinforce the importance of fundamental rights and legal requirements contained in Title VI of the Civil Rights Act of 1964, as amended, and NEPA.

Each federal agency issued implementing orders. The USDOT (USDOT Order 5610.2) and FHWA (FHWA 6640.23) orders require federal agencies to explicitly consider human health and environmental effects related to transportation projects that may have a disproportionately high and adverse effect on minority or low-income populations.

Executive Order 13166 compels agencies to evaluate the effects of projects on people with limited-English proficiency (LEP), in order to avoid discrimination on the basis of national origin.

Other federal laws, such as the National Environmental Policy Act (NEPA), Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, the Civil Rights Restoration Act of 1987, and the Transportation Equity Act (TEA-21) also include the nondiscrimination requirements outlined in Title VI.

into Spanish. For more information on how we collected information on bridge users, see Appendix D of this EA.

Why is public involvement important?

Public involvement is important so all the public, especially low-income or minority populations potentially affected by a project, have meaningful opportunities for involvement during project planning and development. Public involvement helps identify project impacts as early as possible so that they can be avoided and/or mitigated. Public involvement can include neighborhood meetings, open houses, and booths at community festivals.

What neighborhoods may be affected by the project?

Neighborhoods that have the potential to be affected by the project include:

- Neighborhoods from which traffic on the Evergreen Point Bridge originates.
- Neighborhoods surrounding the Evergreen Point Bridge.
- Neighborhoods surrounding untolled alternate routes that may be used by drivers who want to avoid paying the toll on the Evergreen Point Bridge. These include neighborhoods surrounding SR 522 north of Lake Washington and the I-90 Bridge.

Neighborhoods from which traffic on the Evergreen Point Bridge originates

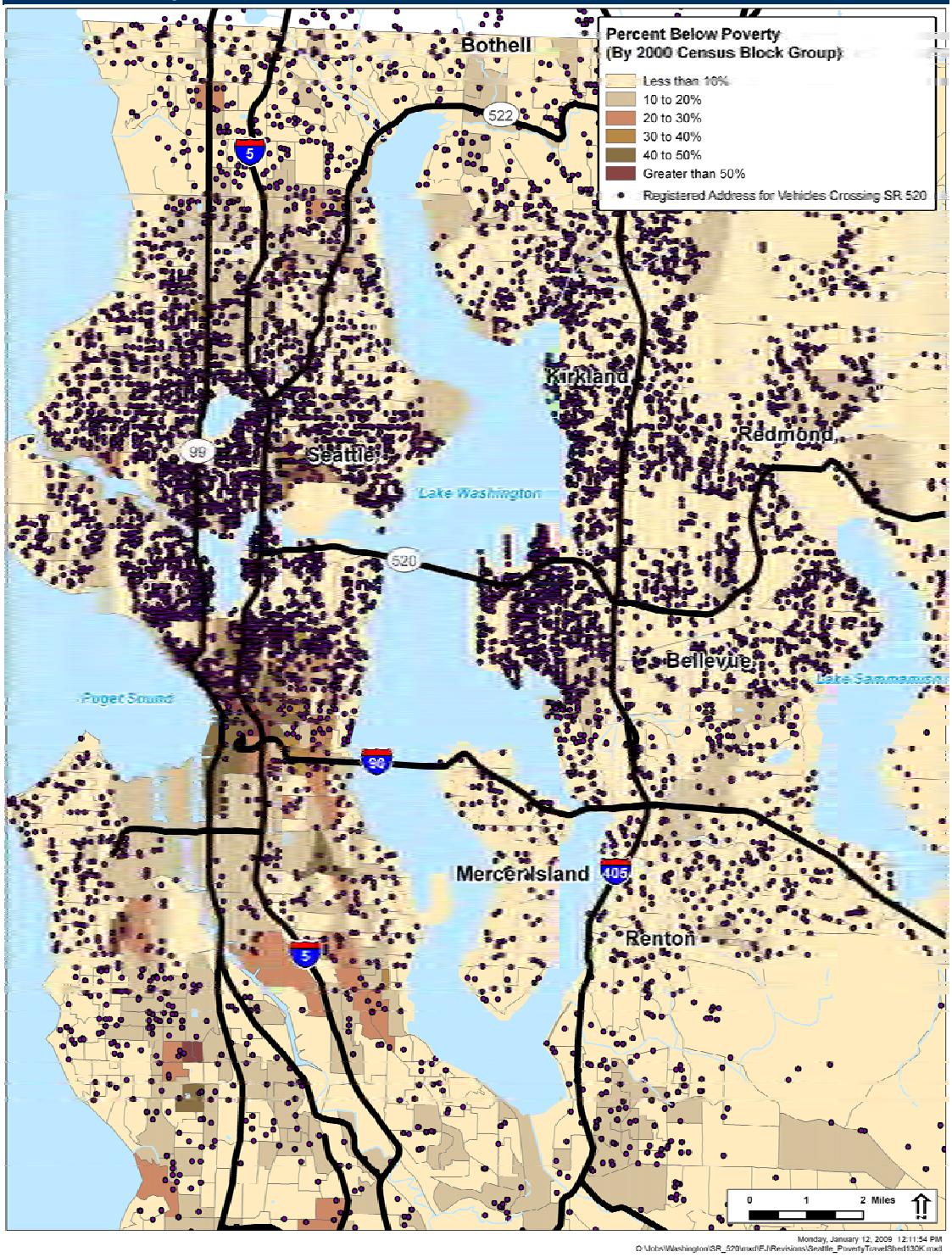
The tolling of the existing Evergreen Point Bridge will affect users of the facility as much as it will affect people living and working near the facility. To identify Evergreen Point Bridge users, we examined the communities from which trips on the Evergreen Point Bridge originate. Residents within the SR 520 travelshed are comprised of low-income and/or minority populations, and non-low-income and/or non-minority populations (see Exhibit 5-8).

What is a Travelshed?

A travelshed refers to the geographic area from which traffic on a given facility originates.

Our demographic analysis indicates that 8.8 percent of households in the SR 520 travelshed have incomes below the federal poverty level and 28 percent are minority, according to the 2000 U.S. Census. Based on this information, it is probable that at least some of these households use the Evergreen Point Bridge.

Exhibit 5-8
Low-income Populations in Travelshed



In our telephone survey of Evergreen Point Bridge users, we spoke with 318 low-income and/or minority respondents. Seventy-one of the 318 respondents had household incomes below the federal poverty level. In our intercept survey of transit users on the Evergreen Point Bridge, 107 of the 442 respondents were low-income and/or minority. Twelve of those 107 had household incomes below the federal poverty level.

Neighborhoods surrounding the Evergreen Point Bridge

There are low-income and minority populations living in the neighborhoods surrounding the Evergreen Point Bridge. We made this determination after reviewing the demographic analysis completed for the Environmental Justice analysis for the SR 520 Bridge Replacement and HOV Project Draft EIS. For this analysis, the Environmental Justice study area was defined as the polygon created on an area map by applying a one-mile buffer around these two sections of highway:

- SR 520 from the I-5 interchange in Seattle east to the 124th Avenue NE interchange in Bellevue.
- I-5 from the SR 520 interchange south to the Boylston Avenue East on-ramp to I-5.

While most of the census block groups in this study area have low concentrations of low-income and minority populations, there are relatively high concentrations of low-income populations in a few census block groups in the University District and in the South Lake Union neighborhoods in Seattle. There are also relatively high concentrations of minority populations in the Crossroads neighborhood in Bellevue.

Neighborhoods surrounding untolled alternate routes

Because one potential effect of tolling the Evergreen Point Bridge is that traffic may increase on untolled

routes (such as I-90 or SR 522), it is important to examine the communities surrounding non-tolled alternate routes.

According to our demographic analysis of census block groups in neighborhoods surrounding the SR 522 corridor, nearly 10 percent of residents had household incomes below the federal poverty level. The percentage of residents in each block group with household incomes below the federal poverty level ranged from 2 percent to 31 percent. Twenty-three percent of residents were minority and 5 percent were Hispanic. The percentage of residents in each block group who were minority ranged from 10 percent to 57 percent, and the percentage of residents who were Hispanic ranged from 1 percent to nearly 15 percent.

The term Hispanic is used by the U.S. Census Bureau for anyone who is of Hispanic origin, regardless of race.

There are also low-income and minority populations living in the neighborhoods surrounding I-90 between I-5 and I-405. The majority of these populations are concentrated in the neighborhoods at the western end of the I-90 Bridge. According to our demographic analysis of census block groups occurring by the I-90 Bridge, nearly 15 percent of residents had household incomes below the federal poverty level in 2000. The percentage of residents in each block group with household incomes below the federal poverty level ranged from 0 percent to 49 percent. Nearly 42 percent of residents were minority and nearly 6 percent were Hispanic. The percentage of residents in each block group who were minority ranged from 4 percent to 78 percent, and the percentage of residents who were Hispanic ranged from 1 percent to nearly 25 percent.

The U.S. Census Bureau provides statistics on minority and poverty status for block groups in the study area. However, because the data is almost ten years old (data for the 2000 Census was collected in 1999), data from the National Center for Education Statistics (NCES) further confirmed the presence of minority and low-income populations. NCES collects demographic data on students enrolled in school during the 2006-2007 academic year.

What are the potential effects of the project?

There are two ways in which project operation will benefit all users, including low-income and minority populations, compared to the No Build Alternative:

- People who drive across the Evergreen Point Bridge will benefit from improved speeds for all vehicles and trip reliability as a result of fewer cars on the bridge.

- With fewer cars on the Evergreen Point Bridge, transit riders, including low-income and minority riders, will benefit from improved transit speeds and reliability.

There are three ways in which the project will adversely affect low-income, minority or limited-English proficient populations compared to the No Build Alternative, if not mitigated:

- The cost of the tolls will present a burden to low-income bridge users.
- The cost of the tolls will present a burden to social service agencies that serve low-income populations.
- Bridge users may choose to purchase a transponder and set up an account with WSDOT to pay the toll, or have their license plate automatically photographed and receive by mail a bill for the toll with a surcharge added. Both options will present a burden to low-income and limited-English proficient Evergreen Point Bridge users.

FHWA directs WSDOT to apply two criteria to determine whether an effect is disproportionately high and adverse:

- Low-income and/or minority populations will predominately bear the effects.
- Low-income and/or minority populations will suffer the effects and the effects will be considerably more severe or greater in magnitude than the adverse effects suffered by the general population.

We determined that low-income and minority populations will not predominately bear the effects of this project. The toll will be charged to all bridge users and all bridge users may choose to purchase transponders or receive by mail a bill for the toll with a surcharge added. Even though it is not possible to determine exactly what proportion of bridge users are low-income, by looking at the travelshed map overlaid with U.S. Census data earlier in this section, it does not

appear that there are more bridge users coming from census block groups with higher proportions of low-income residents than other census block groups.

However, we did determine that the tolls on the Evergreen Point Bridge will be appreciably more severe for low-income users because they will have to spend a higher proportion of their income on the toll.

Previous analyses of tolling equity for several other projects have concluded the effect would not be disproportionately high and adverse for the following reasons:

- The benefits of improvements to trip reliability and speeds will offset the burden of the tolls.
- There are viable options to avoiding the toll. Furthermore, because low-income populations tend to use transit at a higher rate than the general population, improvements in transit speeds and reliability will offset the burden of the tolls.

While it is important to note that many low-income populations will benefit greatly from a faster, more reliable trip, Environmental Justice principles state that to offset a disproportionate adverse effect to low-income populations, the benefit also needs to disproportionately affect low-income populations. In this case, the benefits of a faster, more reliable trip apply to all people and not just low-income populations.

Although there are options for avoiding the toll, they may not be viable for many low-income bridge users. Based on the results of surveys, focus groups, and one-on-one interviews with low-income Evergreen Point Bridge users, it appears that transit is not a viable alternative to paying the toll for most low-income populations because service is infrequent, unreliable, requires several transfers, or takes too much time. Furthermore, although some national and regional studies suggest that low-income populations use transit

at a higher rate than the general population, results from our transit intercept survey suggest that transit routes on the Evergreen Point Bridge do not serve low-income populations at a higher rate than the general population.

In addition, although many survey respondents indicated that they would use un-tolled routes as an alternative to paying the toll, these routes will add substantial time, distance, and cost to the trip. The system could also limit access to the Evergreen Point Bridge for limited-English proficient populations, who may also have difficulty understanding how to purchase a transponder and set up an account.

A small amount of traffic currently crossing the Evergreen Point Bridge would use SR 522 north of Lake Washington or the I-90 Bridge instead of paying the toll on SR 520 (as documented in the Transportation Discipline Report for this project). Although there are low-income and minority populations living in the neighborhoods surrounding SR 522 and the I-90 Bridge, there should be no adverse effects on the low-income and minority populations living in these neighborhoods because there will not be a substantial amount of traffic diverting to SR 522 or I-90.

We do not anticipate that this project will have disproportionately high and adverse effects on minority populations. If reasonable mitigation strategies, such as those proposed later in this section are adopted, they will minimize disproportionately high and adverse effects on low-income and limited-English proficient populations.

What can be done to avoid or minimize adverse effects to low-income or minority populations?

If the SR 520 Variable Tolling Project is undertaken, WSDOT has already decided to employ these five strategies to help minimize adverse effects on low-income or limited-English proficient populations:

1. **Permanent customer service center storefronts:** WSDOT will establish permanent customer service center storefronts at either end of the Evergreen Point Bridge. Both locations will be transit accessible. Drivers will be able to purchase Good To Go!™ transponders and establish prepaid accounts with cash at these centers.

2. **EBT cards can be used to establish and replenish *Good To Go!*™ accounts:** Low-income Evergreen Point Bridge users will be able to establish and replenish their prepaid accounts using their Electronic Benefit Transfer (EBT) card. EBT functions like a debit card and allows recipients who receive federal benefits to pay for products and services, such as groceries and health care.

3. **Transponder retail outlets:** WSDOT will explore the possibility of establishing permanent *Good To Go!*™ retail outlets at convenient locations, such as grocery stores, convenience stores, or pharmacies throughout the region. Low-income focus group participants and Spanish-speaking interview participants indicated that this will make it much easier for them to purchase transponders and set up prepaid accounts with WSDOT.

4. **Multi-language outreach:** WSDOT will conduct outreach in multiple languages to provide information about how to purchase a transponder, establish an account, and use the system. Target languages will be the same languages that the Washington Department of Licensing uses for its translation: Chinese, Korean, Japanese, Russian, Spanish, and Vietnamese. WSDOT will also use pictograms whenever possible to explain the system. WSDOT will distribute information about the new tolling system and transponders throughout the region via community-based organizations, social service offices, churches, and schools; purchase

advertising in ethnic newspapers and radio stations; and establish hotlines with multi-lingual customer service agents well in advance of tolling.

5. **Training of social service workers:** WSDOT will provide social service agencies with information about tolling and options to avoid the tolls. This will assist social service workers in sharing accurate information with clients.

In addition, the following strategies could be considered for minimizing the effects of tolling on low-income populations. Some options may require legislative action, coordination with other agencies, or commitment of additional funding other than tolling revenue.

1. **Targeted transit improvements:** The Washington State Legislature could consider allocating additional funding to King County Metro Transit and Sound Transit to increase service along SR 520 routes that are used by low-income populations, especially in the University District and Crossroads in Bellevue. These routes could be identified by overlaying the travelshed map with King County Metro and Sound Transit route maps. Service could also be increased between low-income residential neighborhoods and job/education centers.
2. **Refunds to social service agencies:** The Washington State Legislature could allocate funding to provide refunds to social service agencies that broker transportation for low-income populations that meet certain thresholds.

For further discussion on mitigation, see Appendix D.

How will project construction affect low-income or minority populations?

No adverse construction effects are anticipated to disproportionately affect low-income or minority populations.

Economic Resources

What is the existing and projected employment in the area?

The Puget Sound Regional Council, which is the designated regional planning agency for the greater Seattle region that includes King, Kitsap, Pierce, and Snohomish Counties, releases yearly employment information by jurisdiction based on Washington State Employment Security Department data. Exhibit 5-9 displays employment information for 2007 for each jurisdiction surrounding the Evergreen Point Bridge, as well as King County and the Puget Sound Regional Planning Area.

As shown in Exhibit 5-9, Seattle has the largest population and employment numbers of any city in the region. Bellevue is second in these categories. This demonstrates the importance of an efficient transportation connection between the two cities.

What businesses located in the area surrounding the Evergreen Point Bridge may be affected?

Some types of businesses, including manufacturing and wholesale trade, transportation, and utilities, rely on their location adjacent to major transportation corridors to reduce transportation costs and maintain a competitive advantage. Also, some commercial businesses rely on locations near heavily traveled corridors to capture a large portion of their clientele. These businesses include gas stations, convenience stores, and hotels that are located adjacent to SR 520.

Regionally, the major employment centers of the University of Washington, downtown Seattle, downtown Bellevue, and the Overlake area of Redmond (Microsoft) have large numbers of employees that commute along the SR 520 corridor.

Exhibit 5-9
Population and Employment by Jurisdiction, 2007

How will the proposed project affect current and future employment trends?

Construction, operation, and maintenance of the toll facility on SR 520 will have no effect on employment trends in the region.

How will the project affect local and regional businesses that rely on SR 520?

Businesses located near the SR 520 corridor and the potential diversion routes are unlikely to see changes in revenues. Few consumers are likely to alter their transportation patterns enough to affect sales at local businesses.

Businesses that use SR 520 to deliver goods and services around the region would experience higher transportation costs due to the toll, compared to the No Build Alternative. However, these businesses would also benefit from improved trip reliability across SR 520 and a corresponding increase in productivity as a result of the project. This benefit would generally offset the higher transportation costs.

How will tolling affect local tax revenues?

Changes to sales and use tax revenues are unlikely, and overall spending habits are unlikely to change as a result of implementation of the project.

An improved transportation system and improved accessibility can help attract some business and residential development, which would increase tax revenues for affected jurisdictions. However, any improvement in congestion due to this project will likely have a negligible effect on development decisions, and therefore not have any noticeable effect on local tax revenues.

What will be done to avoid or minimize negative effects on economic conditions?

We expect no negative economic effects as a result of implementing variable tolling on the Evergreen Point Bridge. Therefore, no mitigation measures are proposed.

Surface Water, Water Quality, and Floodplains

What surface waters were analyzed?

For water resources, the analysis focuses on the eastern shore of Lake Washington, which is the only surface water body potentially affected since construction activity will be limited to this area.

What is the quality of the water in Lake Washington?

Lake Washington, at over 21,000 acres, is the largest lake in King County and the dominant water feature within the project area. The lake, long and narrow because of its glacial origins, has a drainage basin of approximately 470 square miles, much of which is residential. The lake drains into the Puget Sound via the Ship Canal.

Water quality in the lake is good for fish, wildlife, and recreational human use, but the lake is on the Washington State Department of Ecology 303(d) list for fecal coliforms (Ecology 2004). Pollutant sources for Lake Washington are typical of water bodies in urbanized areas and include runoff from commercial, industrial, and residential land uses.

What effects will the project have to surface waters, water quality, and floodplains?

The SR 520 Variable Tolling Project has relatively little ground-disturbing activity and construction needs, so localized water quality effects will be minimal compared to the No Build Alternative.

There will be very slight increases in impervious surface due to the installation of the concrete pad for the utility cabinets; however, because of the small size of the concrete pads, there will be no appreciable effect to stormwater runoff or water quality in the project area.

No construction would occur within existing floodplains; therefore, no effect will occur to floodplains.

What is groundwater and how is it affected?

Groundwater is water held underground in soil or permeable rock, often feeding springs and wells. The project will have no effect to groundwater.

What is the 303(d) list?

The 303(d) list identifies surface water body segments (lakes, streams, and ponds) with degraded water quality. Washington State Department of Ecology assembles available water quality data and publishes this list, as required under Section 303(d) of the federal Clean Water Act.

What are fecal coliforms? Fecal coliforms are bacteria present in human and animal feces. These bacteria can indicate the potential presence of harmful bacteria and viruses.

Why does impervious surface matter?

Impervious surface, such as concrete or pavement, can collect and concentrate stormwater runoff, as well as eliminate recharge areas for aquifers.

What measures are proposed to avoid or minimize effects to water resources during construction?

We will incorporate several measures into construction plans and specifications to reduce effects to water resources. These include:

- A Temporary Erosion and Sedimentation Control Plan will be prepared and implemented during construction. This plan will identify the best management practices (BMPs) that WSDOT and the contractor will use to control stormwater runoff and minimize sediment transport to Lake Washington.
- A Spill Prevention, Control, and Countermeasures Plan will be prepared according to WSDOT standards and implemented by the contractor during project construction. This plan details containment and cleanup procedures in the event of a spill of fuel or other chemicals during project construction. Effective implementation of this plan will greatly reduce the potential for release of toxic materials during construction.

Best Management Practices

Best management practices (BMPs), in terms of roadway construction water quality, refer to structural and nonstructural controls to minimize erosion and pollution. BMPs can include sediment basins, street sweeping, erosion control blankets, and seeding and/or mulching.

By implementing these measures, WSDOT will avoid or minimize construction effects to project area waters, as well as the fish and wildlife that occur in or use these waters.

Ecosystems—Wetlands, Wildlife, Aquatic Habitat

What is the local ecosystem like in the project area?

Lake Washington, including the shoreline area, is the part of the local ecosystem that could be affected by the project. Fish populations using the lake include the Endangered Species Act (ESA)-listed Chinook salmon, bull trout, and steelhead. The Lake Washington shorelines are developed with residential structures and uses along most of the shoreline length. Most of the

shoreline length has been armored to protect upland areas from erosion and this development has led to the loss of shoreline vegetation. However, numerous roost and nesting trees remain near the shorelines and are used by migratory songbirds and raptors including bald eagles.

How will this project affect the local ecosystem?

New power lines, power boxes, and monitoring equipment will run along the existing right-of-way or will hang from existing structures. Because these components will be installed in areas currently disturbed by roadway and other structures, permanent effects to the local ecosystem from their installation and operation are unlikely. Temporary effects will be limited to erosion and sedimentation resulting from soil disturbance and to disturbance resulting from construction noise compared to the No Build Alternative. These temporary effects can be minimized or avoided through the use of BMPs and timing restrictions.

Gantries with transponder readers and video cameras will create a new 24-hour light source over the water compared to the No Build Alternative. The video cameras require low-level lighting to detect the license plates of passing vehicles. Lighting from the video cameras is activated by passing vehicles and is at a low intensity to avoid startling or distracting drivers. The project will place the new lights on the Evergreen Point Bridge over deepwater habitat in a location near a sockeye salmon spawning area on the eastern shoreline of Lake Washington. Studies have shown that artificial lighting can promote early emergence from eggs and increased activity among newly hatched fish. Artificial lighting also affects predator-prey interactions among fish. Further discussion of effects caused by lighting systems on fish populations is discussed in *Ecosystems Technical Memo*, Appendix F.

Although fish and wildlife respond to lighting, there is already highway lighting on this portion of the bridge. In addition, the low-intensity video camera lights will be coincident with the higher intensity lights of passing vehicles. The effect of the new lighting will be indistinguishable from these existing light sources. Furthermore, the video camera lights will be directed toward the road deck resulting in minimal additional light reaching the surrounding environment. As a result, the new lighting installed by the project will have no effect on fish and wildlife.

The upper surface of a gantry may provide roosting or resting opportunities for birds. Seagulls (Western and glaucous-winged), Canada geese, swallows, and pigeons are known to use the Evergreen Point Bridge for resting or roosting, and large raptors (bald eagles and osprey) occasionally land on the structure. Since the gantry will provide only limited areas of flat surface, and those areas will be exposed to wind and rain, bird use is likely to be limited to short-term roosting and resting.

There are no wetlands in the area where project construction will take place; therefore, the project will not affect any wetlands.

How will construction affect vegetation, wetlands, wildlife, and fish?

Construction may generate noise and activity levels that will disturb wildlife in the area.

Temporary clearing or disturbance of vegetation will be likely limited to an area within 5 to 10 feet of the project footprint and the areas needed for staging.

If the project were to adversely affect surface water and groundwater through erosion, sedimentation, leaks, and/or spills, then these things would also adversely affect fish and fish habitat within the project area.

What will be done to minimize the effect of construction on ecosystems?

WSDOT will require the contractor to minimize the area disturbed by construction by limiting the amount of soil exposed and vegetation removed. The contractor will restore the disturbed areas to prevent erosion of exposed soils and enhance wildlife habitat.

Aerial view of the existing Evergreen Point Bridge looking west

Visual Resources

Why are visual resources considered when evaluating transportation projects?

Visual perception is an important component of environmental quality that can be affected by transportation projects. Because of the public nature and visual importance of transportation projects, both negative and positive visual effects must be adequately considered and addressed. When analyzing visual effects of a highway project, two views must be considered: the view from the road or bridge, and the view of the road or bridge.

What views can be seen within the project area?

When looking at SR 520 in the project area, the roadway alternates between sections that are at the same level as the ground around it, below ground level, and elevated above ground level on bridge structures. The Evergreen Point Bridge and roadway figure prominently in many views, and depending upon the vantage point, are a dominant part of the foreground and background.

View of the existing Evergreen Point Bridge looking west from the Eastside

The area where the project will affect visual resources is at the eastern end of the Evergreen Point Bridge. Although heavy vegetation limits views to and from SR 520 on the east side of Lake Washington, westbound drivers at the bridge approach see the Olympic Mountains in the distance on clear days and Husky Stadium and the Seattle shoreline in the middle distance. For viewers on the shoreline north and south of the bridge, the columns and roadbed

of the east approach are a dominant part of the foreground.

What will the project area look like after the SR 520 Variable Tolling Project is completed?

There will be very little visual change in the project area due to the implementation of the SR 520 Variable Tolling Project compared to the No Build Alternative.

The project will place the tolling equipment on the eastern end of the bridge either on the existing truss structure, or on a separate set of gantries near the truss structure. Tolling equipment will include overhead signs on the bridges for each direction of travel, an overhead automobile detection device, antennas, and boxes that will read the transponders, video cameras over each lane to capture license plate images, and either visible or infrared lighting.

In addition, roadside concrete pads with controller cabinets will be located on the east side of the lake just south of SR 520 in WSDOT right-of-way. A backup generator, or simply a generator transfer switch for connection to a portable generator, will be included in case of power outages.

If we install the equipment on the eastern truss structure, it will be barely noticeable to drivers on the bridge. If a gantry needs to be constructed near the eastern truss structure, that will affect the immediate foreground view as drivers approach, but will not affect any midground or background views from the bridge. All options will not be very noticeable looking toward the bridge from the shoreline or lake.

As mentioned, the project will install a new 24 hour light source on the bridge at the tolling location to detect the license plates of passing vehicles. The type of lighting will either be infrared, which would not be visible to the human eye, or visible lighting. If visible lighting is used, it will be activated by passing vehicles and will be at a

low intensity to avoid startling or distracting drivers. The low-intensity video camera lights will be coincident with the higher intensity lights of passing vehicles and the effects will be indistinguishable. In addition, the video camera lights will be directed towards the road deck resulting in minimal light reaching the surrounding environment.

The roadside equipment that will be installed will be small and likely not noticeable from the roadway by the traveling public.

What will be done to minimize visual effects of the project?

The gantry structure added to the bridge will be placed as close as possible to the existing truss structure and painted the same color to avoid foreground impacts.

If roadside equipment is noticeable, vegetative screening will be used to minimize the visual impact.

Will construction affect views?

Construction activities will temporarily affect foreground views due to construction equipment and storage piles. The equipment and storage piles used during construction will be removed upon completion of the project.

To reduce the temporary visual effects during construction, WSDOT will require the contractor to minimize the removal of existing vegetation and locate storage and staging areas in places that are not visually prominent to the extent practical. The contractor will address light and glare associated with nighttime construction activities by using downcast lighting sources.

Cultural Resources

What cultural resources are in the project area?

Our analysis of potential effects to cultural resources focused on the areas that will be physically changed or directly affected by the project. These areas included the Evergreen Point Bridge and approaches, as well as the portion of SR 520 just east of the bridge, where the control pads and cabinets will be located. The project will not have an indirect effect on cultural resources. A more detailed description of the analysis and findings can be found in the *Cultural Resources Technical Memorandum* found in Appendix F.

National Register of Historic Places (NRHP)

The NRHP requires federal agencies to identify and consider the effects of federally assisted projects on historic properties. Historic properties generally must be at least 50 years old, retain physical integrity and meet at least one of the four criteria of significance listed in the National Register Criteria for Evaluation.

Project construction on land will occur entirely in the SR 520 right-of-way, in areas previously disturbed by highway construction. Therefore, there is no potential for the project to affect archaeological historic properties.

We evaluated the Evergreen Point Bridge and approaches (also formally known as the Albert D. Rosellini Bridge) and concluded that the bridge is eligible for the National Register of Historic Places (NRHP).

Why is the Evergreen Point Bridge historically significant?

The Evergreen Point Bridge was completed and placed in service in 1963, four miles north of the first floating bridge on Lake Washington – the Lacey V. Murrow Memorial Bridge. A second floating bridge was considered by local residents as early as 1946, but it wasn't until 1960 that work on the bridge actually began. It took over two years to construct the Evergreen Point Bridge. It was the world's longest floating bridge (1.4 miles), and at $25 million, the world's most expensive. The floating section of the bridge alone cost 10.9 million. The bridge was partially financed by a thirty-five cent toll that helped pay for a forty-year, $30 million bond. The bridge was more widely used than the State Toll Bridge Authority expected: the bond was paid off 24 years early, in June 1979. The toll booths were removed

that year. When the original Lake Washington floating bridge (the Lacey V. Murrow Memorial Bridge) sank in 1990, the Evergreen Point Bridge became Lake Washington's oldest floating bridge.

Although the Evergreen Point Bridge was constructed in 1963, it is eligible for listing in the NRHP. It is eligible under Criterion C for its significance in bridge engineering and Criterion G, "a property achieving significance within the past 50 years if it is of exceptional importance" (NR Bulletin, How to Apply the National Register Criteria for Evaluation). The bridge will be 50 years old in 2013.

Will the project have adverse effects on the Evergreen Point Bridge?

Installation of the tolling equipment on the truss structure will constitute no adverse effect to the historic property under the regulations implementing the National Historic Preservation Act [36 Code of Federal Regulations (CFR) 800.5]. The tolling equipment will not compromise the Evergreen Point Bridge's integrity of location, design, workmanship, materials, setting, feeling, or association. The tolling equipment will only be minimally noticeable from the bridge, and will be limited to signs and some small equipment, such as cameras and transponder readers, over the roadway. This signage and equipment are minor, and will not alter any of the characteristics of the Evergreen Point Bridge that form the basis of its eligibility for listing in the NRHP. Department of Archaeology and Historic Preservation staff, on behalf of the State Historic Preservation Officer, has concurred with this determination.

Public Utilities

What public utilities exist in the project area?

Electricity and Natural Gas

Puget Sound Energy provides electricity and natural gas to Medina, where the project will install tolling equipment. Overhead and underground transmission lines are located adjacent to SR 520.

Water and Sewer Services

Bellevue Utilities Department provides water service to Medina. Various water mains cross under SR 520 to provide services to consumers in the area. Medina maintains its own stormwater drainage system.

The King County Department of Natural Resources Wastewater Treatment Division provides sewer treatment services for the entire project area.

What effects will the project have on public utilities?

There will be no negative effect on utilities due to this project. Some electricity will be required to operate the tolling equipment, compared to the No Build Alternative; however, the amount needed will be negligible.

How will construction affects on utilities be minimized?

WSDOT will require the verification of utility locations with permit and franchise holders during final design. All existing utility locations will be shown on the construction plans. Utility providers will be given advanced notice of construction activities. If utility relocations are necessary, WSDOT will work with the providers to relocate the utility in accordance with state law. In addition, the contractor will verify utility locations as required by law prior to any excavation work.

Land Use

What are the existing land uses in the project area?

SR 520 enters Seattle on the west side of Lake Washington. Land use in this area consists of mostly single-family residential, with scattered commercial uses and publicly-owned open spaces (Department of Planning and Development 2007). The University of Washington campus is located north of Portage Bay and Union Bay, just north of the Evergreen Point Bridge (SR 520).

View of the University of Washington

SR 520 enters Medina on the east side of Lake Washington. Most land use in Medina, Hunts Point, Clyde Hill, and Yarrow Point consists of single-family housing with scattered commercial businesses. A small part of the Lakewood neighborhood in the Kirkland abuts SR 520 just east of Yarrow Point. The Kirkland area is mainly composed of residential areas, park and open space, and office buildings.

Bellevue, located east of Clyde Hill, is the largest city on the east side of Lake Washington that will be affected by the project. The Bellevue area consists of retail and office centers, as well as low-, medium-, and high-density residential neighborhoods. Bellevue considers the area surrounding SR 520 to be a major employment center for the city (City of Bellevue 2008).

What will future land use look like in the project area?

Little change in land use is expected for the area near SR 520 in Seattle (Department of Planning and Development 2007). Likewise, future land uses will not differ from existing uses in the smaller cities of Medina, Clyde Hill, and Hunts Point. Overall, these communities are largely built out, and little growth is anticipated over the next 20 years

However, land use changes are planned for the Bel-Red area of Bellevue situated immediately southeast of the SR 520 and I-405 interchange. On February 17, 2009, the Bellevue City Council approved a plan to guide the transition of the Bel-Red area from light industrial to a mixture of higher density retail, office and residential uses. This land use transition is likely to extend beyond the duration of the SR 520 Variable Tolling Project.

What effect will the project have on land use?

We do not anticipate changes in land use as a result of the project: the duration of the project is too short to change anything but choice of routes to cross Lake Washington.

Hazardous Materials

Hazardous materials can be encountered during the construction and operation of public projects. Examples of common hazardous materials include asbestos, lead-based paint, underground storage tanks, and total petroleum hydrocarbons.

Identifying known and potential contamination prior to construction is important because it can greatly reduce the possibility of exposure to people and the environment.

What contaminated sites are located in the project area?

Our analysis of hazardous materials focused on the east side of the Evergreen Point Bridge because this is the only area where ground will be disturbed by project activity. We identified five sites with recognized environmental conditions within one mile of the proposed location of the concrete pad and utility cabinets to be installed as components of the tolling facility (see Exhibit 5-10).

What are recognized environmental conditions?

Recognized environmental conditions refer to sites with past or present contamination of soil or groundwater. These sites are determined through literature searches, site observation, and best professional judgment.

Exhibit 5-10
Potentially Hazardous Materials in the Project Area (WSDOT 2006)

Will the project affect hazardous materials sites?

Construction will not occur on or adjacent to any sites with recognized environmental conditions. Construction will be wholly within WSDOT right-of-way and remote from these sites.

How will the effects of hazardous materials be minimized during construction?

WSDOT will specify in the construction documents that the contractor will avoid releasing or spreading any contaminated soil or groundwater encountered during construction. If excavation or dewatering of contaminated material is necessary, the contractor will properly segregate and contain the material during and after excavation and dewatering and will test the material to determine how it can be disposed of. The

contractor will handle and dispose of the material in accordance with applicable regulations.

Energy

Are there effects to energy associated with the project?

Fuel used by vehicles on SR 520 will be the main energy use related to this project. Therefore, this section focuses on fuel efficiency, particularly as related to congested driving conditions. The SR 520 corridor is heavily traveled and frequently congested. Current heavy traffic volumes on SR 520 force vehicles to travel at less efficient speeds during many hours of the day.

According to the U.S. Department of Energy, fuel efficiency is greatest when vehicles travel between 45 and 55 mph. Because of the current conditions on SR 520, vehicles are often traveling below 45 mph during peak periods and are, therefore, traveling at less efficient speeds.

Compared to the No Build Alternative, the project will improve traffic flow, reduce peak period traffic congestion along SR 520, and allow more cars to travel at more fuel efficient speeds. In addition, because the construction for the project is minor, very little energy will be expended to build it.

Since the project will improve traffic flow and increase average peak hour speeds, we anticipate that it will reduce overall energy consumption.

What is fuel efficiency?

For vehicles, fuel efficiency refers to how far a vehicle can travel per unit of fuel. This measure is usually expressed in miles per gallon or kilometers per liter.

Traffic along SR 520 often creates stop-and-go conditions, which reduces fuel efficiency

What measures will be taken to reduce effects on energy during construction?

WSDOT will develop specifications for project construction to encourage energy conservation. WSDOT will also adhere to construction practices that promote efficient energy use, such as limiting idling equipment, encouraging construction workers to carpool, and locating staging areas near work sites.

Noise

Environmental noise may interfere with a broad range of human activities in a way that degrades public heath and welfare. Therefore, traffic and construction noise analyses are required by law for federally funded projects and by State of Washington policy for other projects. Since this particular project is not adding lanes,

or changing the roadway configuration in any way, a full quantitative noise analysis with noise modeling is not required. However, we conducted a qualitative analysis to determine the potential for noise effects.

What is sound (noise)?

Sound can be defined as any change in air pressure that the human ear can detect from barely perceptible sounds to sound levels that can cause hearing damage. For example, sitting in the front row of a rock concert would have greater changes in air pressure compared to a quiet whisper in the library. When sounds are perceived as unpleasant, unwanted, or disturbing, they are normally considered "noise.".

What was the project area analyzed for this project?

According to the WSDOT *Traffic Noise Analysis and Abatement Policy and Procedures* (2006), all noise sensitive sites within 500 feet of the proposed edge of pavement should be evaluated for potential noise effects.

What are noise-sensitive sites?

A location of an outdoor area where frequent human activity takes place that may be affected by highway traffic noise.

What criteria are used for assessing noise effects?

The FHWA Noise Abatement Criteria (NAC) defines noise levels for land activity categories. WSDOT has adopted these NAC and defines noise levels that, if approached [within 1 decibel (dBA)] or exceeded, require noise abatement consideration (see Exhibit 5-11 for various land use categories). FHWA guidelines also state that noise abatement should be considered when the noise levels substantially exceed the existing noise levels [23 CFR 772.5(g)]. This criterion is defined by WSDOT as increases in the Leq of 10.0 dBA or more above existing noise levels.

What are some key terminologies used to describe noise?

Decibels—a decibel is a unit of measure for sound.

dBA—This represents the noise levels in decibels measured with an A-weighted frequency. The A-weighted frequency corresponds to the frequencies that the human ear can detect.

What are typical neighborhood noise levels?

Typically, nighttime noise levels are lower than daytime levels since most people are more active during the day. In general, rural areas can have noise levels ranging from 50 to 60 dBA, and urban areas can have noise levels as high as 70 to 80 dBA.

Exhibit 5-11
Noise Abatement Criteria, Hourly A-Weighted Sound Level Decibels (dBA)

Activity Category	$L_{eq(h)}$	Description of Activity Category
A	56 (exterior)	Lands on which serenity and quiet are of extraordinary significance and serve an important public need, and where the preservation of those qualities is essential if the area is to continue to serve its intended purpose.
B	66 (exterior)	Picnic area, recreational areas, playgrounds, active sport areas, parks, residences, motels, hotels, schools, churches, libraries, and hospitals.
C	71 (exterior)	Developed lands, properties, or activities not included in Categories A or B above.
D	None	Undeveloped lands.
E	51 (interior)	Residences, motels, hotels, public meeting rooms, schools, churches, libraries, hospitals, and auditoriums.

How will the proposed project affect noise levels?

SR 520 is currently at capacity for much of the day. Compared to the No Build Alternative, traffic levels on SR 520 will be reduced between 11 percent and 18 percent as a result of implementing the variable toll. Typically, a reduction in traffic volumes by 25 percent will only reduce noise levels by one decibel. Therefore, we do not anticipate that there will be a substantial difference in future noise levels on SR 520 compared to existing noise levels.

We anticipate that I-90 will experience more of an increase in traffic volumes due to tolling SR 520 compared to other alternate routes, since this corridor would be the shortest alternate route for travelers crossing Lake Washington. SR 522 will have the lowest increase in traffic volumes since travelers would have a longer trip compared to using the SR 520 and I-90 corridors. Since these routes will receive additional traffic, some additional noise will occur as well. A doubling of traffic corresponds to an increase in noise of three decibels, which is typically the minimum change in noise level perceptible to the human ear. Because the total traffic increases along these routes will not be more

than one percent to four percent, noise levels are not likely to increase over one decibel. The change in noise levels on alternate routes is unlikely to be perceptible.

Will noise levels be affected by construction activities?

Construction of tolling

Noise levels will temporarily increase as a result of construction activities. These activities will only take place in Medina. Medina, like most cities, relies on the Washington Administrative Code (WAC), Chapter 173-60, Maximum Environmental Noise Levels.

The WAC states that construction activities should be conducted during daytime hours. If activities must occur during the nighttime hours, a noise variance will be required. Exhibit 5-12 summarizes the allowable exceedances for construction equipment during construction activities.

Exhibit 5-12
Washington State General Construction Allowable Exceedance

Allowable Exceedance	Equipment Covered
25 dBA	Equipment on construction sites, including, but not limited to, crawlers, tractors, dozers, rotary drill and augers, loaders, power shovels, cranes, derricks, graders, off-highway trucks, ditchers, trenches, compactors, compressors, and pneumatic-powered equipment
20 dBA	Portable-powered equipment used for temporary locations in support of construction activities, such as chainsaws, log chippers, lawn and garden equipment, and powered hand tools.
15 dBA	Powered equipment used in temporary repair or periodic maintenance of the grounds, such as lawn mowers and powered hand tools.

How will noise effects be avoided or minimized during construction?

Shielding of Stationary Equipment Generators are typically used during construction activities; shielding them with hay bales helps to reduce noise effects.

The following is a list of typical noise mitigation measures that may be included in construction specifications:

- Require all engine-powered equipment to have mufflers installed according to manufacturer's specifications.
- Require all equipment to comply with pertinent U.S. Environmental Protection Agency (EPA) equipment noise standards.

- Limit the nosiest construction equipment to daytime hours.
- Minimize noise by regular inspection and replacement of defective mufflers and parts.
- Locate stationary construction equipment far from nearby noise-sensitive sites.
- Install temporary barriers around stationary construction noise sources.
- Minimize or avoid idling of equipment.
- WSDOT will use the Occupational Safety and Health Act (OSHA)-approved ambient sound-sensing backup alarms that can reduce disturbances at night.

Air Quality

Why is air quality considered when evaluating transportation projects?

Air quality can be affected by transportation projects through increased pollutants including vehicle engine emissions and airborne particulates. Exposure to these pollutants can adversely affect human health (e.g. respiratory problems), vegetation, and wildlife.

Who regulates air quality?

The EPA, the Puget Sound Clean Air Agency (PSCAA), and the Washington State Department of Ecology regulate air quality in the project area.

What are the standards for air pollutants?

The Clean Air Act of 1970, which was last amended in 1990, requires the EPA to set concentration standards for criteria air pollutants. These concentration standards are known as the national ambient air quality standards (NAAQS). The criteria pollutants include: ozone, carbon monoxide, particulate matter (PM10 and PM2.5), sulfur dioxide, nitrogen dioxide, and lead. The Washington

What are criteria pollutants?

Ozone (O3)—is a gas which occurs in the atmosphere when compounds from sources such as cars, trucks, power plants, and factories react with sunlight.

Carbon Monoxide (CO)—is an odorless, colorless, and toxic gas which is emitted from auto, truck, or bus exhaust on roadways and in parking areas.

Particulate Matter (PM)—consist of particles found in the air such as dust, dirt, soot, or smoke and is directly emitted from construction sites, unpaved roads, fields, smokestacks, or fires.

Nitrogen Dioxide (NO2)—consists of airborne particles that can often be seen as a reddish brown layer over many urban areas. Sources include on-road vehicles, non-road equipment, fossil fuel combustion, industrial processes, waste disposal, and fire.

State Department of Ecology and the PSCAA have adopted state and local ambient air quality standards that are equivalent to or more stringent than EPA's NAAQS (see Exhibit 5-13). Pollutants typically associated with today's vehicle traffic are ozone, carbon monoxide, particulate matter, and nitrogen dioxide. Therefore, sulfur dioxide and lead are not discussed in this section.

Exhibit 5-13
National, State, and Local Ambient Air Quality Standards

Pollutant	National	Washington State	Puget Sound Region
Ozone 1 hour	0.075* ppm	0.12 ppm	0.12 ppm
Ozone 8 hour	0.075 ppm	n/a	n/a
Carbon Monoxide 1 hour	35ppm	35 ppm	35 ppm
Carbon Monoxide 8 hour	9 ppm	9 ppm	9 ppm
Nitrogen Dioxide 1 hour	n/a	n/a	n/a
Nitrogen Dioxide Annual	0.053 ppm	0.053 ppm	0.053 ppm
Particulate Matter (PM_{10}) 24 hour	150 ug/m^3	150 ug/m^3	150 ug/m^3
Particulate Matter (PM_{10}) Annual	50 ug/m^3	50 ug/m^3	50 ug/m^3
Particulate Matter ($PM_{2.5}$) 24 hour	35 ug/m^3	n/a	n/a
Particulate Matter ($PM_{2.5}$) Annual	15 ug/m^3	n/a	n/a

Notes:
*ppm=parts per million by volume; +ug/m^3=micrograms per cubic meter
n/a = No standard established.
Source:U.S. Environmental Protection Agency

What are conformity requirements?

Under the Clean Air Act, the SR 520 Variable Tolling Project must be in compliance with the NAAQS for all criteria pollutants. The project is located within King County in the Central Puget Sound Region. EPA has designated King County as a maintenance area for ozone, carbon monoxide, and particulate matter (PM10 only).

Attainment Area

An area designated by EPA where concentrations of a given pollutant are measured below the NAAQS.

Maintenance Area
An area that was formerly designated by EPA as a nonattainment area but whose recent monitoring data show pollutant levels have dropped below the NAAQS for a given pollutant. Although an area is considered attainment, it is subject to a 10-year maintenance period to ensure pollutant levels do not rise above the standards.

Nonattainment Areas
An area designated by EPA where concentrations of a given pollutant are above the NAAQS over a period of 3 years.

All nonattainment and maintenance areas are subject to the transportation conformity requirements set out in the Clean Air Act (40 CFR parts 51 and 93) and the Washington Clean Air Act.

Projects exempt from these conformity requirements include those that maintain the existing transportation facility, or improve mass transit or air quality, and are considered to have a neutral affect on air quality. The project is not proposing to construct additional travel or turn lanes; therefore, this project is exempt from a project-level hot-spot analysis for carbon monoxide.

The Clean Air Act requires transportation projects to conform to the State Implementation Plan (SIP), which means that the transportation activities will not produce new air quality violations, worsen existing violations, or delay timely attainment of the NAAQS. The SR 520 Variable Tolling Project is included in the SIP.

What are Mobile Source Air Toxics?

In addition to criteria air pollutants for which there are NAAQS, EPA also regulates air toxics. NAAQS have not been established for Mobile Source Air Toxics (MSATs). Most air toxics originate from human-made sources, including on-road mobile sources (automobiles and trucks), non-road sources (airplanes), area sources (dry cleaners), stationary sources (factories or refineries), and non-road equipment (forklifts, backhoes, etc.). There are six primary Mobile Source Air Toxics: benzene, acrolein, formaldehyde, 1,3-butadiene, acetaldehyde, and diesel exhaust.

How will the project affect air quality?

Traffic congestion contributes to the amount of air pollutants emitted into the air. The most common pollutants include carbon monoxide and particulate matter. Reducing congestion and allowing free flow of traffic will indirectly help to reduce air emissions compared to the No Build Alternative.

What are MSATs?

Mobile Source Air Toxics:

Benzene—is a colorless liquid with a sweet odor used to make some types of rubbers, lubricants, dyes, detergents, drugs, and pesticides.

Acrolein—is a colorless or yellow liquid with a disagreeable odor used as a pesticide to control algae, weeds, bacteria, and mollusks.

Formaldehyde—is a colorless, pungent-smelling gas. Sources include pressed wood products, cigarette smoke, and fuel-burning appliances.

1,3–butadiene—is a colorless gas with a mild gasoline-like odor and made from the processing of petroleum.

Acetaldehyde—is also known as ethanol and results from combustion, such as automotive exhaust and tobacco smoke.

Diesel exhaust—airborne contaminant in workplaces where diesel is used.

Implementation of tolling on SR 520 is anticipated to divert some traffic to alternate routes, such as I-90, SR 522, I-5, and I-405. Therefore, traffic will be reduced on SR 520 by approximately 11 to 18 percent, which will reduce emissions along SR 520 for all pollutants. However, traffic and emissions are anticipated to slightly increase along these alternate routes. Construction of the SR 520 tolling is anticipated to begin in 2009. By 2010, VMT along the alternate cross-lake routes is anticipated to increase compared to the No Build Alternative. I-90 would increase two to three percent and SR 522 would increase one to two percent. The north-south corridors were also analyzed showing no change in VMT along I-5 and a one to two percent decrease of VMT along I-405. The decrease in VMT along I-405 may be due to travelers choosing the nearest alternate cross-lake route instead of using SR 520.

Vehicle Miles Traveled (VMT)

VMT stands for vehicle miles traveled and is the number of miles vehicles travel each year. For transportation projects with set boundaries, VMT can refer to the aggregate number of miles that all the vehicles travel using the specified roadways.

Even though there would be a slight increase in VMT along the alternate cross-lake routes, the total VMT for all routes added together would decrease, which indicates travelers are choosing to travel during non peak hours, use more transit options during peak hours, or choose not to make the trip at all. Therefore, this project is not anticipated to have an adverse effect on air quality.

EPA has developed several emissions control programs for vehicle engines and fuels that will reduce MSAT emissions over the next 20 years. These programs include reformulated gasoline, national low-emission vehicle standards, Tier 2 motor vehicle emissions standards and gasoline sulfur control requirements, and proposed heavy-duty engine and vehicle standards and on-highway diesel fuel sulfur control requirements. Even if VMT increases, future MSAT emissions are likely to be lower than present levels due to these EPA programs. (FHWA 2006)

Will construction activities temporarily generate air pollutants?

Construction activities will temporarily generate air pollutants within the project area. Particulate matter (fugitive dust) is the most common air pollutant emitted during construction activities. Fugitive dust may become airborne during material transport, grading, driving of vehicles and machinery on and off site, and through high winds.

How will adverse effects from construction activities be avoided or minimized?

The construction contractor will be required to control fugitive dust during construction activities.

The following BMPs to control fugitive dust are typically used during construction activities:

- Spraying exposed soil with water or other suppressant to reduce emissions and deposition of particulate matter.
- Using phased development to keep disturbed areas to a minimum.
- Using wind fencing to reduce disturbance to soils.
- Minimizing dust emissions during transport of fill materials or soil by wetting down or by ensuring adequate freeboard (space from the top of the material to the top of the truck bed) on trucks.
- Cleaning up spills of transported material on public roads promptly.
- Scheduling work task to minimize disruption of the existing vehicle traffic on streets.
- Locating construction equipment and truck staging areas away from sensitive receptors, as practical, and in consideration of potential effects on other resources.

- Providing wheel washers to remove particulate matter that will otherwise be carried off site by vehicles to decrease deposition of particulate matter on area roadways.
- Covering dirt, gravel, and debris piles as needed to reduce dust and wind-blown debris.

Mitigation strategies to reduce MSAT emissions include:

- Reducing engine activity.
- Redirecting work or changing shift times to avoid community exposures.
- Making adjustments to equipment, including PM traps, oxidation catalysts, and other devices that provide an after-treatment of exhaust emissions.
- Using clean fuels, such as ultra-low sulfur diesel.

Chapter 6 Cumulative Effects

Chapter 6 describes the cumulative effects that could result from this project, including effects to transportation, Environmental Justice, air quality, and climate change.

What are cumulative effects?

NEPA and its implementing regulations require federal agencies to identify and analyze the direct, indirect, and cumulative effects of a proposed federal action to make an informed decision. Analyzing cumulative effects helps to understand the "big picture" effects of a project and the possible effects that can made on the regional environment. A federal agency's responsibility to address these effects in the NEPA process was established by the Council of Environmental Quality (CEQ) regulations. The CEQ regulations define a cumulative effect as:

> *"…the impact on the environment which results from the incremental impact of an action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time." (40 §CFR 1508.7).*

As defined above, "actions" include construction of other transportation or development projects, such as a highway interchange, a light rail route, a housing subdivision, or an office park.

Cumulative effects are the summation of effects on a resource resulting from the incremental effect of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes those actions. Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time.

How were cumulative effects identified?

Our cumulative effects analysis only considers those resources that could be substantially affected by the project in combination with other past, present, and reasonably foreseeable future actions. Direct and indirect effects of the project are discussed in Chapter 5.

Why don't we study cumulative effects for all resources?

CEQ guidance only requires us to study cumulative effects on resources we affect either directly or indirectly. If there are no direct or indirect effects, there cannot be any cumulative effects

Based on our direct and indirect effects analysis, we determined that the SR 520 Variable Tolling Project may contribute to cumulative effects on the following elements of the environment:

- Transportation
- Environmental Justice
- Air quality
- Climate change

What sources were used to collect data for this section?

We used comprehensive plans, local city websites, PSRC research publications, and the *Puget Sound Regional Council Land Use and Travel Demand Forecasting Model* (January 2007) to analyze cumulative effects for the project area. In addition, we used the Cumulative Effects Discipline Report from the *SR 520 Bridge Replacement and HOV Project Draft EIS* (May, 2005) as a source of information for this section.

What are the geographic and temporal boundaries for this cumulative effects analysis?

The geographic resource boundaries we used for our cumulative effects analysis are based on the resources of concern and the potential effects to these resources.

For cumulative effects associated with traffic and transportation we used a geographic resource boundary comprising the area between I-5 and I-405 (SR 520, I-90, and SR 522), including I-5 and I-405. Because SR 520 is an integral link in a complex system of interconnected highways, changes to any one of these corridors could cumulatively affect the other corridors. At a more local scale we also considered reasonably foreseeable plans for development or redevelopment within approximately 1/4 mile of the proposed project area on SR 520.

These same cumulative transportation effects could also affect low-income populations in the same general area. Therefore, our boundary for the cumulative effects analysis associated with this element uses the same geographic resource boundary described above for transportation and traffic.

For air quality, we considered a wider area for cumulative effects because it must be looked at on a regional scale. Our geographic boundary for cumulative effects to air quality is King County.

Climate change is a global issue. Our analysis qualitatively addresses the potential effect of the project on climate change in the context of statewide efforts to address the issue.

The temporal boundaries for the analysis of cumulative effects should allow for the recognition of long-term trends as well as consider the effects of any future actions. The beginning boundary typically is based upon the availability of data or a meaningful event that has

influenced existing conditions (construction of a highway or railroad, for example).

We set the beginning of the temporal boundary for our cumulative effects analysis of this project with the opening of the first bridge across Lake Washington in 1940. This event drastically altered transportation and development patterns within King County.

Our cumulative effects analysis time frame extends in the future to 2016. We chose that year because it is when the SR 520 Bridge Replacement and HOV Project is expected to be completed. At that time, the existing Evergreen Point Bridge will no longer be in use. The new bridge built by the SR 520 Bridge Replacement and HOV Project, which is currently undergoing a separate environmental review, will likely have a different roadway configuration and different toll pricing. Therefore, the conditions we've analyzed in this document will no longer exist once the new bridge is completed in 2016.

What is the history of the area?

Historically, residential and commercial uses in the region were concentrated in Seattle. Until the Lake Washington Floating Bridge (later known as the Lacey V. Murrow Floating Bridge) was completed in 1940, the primary way people crossed Lake Washington was by ferry boat. However, the new bridge drastically reduced the time necessary to cross the lake and the Eastside became an attractive residential choice for those working in Seattle.

Interstate 90: the Homer M. Hadley bridge (left) and the Lacey V. Murrow (right) floating bridges, looking east toward Mercer Island.

After World War II, residential and commercial land uses expanded east across Lake Washington as a result of a new national trend of suburbanization; Medina, Hunts Point, Clyde Hill, Yarrow Point and Bellevue incorporated in the 1950s. Between 1960 and 1963, construction of the Evergreen Point Bridge (SR 520) additionally contributed to rapid growth east of Lake Washington.

In the last quarter of the twentieth century, the spread of urbanization resulted in greater population and employment on the Eastside of Lake Washington than in Seattle. With the increase in jobs on the Eastside, traffic across Lake Washington grew heavily in both directions. In 1989, the Homer M. Hadley Floating Bridge was built to provide more capacity across the lake on I-90; however, this additional bridge was not enough to offset the growth in traffic. Today, both corridors across Lake Washington are frequently congested.

What does the future hold for the area?

According to PSRC forecasts, the population in the Puget Sound region is expected to increase from approximately 3.5 million in 2006 to nearly 4 million people in 2016. Growth will be focused in urban growth areas, thereby increasing the density of development (PSRC's *Destination 2030*). Exhibit 6-1 shows existing and future employment and population characteristics for the four-county Puget Sound region.

Exhibit 6-1
Existing and Future Population and Employment Characteristics for the Puget Sound Region

	2006	2010	2016
Total Population	3,507,603	3,695,504	3,967,418
Total Households	1,386,593	1,470,054	1,612,194
Low Income Households	346,199	367,511	403,062
Upper-Income Households	347,085	367,510	403,048
Retail Employees	337,567	351,883	380,855
Government Employees	228,345	244,182	254,512
Employees in Education	90,302	93,613	98,768
Employees in Manufacturing	201,765	219,391	216,115
College Students	152,295	171,759	175,543

Source: PSRC Population and Employment Data model

Among the four counties (King, Kitsap, Pierce, and Snohomish) in the Puget Sound region, King County is expected to see the most change in both population and employment numbers (*Destination 2030*).

What projects were considered for this cumulative effects analysis?

We considered, for this analysis, effects from any other projects located within or close to our project's study area. The projects also must be reasonably foreseeable. This typically means that the project is likely to happen or probable, rather than merely possible.

Development

Seattle has not issued any permits for new non-transportation related development within the project area along SR 520. Medina, Hunts Point, Clyde Hill, and Yarrow Point do not anticipate any future (non-transportation related) development other than the construction of new single-family homes on the few remaining vacant lots in the communities and the demolition of single-family homes to be replaced by larger homes. According to a Planning Information Specialist in the Kirkland Planning and Community Development Department (E-mail on October 9, 2008), a developer is proposing to construct an additional office building at the Plaza at Yarrow Bay located at 10220 Lake Washington Boulevard (north of SR 520).

Transportation

There are a number of transportation projects planned in or near the project area:

- SR 520 Bridge Replacement and HOV Project
- SR 520 Eastside Transit and HOV Project
- I-90 Two-Way Transit and HOV Operations Project

- I-405 NE 195th to SR 527 Northbound Widening Project
- I-405 NE 8th Street to SR 520 Improvement Project
- I-405 South Bellevue Widening
- Sound Transit University Link Light Rail Project
- Sound Transit East Link Light Rail Project
- Other Transit Improvements
- Other Lake Washington Urban Partnership Projects

Descriptions of these transportation projects are provided below.

Highway Projects

SR 520 Bridge Replacement and HOV Project

This project will improve the SR 520 corridor from I-5 in Seattle to the vicinity of Evergreen Point Road. It would include replacement of all the existing bridges with newer, safer bridges designed to better withstand earthquakes and windstorms. WSDOT plans to be open the project to traffic in 2016. Both the new roadway configuration and the toll rates would be different from what is being studied for the SR 520 Variable Tolling Project.

SR 520 Eastside Transit and HOV Project

This project will complete the HOV lanes from Lake Washington to SR 202. HOV lanes and transit stops will be shifted from the outside to the inside of the roadway. Extensive improvements will be constructed along the approximately three-mile section of SR 520 between Lake Washington and 108th Avenue NE. These improvements include a new eastbound HOV lane and HOV lane direct access ramps to and from the west at 108th Avenue NE. Construction on this project is expected to begin in 2010 and be completed in 2013.

I-90 Two-Way Transit and HOV Operations Project

This project, a partnership between WSDOT and Sound Transit, will add HOV lanes to the I-90 outer roadway between Seattle and Bellevue. The project also includes new I-90 HOV on- and off-ramps on Mercer Island, and will improve I-90 HOV access at Bellevue Way. Stage 1 of the project, which includes new westbound HOV direct access ramps at Bellevue Way SE and 80th Avenue SE, opened for service on October 10, 2008. Stage 2 of the project involves improving eastbound I-90 from Mercer Island to Bellevue, and is scheduled to be constructed from 2010 to 2012. Stage 3 will provide improvements to eastbound and westbound I-90 between Seattle and 80th Avenue SE on Mercer Island and will be constructed from 2011 to 2014.

I-405 NE 195th to SR 527 Northbound Widening Project

The NE 195th to SR 527 Northbound Widening Project will add a new lane on northbound I-405 between NE 195th Street and SR 527. Construction is scheduled to start in 2009 and be complete by Winter 2010.

I-405 NE 8th Street to SR 520 Improvement Project

The I-405—NE 8th Street to SR 520 Improvement Project will build new structures to separate northbound traffic exiting to SR 520 from traffic entering I-405 at NE 8th Street in Bellevue. In addition, a new eastbound lane along SR 520 will be built to separate the on and off-ramps between I-405 and 124th Avenue traffic. A new on-ramp at NE 10th Street to SR 520 will also be built. Construction is scheduled to begin in 2009, and the affected area will be open to traffic in 2012.

I-405 South Bellevue Widening

The I-405—South Bellevue Widening Project, also known as the 112th Avenue SE to SE 8th Street Project, will help to relieve congestion for travelers coming in and out of Bellevue. Between 112th Avenue SE and I-90, a new northbound lane will be added, and the existing

northbound bridge over Coal Creek Parkway will be widened. Between I-90 and SE 8th Street, one new lane in each direction (from I-90 to SE 8th Street) will be added; the Wilburton Tunnel will be removed; a new three-lane, southbound bridge over I-90 will be built; and the existing southbound bridge over I-90 will be converted to carry northbound HOV traffic. Construction on this project began in spring 2007, and is scheduled to be finished in fall 2009.

Light Rail Projects

Sound Transit University Link Light Rail Project

University Link is a 3.15-mile light rail extension that will run from downtown Seattle to the University of Washington, with stations at Capitol Hill and on the University campus near Husky Stadium. Sound Transit is currently finishing final design work, and construction is scheduled to begin in early 2009. Sound Transit plans to open University Link for service in 2016.

Sound Transit East Link Light Rail Project

East Link is an approximately 18-mile long light rail extension that will run along I-90 from downtown Seattle to the Eastside. It will have 11 to 14 stations serving Seattle, Mercer Island, south Bellevue, downtown Bellevue, Bel-Red/Overlake, and Redmond. Although Sound Transit has not identified a final alignment yet, all alignments being considered will convert the center roadway of I-90 across Lake Washington to light rail operation. Sound Transit expects to start construction in 2013, with operations starting as early as 2020.

Other Transit Improvements

Lake Washington Urban Partnership

The transit elements of the Lake Washington Urban Partnership are focused on reducing congestion along SR 520 by providing alternatives to driving and paying a toll. King County Metro is the lead agency for the transit

elements of the Lake Washington Urban Partnership. King County Metro will purchase twenty 60-foot and twenty-five 40-foot hybrid motor coaches, and improve bus stops through real-time information signs about bus arrivals (at seven stops) and improved passenger shelters and lighting (at two stops). King County Metro will also expand park-and-ride facilities that serve the SR 520 corridor. They plan to replace a 613-space surface parking lot with an 853-space parking garage and by build a new 386-space parking garage.

King County Metro—Transit Now

King County Metro is currently implementing their Transit Now service expansion that was approved by voters in 2006. One element of Transit Now is RapidRide—a new streamlined bus service that will provide frequent, all-day service in several corridors. One of the five RapidRide corridors funded by Transit Now is the Eastside RapidRide line. It will operate between the new downtown Redmond Transit Center and the Bellevue Transit Center via the Crossroads and Overlake neighborhoods. Riders will be able to connect to high-frequency bus service across Lake Washington at the Overlake Transit Center and Bellevue Transit Center.

Sound Transit 2

Sound Transit will be increasing express bus service in the region in 2009 as a result of the Sound Transit 2 ballot measure approved by voters in 2008. The Sound Transit service expansion will increase the frequency of service on many routes, including three that cross Lake Washington. These routes are the 545 between Redmond and Seattle, 550 between Bellevue and Seattle, and the 554 between Issaquah and Seattle.

Other Lake Washington Urban Partnership Projects

Telecommuting Project

The telecommuting element of the Lake Washington Urban Partnership involves expanding telecommuting opportunities and transportation demand management beyond what it is today. PSRC is the lead agency for the telecommuting element of the Lake Washington Urban Partnership. Their efforts will include increasing outreach to employers about alternative transportation options and incentives to use them, and providing improved traveler information and trip planning services to employees. Widespread broadband Internet access and support from major employers will enable the expansion of telecommuting programs so more people can have the option to telecommute or use flextime. This will help reduce work trips during weekday peak commute times in the mornings and evenings.

UPA Active Traffic Management Project

This project will use Active Traffic Management techniques to help reduce congestion along SR 520. Specific techniques allow for the detection of incidents, facilitate the removal of disabled vehicles, and provide travelers with real-time information about traffic conditions, such as through 511 and electronically changeable roadway signage. WSDOT will install variable speed limit signs to facilitate smoother traffic flow during peak travel periods. Variable speed limits, improved on- and off-ramp access and real-time traveler information signs, will provide commuters with the tools and information they need for a more reliable trip.

What cumulative effects would result from the SR 520 Variable Tolling Project?

The following sections describe the potential cumulative effects of the SR 520 Variable Tolling Project compared to the No Build Alternative.

Transportation

Most of the projects described above will be under construction during the period 2010 and 2016 when the SR 520 Variable Tolling Project is operating. Both SR 520 and I-90 are likely to have construction projects between I-5 and I-405 throughout this period. WSDOT also plans to have some projects under construction on I-405 through 2012. We do not expect the SR 520 Variable Tolling project to have any noticeable cumulative effect on travel patterns in combination with the construction of these projects. Existing capacity constraints on the highway system and planned construction on both of the direct routes across Lake Washington will limit diversion related to construction. Overall, we expect construction of other projects to have a negligible incremental cumulative effect with the diversion related to the SR 520 Variable Tolling Project.

As the highway and transit improvements we identified are completed, we expect they will cumulatively improve regional mobility in addition to the congestion reduction from the SR 520 Variable Tolling Project. Transit users crossing Lake Washington will especially see cumulative benefits. The SR 520 Eastside HOV and Transit Project and the I-90 Two-way Transit and HOV Project will provide noticeable improvements in transit service reliability across Lake Washington on both corridors. Coupled with the transit improvements being implemented by King County Metro and Sound Transit, many transit users crossing Lake Washington will experience a noticeable cumulative improvement in

transit service between now and 2016. Transit use across Lake Washington will also likely see a cumulative increase as service improves and people look for ways to avoid the toll implemented by the SR 520 Variable Tolling Project.

Environmental Justice

Construction planned for the un-tolled routes around or across Lake Washington may make it more time-consuming for low-income SR 520 users to take an alternate route to avoid paying the toll. A potential positive cumulative effect is the transit service improvements described above will make it easier for some low-income users to use transit to avoid the toll on SR 520.

Will I-90 be tolled also?

The Washington State Legislature is currently considering a proposal to toll I-90 across Lake Washington. No decisions had been made at the time we did our analysis, so we did not consider a toll on I-90 reasonably foreseeable.

If I-90 were to be tolled, it will limit the un-tolled alternate routes available for crossing Lake Washington. A separate environmental review would be required for tolling I-90.

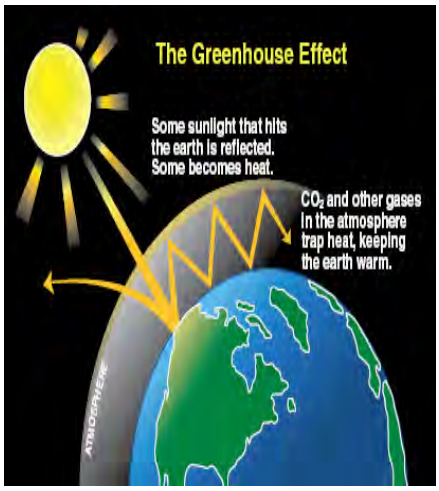
Air Quality

A reduction in congestion and a decrease in the volume of vehicles will likely reduce the amount of emissions emitted from autos. However, even with increases in traffic volumes, emissions are likely to be lower than present levels due to EPA's programs to reduce emissions by 2020. Overall, little affect is expected for air quality.

Climate Change

What are greenhouse gases and climate change?

Vehicles emit a variety of gases during their operation; some of these are greenhouse gases (GHGs). The GHGs associated with transportation are water vapor, carbon dioxide (CO_2), methane (also known as "marsh gas"), and nitrous oxide (used in dentists' offices as "laughing gas"). CO_2 makes up the bulk of the emissions from transportation. Any process that burns fossil fuel releases carbon dioxide into the air.

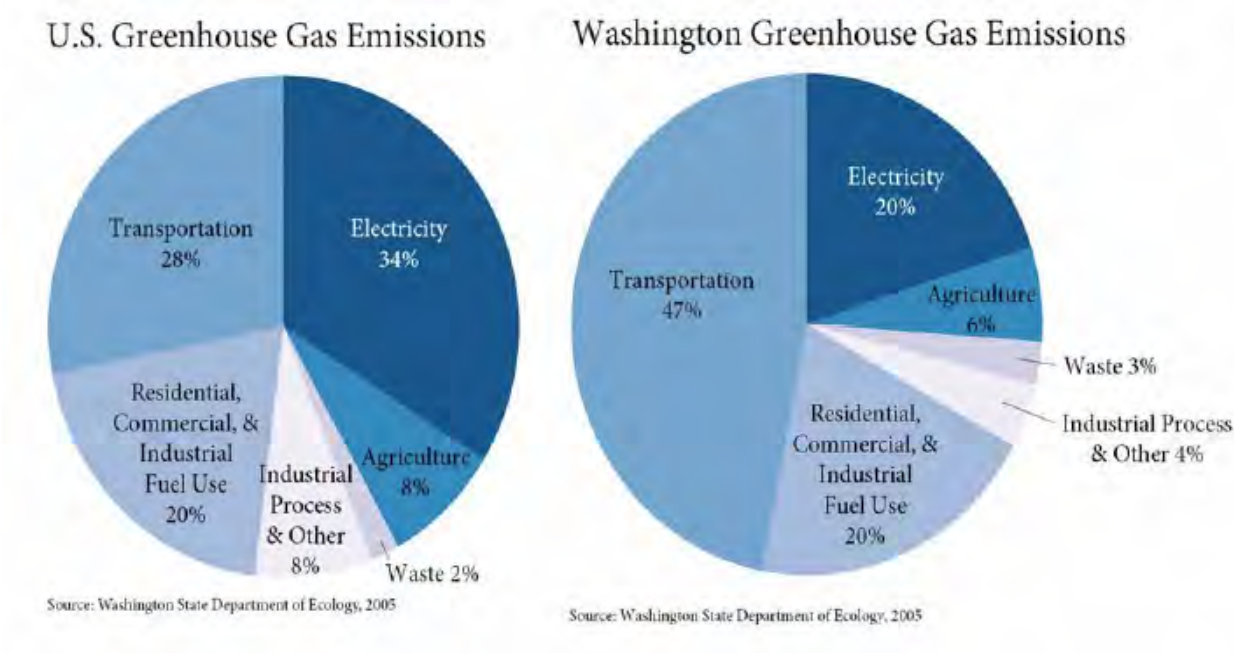


Greenhouse Gas Effect

Vehicles are a major source of GHG emissions and contribute to global warming primarily through the burning of gasoline and diesel fuels. National estimates

show that the transportation sector (including on-road, construction, airplanes, and boats) accounts for almost 30 percent of total domestic CO_2 emissions. However, in Washington State, transportation accounts for nearly half of GHG emissions because the state relies heavily on hydropower for electricity generation, unlike other states that rely on fossil fuels such as coal, petroleum, and natural gas to generate electricity. The next largest contributors to total gross GHG in Washington State are fossil fuel combustion in the residential, commercial, and industrial sectors at 20 percent; and in electricity consumption, also 20 percent. Exhibit 6-2 shows the gross GHG emissions by sector, nationally and Washington State.

Exhibit 6-2
GHG Emissions by Sector, 2005, U.S. and Washington State



What efforts are underway to reduce greenhouse gas emissions in Washington State?

In February 2007, Governor Gregoire issued Executive Order 07-02 requiring state agencies to find ways to reduce GHG emissions and adapt to the future that

climate change may create. On May 3, 2007, the Washington legislature passed Senate Bill 6001 that, among other things, adopted the Governor's climate change goals into state law. This law sets greenhouse gas reduction goals, sometimes referred to as benchmarks, for Washington State:

- 1990 greenhouse gas levels by 2020.
- 25 percent reduction below 1990 levels by 2035.
- 50 percent by 2050.

In 2007 the Climate Advisory Team was formed to carry out the Governor's executive order. The final report included recommendations of actions to reduce Washington's emissions.

The Washington legislature passed and the Governor signed HB 2815 in the Spring of 2008. This bill includes, among other elements, statewide per capita VMT reduction goals as part of the state's GHG emission reduction strategy.

In 2008, a group similar to 2007's Climate Advisory Team was established as the Climate Action Team. This group worked to refine 2007's broad recommendations into specific actions the state can take to reduce emissions. Among other items, the group focused on strategies to reduce VMT and include climate change in SEPA evaluations. More information on this statewide process is available at http://www.ecy.wa.gov/climatechange/2008CAT_overview.htm.

Vehicle Miles Traveled (VMT)

VMT stands for vehicle miles traveled and is the number of miles vehicles travel each year. For transportation projects with set boundaries, VMT can refer to the aggregate number of miles that all the vehicles travel using the specified roadways.

In addition to working in partnership with the Climate Action Team, WSDOT is working to reduce GHG emissions through other activities. WSDOT is a state leader in developing effective, measurable, and balanced emission reduction strategies. Current WSDOT activities that reduce GHG emissions include, but are not limited to:

Transportation Options: For 30 years, WSDOT has supported carpooling, vanpooling, and public transportation through the funding, building, and maintenance of the freeway HOV system, ferries, rail, and other programs. These investments help to reduce the number of vehicles on the roadway during peak congestion and help reduce total VMT.

In addition to working to reduce emissions on the transportation network, WSDOT is taking action to reduce the agency's emissions. Steps include:

No-Idle Policy: In 2006, WSDOT adopted a no-idle policy to reduce fuel use and vehicle emissions. It is estimated that by reducing vehicle idling by 50 percent, WSDOT can save as much as $500,000 annually in fuel costs.

Reducing Diesel Emissions: In 2005, WSDOT started using 5 percent biodiesel (B5) mixed with regular diesel in maintenance vehicles operating in the Central Puget Sound area. Currently, 25 WSDOT fueling stations have 10 percent biodiesel (B10) available and there is a goal toward using 20 percent biodiesel (B20), depending on availability.

In addition to the recent state activities focusing on climate change, WSDOT and its partners are actively implementing the 2005 Transportation Partnership Act, a 16-year plan to meet Washington State's most critical transportation needs. Many of the local, regional, and statewide transportation system improvements in conjunction with ongoing programs will help reduce the VMT each year. Together these efforts combine to create more efficient driving conditions, offer mode choices, and help move toward state GHG goals.

Did you know?

An average car emits one pound of carbon dioxide for every mile it is driven. So for every mile you avoid driving, you reduce the carbon dioxide added to the atmosphere by one pound.

How do we determine the effect transportation improvements have on greenhouse gas emissions?

Quantitative modeling tools to evaluate GHG emissions for linear transportation projects are limited at this time.

At the project level, WSDOT is currently unable to show the effect of improved traffic flow on emissions.

WSDOT and regional transportation planning organizations are working on methods and models to improve the quality of information and guidance for evaluating GHG emissions from transportation. Tools under development will allow for GHG calculations that account for changes in VMT and other factors, depending on project size and type in the future. Guidelines for applicable projects and how to discuss GHG emissions in a more meaningful way are also under development.

How will the SR 520 Variable Tolling Project help to reduce GHG emissions and climate change?

Since about half of the State of Washington's GHG emissions are from transportation (automobiles and trucks), reducing single-occupant vehicle trips is a good place to start. HOV lanes have been shown to encourage people to carpool, vanpool, or take the bus rather than drive by themselves. Every two-person carpool reduces the amount of GHG emissions created by that trip by about half of what it would be if both people drove. Vanpools would reduce GHGs by much more. The SR 520 Variable Tolling Project will encourage more people to use the bus and carpool, thus assisting in reducing GHG emissions and climate change. Also, since the project will improve traffic flow and increase average peak hour speeds, we anticipate that it will reduce overall energy consumption. Reducing energy use should decrease GHG emissions.

What measures will be taken to minimize cumulative effects?

No mitigation measures, beyond those already described for direct and indirect effects in Chapter 5, will be taken to minimize cumulative effects.

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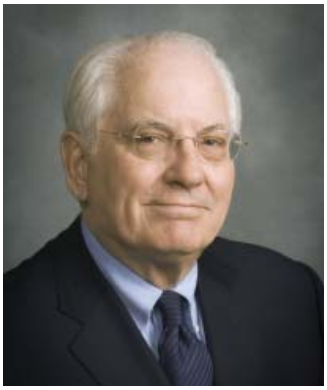
520 Tolling Implementation Committee

Tolling Report Prepared for the Washington State Legislature January 28, 2009

This report is submitted in compliance with ESHB 3096, as approved by the 2008 Washington State Legislature.

Bob Drewel,
Executive Director, Puget Sound Regional Council

Paula Hammond,
Washington State Secretary of Transportation



Richard "Dick" Ford,
Washington State Transportation Commission

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January 28, 2009

To: Governor Chris Gregoire
Members of the Washington State Legislature

It is our pleasure to submit the 520 Tolling Implementation Committee's report, in accordance with ESHB 3096 as approved by the 2008 Washington State Legislature. The Committee was charged with evaluating tolls as a means of financing a portion of the 520 Bridge Replacement and HOV Program, engaging citizens and local and regional leadership in the evaluation, enhancing understanding of tolling alternatives, and reporting to the Governor and Legislature in 2009. The Committee also was charged with recommending potential mitigation measures for diversion resulting from tolls.

The Committee and its staff developed and evaluated ten scenarios with tolls on 520 or on both 520 and I-90. Four were presented to the public in the summer. Based upon the feedback received, six new scenarios were conceived, analyzed and brought back for public review in the fall.

Extensive efforts were made to reach a broad range of people, through public meetings, online opportunities and face-to-face discussions with local elected leaders from around Lake Washington. 16,000 people visited our website, build520.org, hundreds attended our open houses and thousands submitted written comments and petition signatures. More than 7,800 people took our web survey and another 1,200 participated in a random sample telephone survey. We also conferred with more than 20 local jurisdictions and spoke to civic and citizen groups.

We found great interest in the subject of funding the 520 project with tolls. Major findings include:

- Support for tolling as a way to help fund the bridge replacement.
- Support for the idea of variable tolling in which tolls vary by time of day.
- Support for full electronic tolling with transponders and no toll booths.
- Support for tolling the existing 520 bridge in 2010 when construction begins.
- Majority support for tolling I-90 in addition to 520, but strong opposition from I-90 users.

Overall findings from the scenario analysis include:

- Toll scenarios raised between $522 million and $2,457 million in bridge funding.
- Tolling 520 in 2010 raises more funds and reduces the cost of borrowing compared to tolling in 2016.
- When tolls are in place, traffic volumes decrease and speeds improve on tolled facilities.
- When tolls are in place, some people choose a new route, change the time of their trip, take transit or carpool or change their destination to not cross Lake Washington.

The Committee also was asked to evaluate traffic diversion and make mitigation recommendations, evaluate tolling technologies and new applications of advanced traffic technologies, and explore opportunities to partner with the business community. These and all other findings are included in this report or in the detailed appendices that can be found on the build520.org website. For questions about the report, please contact David Hopkins at WSDOT by calling 206-464-1194 or e-mailing him at hopkida@wsdot.wa.gov.

We especially would like to thank the thousands of people who participated in the process and the local jurisdiction leaders and staff who were instrumental in the success of this effort. We also thank you for giving us this task and stand ready to assist you in any way in your discussions regarding tolling.

Bob Drewel, Executive Director, Puget Sound Regional Council
Paula Hammond, Washington State Secretary of Transportation
Richard "Dick" Ford, Washington State Transportation Commission

executive summary

Lake Washington and surrounding highways

The 520 Tolling Implementation Committee was created by the Washington State Legislature in 2008 to evaluate tolls as a means of financing a portion of the 520 Bridge Replacement and HOV Program, engage citizens and regional leadership in the evaluation, enhance understanding of tolling alternatives, and report to the Governor and Legislature in 2009.

The existing State Route 520 bridge structures across Lake Washington and Portage Bay are vulnerable to earthquakes and windstorms and need to be replaced. In 2008, the Legislature asked for an evaluation of toll scenarios that could produce $1.5 to $2.0 billion in financing.

The Committee and its staff developed and evaluated ten scenarios with tolls on 520 or tolls on both 520 and I-90. The Committee initially evaluated four scenarios, and collected extensive public and local jurisdictional input on those results. That input helped staff develop an additional six scenarios for evaluation. The Committee then re-engaged the public and local jurisdictions with results for all ten scenarios. It now reports all findings to the Governor and Legislature.

Overall Findings From Public Engagement

As requested by the Legislature, the Committee and its staff led a public outreach and input-gathering effort in conjunction with the tolling analysis and evaluation process. Thousands of people participated directly by attending Committee meetings or public open houses, visiting the website, taking part in a web survey or writing to the Committee. A random sample, statistically-valid telephone survey was also conducted. Committee members and staff met regularly with jurisdictions, technical staff and other stakeholder groups to understand their concerns and aspirations related to tolling. The Committee found the following:

- Generally, people support tolling, and support tolling the existing 520 bridge in 2010 (59 percent in web survey and 64 percent in phone survey).
- The phone survey showed that most people support the idea of tolling I-90 in addition to 520, although most users of I-90—in particular Mercer Island residents—are opposed to this concept. Support increases among I-90 users if toll revenue is used for I-90 improvements.
- Among those who support tolling, variable tolling is also supported as a way to reduce congestion and improve traffic conditions. Those who oppose the overall concept of tolling also oppose variable tolling.
- Electronic tolling is also supported. Most people appear to understand the connection between electronic tolling (no toll booths needed) and improving traffic flow. Some did ask questions about logistics associated with electronic tolling.

The Committee aimed to provide guidance on a key question: *"How can funding be secured for the new 520 bridge under the best terms for taxpayers, bridge users and adjacent communities?"*

Overall Findings from Scenario Analysis

Financial capacity

- The toll scenarios examined raise between $522 million and $2,457 million in corridor funding from tolls. The most a 520-only scenario raised was $1.5 billion. Most scenarios that toll both 520 and I-90 raised more than $2.0 billion.
- Only one 520-only scenario met the low end of the Legislative target ($1.5 billion).
- All two-bridge scenarios (520 and I-90) met the Legislative target and four of five scenarios exceeded the high end ($2.0 billion).

Begin tolling in 2010 vs. 2016

- Tolling 520 in 2010 raises more funds and may reduce the cost of borrowing compared to tolling 520 in 2016.
- Tolling starting in 2010 enables use of $154 million in federal funds from the USDOT Urban Partnership Agreement. There would be $86 million available for tolling and active traffic management infrastructure. An additional $41 million would be used to buy transit coaches in the corridor. $27 million would be available in funds for ferries.

Traffic conditions with tolling

- When tolls are in place, volumes go down and speeds improve on the tolled facility.
- If tolls are placed on both bridges, traffic volumes go down and speeds improve on both bridges.
- Speeds decrease on alternate routes. This decrease, however, is less than the speed improvements on the tolled routes.

Diversion due to tolls

- People may change their travel choices to take transit, carpool, or vanpool; shift the time of day of their trip; or change their destination.
- Some people do change their route, but the overall effect of those route changes tends to be distributed across the transportation system.
- Diversion is reduced by existing congestion levels, limited alternate routes and resulting lack of time savings from using another route.

In addition to these findings, the Committee is also providing the Legislature with requested research into advanced tolling technologies; new technologies for managing traffic; opportunities to partner with businesses; and potential traffic mitigation opportunities. Appendices listed below contain additional details and analysis for all topics and are available on disk and on the Committee's website (build520.org).

Mitigation Recommendations

ESHB 3096 requested the Committee recommend mitigation measures associated with potential diversion resulting from tolling. The Committee is recommending a two-part approach.

In Part 1, keeping traffic on 520 is the priority. The intent is to manage toll levels to keep people on the 520 bridge while also meeting revenue expectations. This can be accomplished through variable tolling, identifying funds to provide transit service and working with employers to reduce congestion. Ultimately, the new 520 bridge, with its expanded capacity, will keep traffic on 520.

Part 2 includes recommendations targeted to the five locations most likely affected by potential diversion (522, I-90, I-405, I-5 and the University area) as found in traffic diversion analysis. Mitigation measures could include system-wide instrumentation and traffic monitoring, electronic driver information signs (particularly for the 522 corridor), advanced traffic technology, transit expansion and coordination for new service, and related projects such as new or expanded park-and-rides.

Appendices available on disk and on the website:

Volume 1:
A: Legislation - ESHB 3096
B: Outreach Events and Materials
C: Travel Demand Modeling and Financial Analysis
D: Travel Demand Model Peer Review
E: Active Traffic Management
F: Toll Collection Technology
G: Mitigation Recommendations for Diversion
H: Discussions on I-90

Volume 2:
I: Public Comments
- **Letters from jurisdictions**
- **Summaries of public comment**
- **All public comments received**

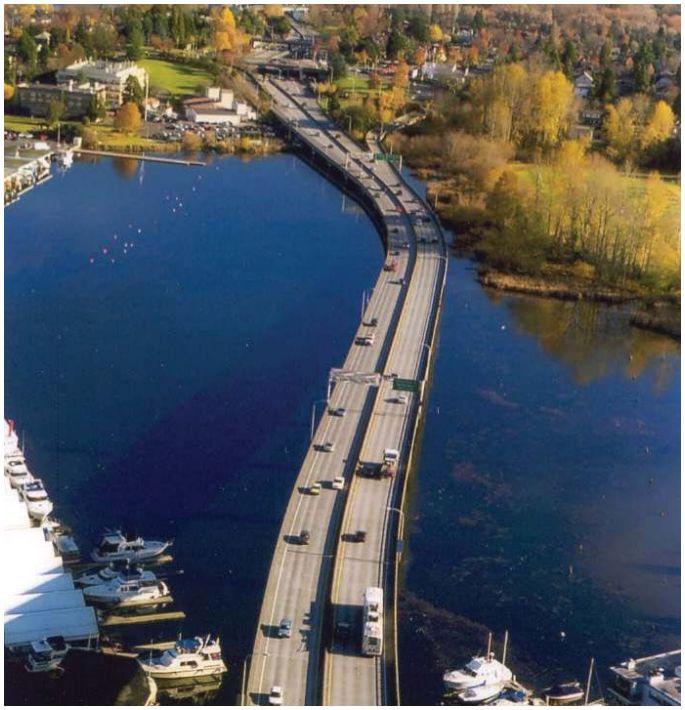
520 bridge replacement and HOV program background

State Route 520 is one of two east-west highways across Lake Washington. Approximately 158,000 people cross the 520 floating bridge (Evergreen Point Bridge) each day, traveling in some 115,000 vehicles.

Built in 1963, the Evergreen Point Bridge and the Portage Bay Bridge are vulnerable to windstorms and earthquakes. A collapse of these bridges or their approach structures could cause serious injury or loss of life, and would overwhelm all major regional highways with re-routed traffic. 520 is also a crucial and often congested corridor between job centers and growing communities around Lake Washington. The existing corridor is heavily congested during morning and afternoon commute times.

The 520 Bridge Replacement and HOV Program will replace all existing bridges, including the Portage Bay Bridge and Evergreen Point floating bridge, with new, safer bridges that are designed to withstand earthquakes and windstorms. Commuters will benefit from better transit reliability and improved travel times between Seattle and the Eastside.

Construction of bridge pontoons will begin in 2009. The new 520 bridge is scheduled to open in 2014 with four lanes. When the bridge and corridor are complete in 2016, there will be six lanes; four general purpose, two HOV, a bike/pedestrian path, and shoulders.



Top: 520 bridge mid-span during windstorm
Top right: 520 bridge approach to west high-rise
Bottom right: Portage Bay Bridge

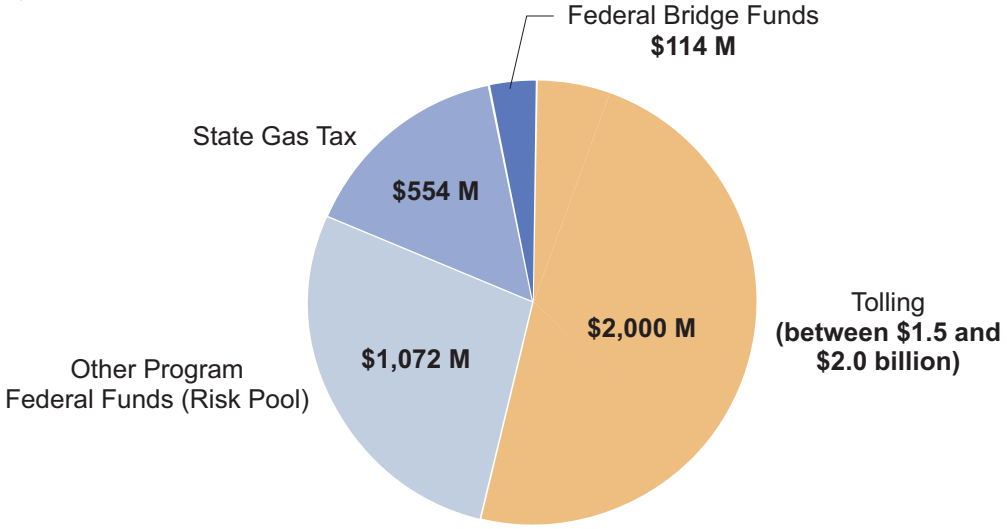
For more information: www.wsdot.wa.gov/projects/sr520bridge

Funding a New 520 Bridge

The project cost was estimated in April 2008 at between $3.7 and $3.9 billion. A combination of federal funds, state gas tax funds and tolls were expected to pay for the project.

In November 2008, WSDOT released updated cost estimates that show the overall program costs have increased. These revised costs include estimates for each of the three alternatives currently being considered by the 520 mediation group. Once agreement is reached on a preferred alternative for the project, WSDOT will update the cost estimate and finance plan. The Committee's work was based on the project estimates of costs and funding sources as of April 2008, and the Legislative target established in ESHB 3096. The results are reported against that baseline estimate.

Figure 1. *Anticipated funding sources identified by Legislature in ESHB 3096*



Project estimate as of April 2008 was $3.7 billion – $3.9 billion
(Low end of range reflects $180 million in sales tax deferral)

Previous and Future Finance Plan Work

In January 2008, WSDOT presented the 2007 SR 520 Finance Plan to the Governor and Legislature. The finance plan examined the funding potential from tolls under a number of scenarios looking at tolling 520 only and discussed the financial shortfall facing the project. WSDOT is preparing a new financial plan for the 2009 Legislative session.

The 520 corridor is also part of an USDOT Urban Partnership Agreement. The Urban Partnership Agreement is a federal grant that provides $154 million for variable tolling infrastructure on 520, the purchase of 45 buses to serve the corridor, and funding for ferries in the Puget Sound region. Funding to operate the buses needs to be identified and secured. Under terms of the Agreement, the State Legislature must authorize variable tolling on 520 in 2009 to secure the remaining $136 million in pending grant funds.

Funding the Existing 520 Bridge

Tolls paid for the existing 520 bridge. When it opened to drivers in 1963, the popularity of the bridge allowed the bonds to be paid off ahead of schedule.

August 1963:
Car toll $0.35
2007 dollars $2.48

4-axle truck toll $1.00
2007 dollars $7.08

June 1979:
Car toll $0.35
2007 dollars $1.05

Car with 3 or more people toll $0.10
2007 dollars $0.30

4-axle truck toll $1.00
2007 dollars $3.01

Note: *Historical inflation based upon U.S. Consumer Price Index for all urban consumers.*

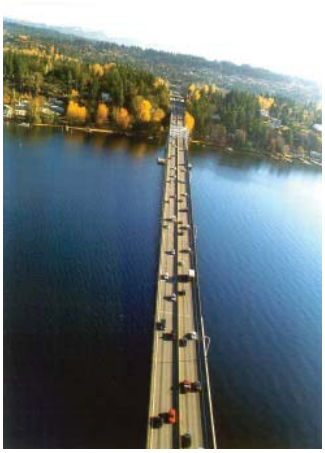
Urban Partnership Agreement Funds

Tolling and Active Traffic Management
..... $86 million

Transit/Park-and-Rides
..... $41 million

Ferry Projects
..... $27 million

committee charge and legislative direction



520 mid-span and east high-rise

520 Tolling Implementation Committee

The 520 Tolling Implementation Committee was created by the State Legislature in 2008 (ESHB 3096). The Committee is composed of: Bob Drewel, Executive Director of the Puget Sound Regional Council, who served as Chairman, Washington State Transportation Secretary Paula Hammond and Washington State Transportation Commissioner Richard "Dick" Ford.

The Committee was charged with evaluating tolling for financing the 520 Bridge Replacement and HOV Program, engaging citizens and regional leadership in the evaluation, enhancing understanding of tolling alternatives, and reporting to the Governor and the State Legislature in January 2009.

The act recognizes that $1.5 to $2.0 billion in funding from toll revenue may be required to secure financing for the project. Different approaches to tolling have implications for state resources already secured for the project, toll payers, adjacent communities and the wider region.

The act charges the Committee with:

- Evaluating the potential diversion of traffic from 520 to other parts of the transportation system, including 522 and local roadways and recommending mitigation measures.
- Evaluating advanced tolling technology.
- Evaluating new applications of emerging technology to better manage traffic.
- Exploring opportunities to partner with the business community to reduce congestion and financially contribute to the project.
- Conferring with mayors and city councils of jurisdictions adjacent to 520, 522 and I-90.
- Conducting public work sessions and open houses.
- Providing a report to the Governor and Legislature by January 2009.

The Committee was specifically charged with engaging citizens on the following topics:

- Funding a portion of the 520 project with tolls on the existing bridge.
- Funding the 520 project and improvements on the I-90 bridge with a toll paid by drivers on both bridges.
- Providing incentives and choices for transit and carpooling.
- Implementing variable tolling as a way to reduce congestion.

committee criteria

Evaluation Criteria for Scenario Analysis

Prior to the first round of analysis, the Committee established a set of evaluation criteria. These criteria, their significance, and relevant data sources are included in Figure 2.

Figure 2. *Descriptions of evaluation criteria.*

Criteria	Significance	Analysis Applied
How much revenue (financial capacity) is generated and when?	Expected financial capacity from each toll scenario. How revenue generation meshes with cash flow needs of bridge replacement.	The Office of the State Treasurer estimated the finance capacity for each toll scenario.
Are the tolls "reasonable"?	Different toll rates have different effects on diverted traffic, financial capacity, and bridge performance, and may seem more or less reasonable to travelers.	Toll rates were determined for each toll scenario by time of day and weekday or weekend. The average toll for each scenario was estimated based on 24-hour traffic volumes.
What are the diversion effects of a bridge toll?	If people choose not to pay a bridge toll, they may choose a different time of day, mode (i.e. transit or carpool), route, or destination.	The diversion effects were calculated for each scenario and time period (peak and off-peak) for weekday travel on 520, I-90, I-405, and 522, and local arterials around Lake Washington.
How do tolls affect the performance of the bridge(s)?	Tolling, especially variable tolling that is based on time of day, can improve traffic flow.	For each scenario, performance was expressed as the increase or decrease in average speeds for selected facilities at peak and off-peak times.
What effects might a toll have on lower-income bridge users?	Lower-income bridge users may be disproportionately impacted by tolls.	A survey by the 520 project team examined the attitudes of lower-income bridge users about tolling 520. Social service and educational institutions were contacted for their views on how tolling might affect their clients/students.

travel demand model peer review

At its first public meeting in June 2008, the Committee requested an independent peer review of the Puget Sound Regional Council's regional travel demand model used to analyze the toll scenarios. The peer review team was led by Dr. Yoram Shiftan, a University of Michigan visiting professor with extensive experience in travel demand modeling.

The peer review team concluded that the travel demand model used is comparable to the best in the nation, and noted that new elements incorporated in recent years have significantly improved the model's ability to analyze variable tolling.

The peer review team recommended slightly modifying the model to address high destination diversion (trips not crossing Lake Washington), improve model consistency, and look at results in more detail and with additional model runs using different assumptions. Detailed recommendations are included in Appendix D. Several suggestions were incorporated in the model and were applied to all toll scenarios in September 2008.

committee work approach

The Committee used the schedule and work program shown in Figure 3, aiming to evaluate scenarios, engage the public, re-evaluate scenarios, engage the public again, and report all findings to the Legislature.

The Committee had a two-part approach to public outreach. The four initial scenarios were selected by the Committee in June 2008. Based on the public outreach and comment on the first four scenarios, a number of other possible new scenarios or variations were suggested to the Committee.

In September 2008, the Committee selected six new scenarios and directed staff to present results in November and launch the second round of public outreach including telephone and web surveys.

The Committee also directed staff to rerun the first four scenarios so that refinements to the regional travel demand model suggested by the independent peer review panel would be applied to all the scenarios. All the scenarios were updated and assessed for financial capacity by the Office of the State Treasurer.

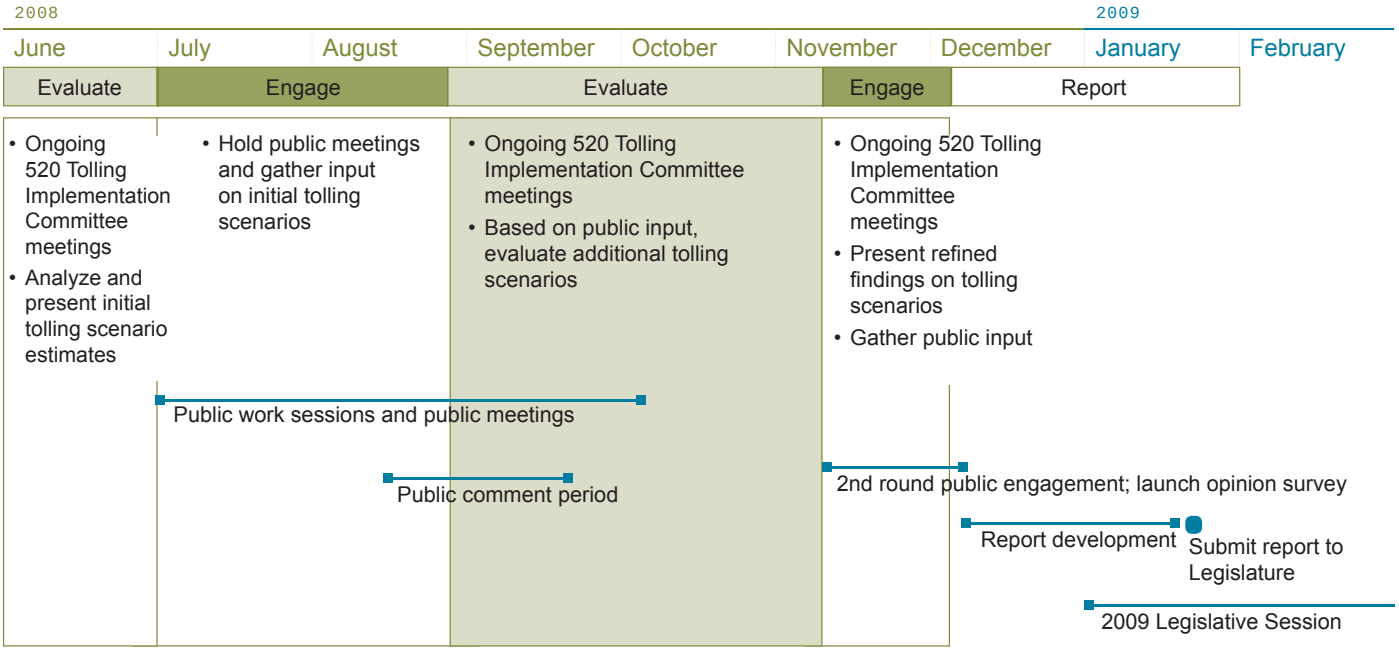


Figure 3. *520 Tolling Implementation Committee work program and schedule.*

public engagement

The Committee's goal was to engage the public in open and transparent discussion of tolling, based upon the data related to the various scenarios studied. There were two rounds of engagement. Four tolling scenarios were presented in July. Based upon the input received, revisions to the initial four scenarios were made, five new scenarios were analyzed, and results of the revisions and new scenarios were introduced to the public in November. Analysis of the tenth scenario (high-occupancy toll lanes on I-90) was completed in December.

The Committee was specifically charged with engaging citizens on the following topics:

- Funding a portion of the 520 project with tolls on the existing bridge.
- Funding the 520 project and improvements on the I-90 bridge with a toll paid by drivers on both bridges.
- Providing incentives and choices for transit and carpooling.
- Implementing variable tolling as a way to reduce congestion.

The Committee's meetings and open houses were well publicized on radio, television, and major daily and local newspapers. More than forty news stories were generated by the Committee's work. Paid advertising in newsprint and media websites promoted the Committee's open houses and public engagement opportunities. King County Metro announced both rounds of open houses with flyers on all 1,300 of its buses. The Committee also sent e-mail or postcard notices to more than 19,000 people on lists maintained by WSDOT for the 520 project.

Between June and December 2008, thousands of people participated in the discussion of these topics using a variety of outreach methods. Public outreach events and activities are outlined here and a complete list is included in Appendix B.

By the Numbers

- 16,000 visited the build520.org website
- 7,800 participated in the web survey
- More than 8,000 wrote comments
- More than 700 people attended at least one of the nine open houses
- More than 1,000 participated in a Sierra Club postcard campaign
- More than 3,300 signed a petition from "No Toll on I-90" expressing opposition to tolling I-90

The 520 Tolling Implementation Committee at their July 10 meeting

key findings from public comment

The entire body of comments and survey results has been summarized by issues the Legislature directed the Committee to research and by the Committee's evaluation criteria for toll scenarios. Survey results referenced below can be found on page 17.

Input Sought by the Legislation

- **Funding a portion of the 520 replacement project with tolls on the existing bridge**
  The majority (58 percent) of respondents to a statistically-valid phone survey conducted in November 2008 supported tolling the existing bridge in 2010 if it results in lower tolls and financing costs. Many public comments supported tolling on the existing bridge (in 2010), particularly if tolling reduces out-of-pocket costs to drivers and improves traffic. In the phone survey, support was less if tolling causes speeds on I-90 to decrease. Among written comments, support for tolling in general was a common response, but so was opposition to any tolling, or concerns about costs to the public.
- **Funding the 520 replacement project and improvements on the I-90 Bridge with a toll paid by drivers on both bridges**
  The majority (65 percent) of phone survey respondents supported tolling I-90, though less than half of I-90 users were supportive of the idea. Tolling both bridges was supported by many comments, but was largely opposed by I-90 users. There is also strong opposition to tolling I-90 from many Mercer Island residents, and a "No Toll on I-90" group organized a petition opposing the idea. Among I-90 users, slightly more than half were supportive of the idea of tolling I-90 when they learned that toll revenue would also be used to support improvements on I-90.
- **Providing incentives and choices for transit and carpooling**
  Nine percent of statistically-valid phone survey respondents said they would take transit if there was a toll on 520. Many respondents felt providing improved transit service was important if tolling is implemented, and some suggested transit as a mitigation for lower-income bridge users. A postcard campaign organized by the Sierra Club identified transportation choices as a priority use for toll revenue.
- **Implementation of variable tolling as a way to reduce congestion**
  Variable tolling is supported as a way to reduce congestion and improve traffic conditions, with more than two-thirds of phone survey respondents supporting it. Electronic tolling (no toll booths) increases support for tolling on the bridge.

Evaluation Criteria

- **How much revenue is generated and when**
  Public comments show a general trend toward generating revenue sooner, in 2010, rather than later, in 2016, particularly if this results in lower toll rates for travelers.
- **The "reasonableness" of the toll**
  Few directly commented on the "reasonableness" of toll rates. Some said that toll rates of $3 or more were too high, others recommended rates ranging from $0.50 to $2. Among those who opposed tolling, some said that the annual cost to their family would be too high given the proposed rates.
- **The diversion effects of a bridge toll**
  Many respondents and jurisdictions were concerned with the diversion effects of a bridge toll. Communities north and south of Lake Washington were concerned about diversion around the lake, while those on the east and west sides were concerned about diversion to neighborhood streets as a result of segment tolling.

Definitions for Tolling

Variable Tolling: Toll rates that vary by time of day.

Segment Tolling: Drivers pay a partial toll for using just a portion of a tolled route (such as trips between I-5 and Montlake in Seattle).

Electronic Tolling: Collecting tolls without the use of toll booths, generally with an electronic transponder, so drivers do not need to slow down or stop.

HOT (high-occupancy toll) Lanes: Offer an option for non-HOV drivers to use the HOV (high-occupancy vehicle) lanes for a fee. Toll rates change with traffic levels to ensure that cars in the lane move at or above a set speed.

Dynamic Tolling: Toll rates change with traffic levels to ensure that traffic moves at or above a set speed. HOT lanes use dynamic tolling.

- **The performance of the bridge**
  Most respondents appear to understand the connection between variable tolling and improved traffic flow; however, the need for bridge replacement and concerns about traffic on roadways approaching the bridge were mentioned more often than bridge performance.
- **The effects a toll may have on lower-income bridge users**
  Many respondents were concerned with potential impacts to lower-income bridge users, with some suggestions that lower-income bridge users be exempt from tolls. Many respondents suggested that increased transit options should be provided for those unable to pay the toll or that a free alternate route should always be available.

2010 or 2016—How We Chose These Years

2010 was selected because that is when 520 construction begins. 2016 was selected because that is the year construction is expected to be completed.

outreach events & activities

Outreach to Mayors and Councils

The Committee was charged with conferring with leadership from adjacent jurisdictions and conducting extensive outreach with local and regional elected officials from around Lake Washington. An overview is below, and a detailed list is in Appendix B.

Several jurisdictions provided letters, touching on the following general issues:

- Diversion and traffic congestion
- Toll exemptions and effects on bridge users
- Transit service and capacity
- Use of toll revenue
- Timing of tolling implementation

An overview of comments from each jurisdiction is included in Figure 4 on pages 13-15. Many jurisdictions in similar areas shared concerns. Grouped by geography, major themes include:

- North – concerns about diversion to 522 and the further deterioration of traffic conditions.
- East – concerns about diversion to local arterials and streets; lack of park-and-rides; lack of adequate transit service.
- South – need to see I-405 improvements completed to keep traffic moving.
- West – diversion to local routes.
- Mercer Island – concerns about charging tolls to Mercer Island residents who travel off-island for many services.

Outreach to Legislators

As part of the Committee's efforts, Legislators from districts in and near the 520 and I-90 bridges received the media updates from the Committee, as did all the members of the House and Senate Transportation Committees. Members of House and Senate leadership were also invited to Committee briefings. Various Legislators attended open houses or other community meetings.

Local Elected Leaders Conferred With:

Puget Sound Regional Council Boards and Committees

Subarea Transportation Forums

- Eastside Transportation Partnership
- South King County Area Transportation Board (SCATBd)
- SeaShore Transportation Forum

Cities and Counties:

- Bellevue
- Bothell
- Clyde Hill
- Hunts Point
- Issaquah
- Kenmore
- King County
- Kirkland
- Lake Forest Park
- Mercer Island
- Medina
- Newcastle
- Redmond
- Renton
- Sammamish
- Seattle
- Yarrow Point

Before the release of results from the first four scenarios in July and the nine scenarios in November, Legislators were invited to a briefing on the results. An e-mail notification of the findings was also distributed to the Legislators noted above and staff was available to provide briefings or answer questions.

Committee staff also made a formal presentation to the House Transportation Committee in Olympia on September 11, 2008 and on August 12, 2008 the Committee members presented the results of the initial scenario analysis to the Joint Transportation Committee.

Washington State Transportation Commission

Committee staff made presentations to the Washington State Transportation Commission. Staff presented the results of the initial scenarios to the Commission at its October 22, 2008 meeting. Results of public outreach, including the statistically-valid telephone survey and the web survey were presented on December 17, 2008.

Business and Civic Outreach

The Committee was charged with outreach to the business community as one of the key stakeholders. 520 connects some of the region's most vibrant and important job centers, including downtown Redmond, the Overlake area in Redmond that is home to Microsoft, the University of Washington and downtown Seattle. It also provides vital access to downtown Bellevue and to businesses in the city of Kirkland.

Committee members spoke before a number of business groups to inform them of the work of the Committee and to ask for their input. These included the board of the Bellevue Chamber of Commerce, the Transportation Committee of the Greater Seattle Chamber of Commerce, the Freight Mobility Roundtable, and the Mercer Island Chamber of Commerce. The Bellevue Chamber submitted a formal comment letter to the Committee that is included in Appendix I.

Staff for the Committee spoke to both the Redmond and Mercer Island Rotary Clubs about tolling on 520 and I-90. Committee members Paula Hammond and Dick Ford conferred with Mark Emmert, President of the University of Washington.

Website

The Committee used a website, www.build520.org, as one way to communicate with citizens. The website included up-to-date information about toll scenarios and analysis, as well as all Committee materials, and an online comment form, e-mail and mail addresses. The website received more than 16,000 unique visitors and more than 85,000 page views between June and December 2008.

Open Houses

Nine open houses were held throughout the corridor communities to present results of tolling scenarios and ask for public views, questions, and opinions. Six open houses were held in July and August and three in November. More than 700 people attended the open houses. The Committee received more than 400 comments from people attending the open houses.

As a result of meeting with local jurisdictions, the Committee received letters from:

- City of Bellevue
- City of Bothell (2)
- City of Clyde Hill
- City of Issaquah
- City of Kirkland
- Cities of Lake Forest Park, Kenmore, Woodinville and King County Councilmember Bob Ferguson (2)
- City of Lake Forest Park
- City of Medina
- City of Mercer Island (5)
- City of Newcastle
- City of Redmond (2)
- City of Renton (3)
- City of Seattle
- City of Shoreline
- King County Department of Transportation (2)
- Mercer Island School District (2)
- Mercer Island Mayor
- Seashore Transportation Forum
- South County Area Transportation Board
- Town of Hunts Point
- Town of Yarrow Point
- Town of Beaux Arts
- Washington State Treasurer

See Appendix I.

Comments from Local Jurisdictions

This chart highlights city and county comments regarding tolling 520 and/or I-90, as well as their concerns about potential diversion. It should be noted that nearly all cities had comments beyond diversion and mitigation issues, which provided meaningful comments and input. Among the common issues was opposition to "segment" tolls – tolls collected on the highways leading to the bridge – because of the potential for greater diversion to local streets and arterials. All letters are included in Appendix I.

Figure 4. *Local jurisdictional comments*

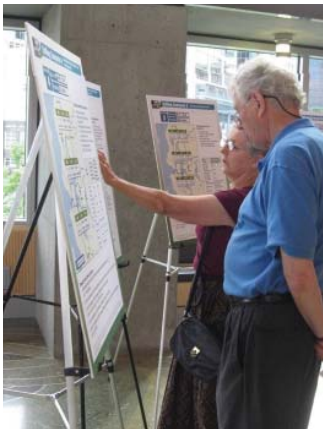
Jurisdiction/ Agency	Toll 520 in 2010	Toll I-90	Diversion	Mitigation ideas and other comments
Town of Beaux Arts Village (Town Council)				Toll 520 and I-90 at the same time; toll revenue should be used for capital improvements in the corridor, operations and maintenance and for early mitigation of impacts to local roadways; don't use toll revenues for transit
City of Bellevue (Mayor)	Support only if it allows early completion of project, and provides a lower toll for users	Prefer tolling only 520; if more funds needed, seek other state or federal sources; toll I-90 only when R-8A improvements are in place, and at a lower rate than 520	Minimize diversion to local roadways	
City of Bothell (Council and Mayor)			Concern about 522 and neighborhood streets	Improve transit service and capacity; improve park-and-ride facilities; add capacity to 522; use toll revenues for mitigation; concern about potential for hazardous materials to move through city streets; seek $20 million commitment to assist with 522 corridor improvements; want 100th Ave and Juanita Drive added to traffic monitoring; want variable message signs and EIS for tolling
City of Clyde Hill; Town of Hunts Point; City of Medina; Town of Yarrow Point (Mayors)	Support	Support	Concern about diversion to local roadways	Toll revenue should be used for capital improvements in the corridor, operations and maintenance and for early mitigation of impacts to local roadways; don't use toll revenues for transit

Figure 4. *Local jurisdictional comments*

Jurisdiction/ Agency	Toll 520 in 2010	Toll I-90	Diversion	Mitigation ideas and other comments
City of Issaquah (Council)	Support	Maintain a free or low cost option on I-90; consider HOT lane; toll only after diversion to I-405 is mitigated	Concerns about I-405 diversion	Want transit improvements at I-90/18; efficient toll collection system and good public education are important
City of Kirkland (Council)	Support	Support		Reasonable uses of toll revenue include: construction and transit service on tolled route or parallel facilities; mitigation of diversion; operations and maintenance of tolled facilities; tolls should not replace current revenue sources; concern about needs of lower-income drivers
Mercer Island School District (Superintendent)		Oppose; or provide a free option		53 percent of employees commute eastbound; 47 percent commute westbound on I-90
City of Mercer Island (Council and Mayor)	Support tolls at a low rate to discourage diversion to I-90	Oppose tolls on travel to and from Mercer Island on I-90, the only access route to and from Mercer Island		Highlights city's rights according to I-90 Memorandum of Agreement; does not want traffic to or from Mercer Island to be tolled; desires mitigation if access is decreased; wants tolls to be used on facility where collected; analyze tolling I-405 and I-5; wants financial information on revenues collected if Mercer Island traffic is not tolled; says exempting Mercer Island traffic from tolls does not diminish capacity to fund 520
Mayors of Cities of Lake Forest Park; Kenmore; Woodinville and King County Councilmember Bob Ferguson			Concern about diversion to 522	Improve transit capacity and transit service; add park-and-rides; add capacity to 522, 202, and Woodinville-Duvall Road; use toll revenues to fund transit

Figure 4. *Local jurisdictional comments*

Jurisdiction/ Agency	Toll 520 in 2010	Toll I-90	Diversion	Mitigation ideas and other comments
City of Lake Forest Park (Mayor and Council)	Only with monitoring of real time changes to 522		Concern about diversion to 522	Add transit capacity; increase transit service; add park-and-ride capacity; add community circulator vans; implement a traffic monitoring and reporting program to measure real-time changes
City of Newcastle (Mayor and Councilmember)		Oppose		Cover 520 costs at least expense to users; concern about potential delays to I-405 and R-8A projects
City of Redmond (Council and Staff)	Yes	Best scenario to fully fund 520 and related improvements		Mitigation recommendation is reasonable; concerns about lower-income households and tolls; want freight impacts analyzed; use revenues for 520 and I-90 capital and maintenance expenses only
City of Renton (Mayor and Council)			Concern about diversion to city arterials	Complete I-405 improvements; support basic concepts of mitigation recommendations as applied to I-405 and parallel north-south corridors; consider transit improvements on all impacted corridors
City of Seattle (Council)	Support	Support		Toll revenues should be used for transit; consider reducing vehicle miles traveled; tolling should be systematic to reduce congestion throughout the region
City of Shoreline (Council)				Improve 523 (145th) in Shoreline to mitigate transit and traffic impacts; improve I-5 near 523; improve pedestrian connections at I-5 and 523; use toll revenue to fund transit service
King County DOT (Director)	Support	Support		Support using toll revenues for transit, including funds for operating UPA service; seek $6 to $8 million in mitigation funds for increased operational costs due to loss of Montlake flyer stop; mitigation account should be available to fund transit operations and capital costs



Left: Screenshot of the homepage for build520.org

Above: Open house attendees review tolling scenarios

Web Survey

After the release of the second round of tolling scenarios, the Committee also hosted an online survey November 10-30, 2008. The purpose was to provide a formal way for people to provide input, whether or not they could attend a meeting. The web survey also served as the primary comment tool for the second round of open houses. Through web banner ads in select media outlets and e-mail distribution lists, more than 7,800 individuals filled out some or all of the web survey. The web survey was also sent to more than 700 workplaces in King County with more than 100 employees. This tool should not be considered statistically-valid, as respondents are self-selected. Highlights are included in Figure 5.

Phone Survey

In November 2008, the Committee also conducted a random sample statistically-valid telephone survey of 1,200 people that included four groups of participants: people who use I-90, people who use 520, people who use both bridges and people who use neither bridge. The intent was to evaluate the validity of input the Committee was receiving, and to compare the web survey and statistically-valid phone survey.

The results of the web and phone surveys were similar in most cases. They show support for:

- Using tolls to help fund the new 520 bridge
- Electronic tolling
- Variable tolling

Both surveys show that people are supportive of tolling in 2010 if it reduces out-of-pocket costs and if it improves traffic. Highlights are included in Figure 5.

Committee Open Houses

July 29, Bothell
July 31, Renton
Aug 5, Seattle
Aug 6, Bellevue
Aug 7, Kirkland
Aug 13, Mercer Island
Nov 12, Bellevue
Nov 13, Seattle
Nov 17, Mercer Island

Tolling Implementation Committee Meetings

June 17, Seattle
July 10, Seattle
July 23, Bellevue
Aug 12, Seattle
Sept 11, Lake Forest Park
Sept 30, Kirkland
Nov 10, Redmond
Dec 12, Mercer Island
Jan 8, Seattle
Jan 28, Seattle

Web and Phone Survey Highlights

The phone survey was a random sample, statistically-valid survey of 1,204 participants with a three percent margin of error. The survey was conducted during November 2008, and included four sub-groups of respondents: 520 users, I-90 users, users of both bridges and people who don't use either bridge.

The web survey was also conducted in November 2008. The 7,800 respondents were self-selected and results should not be considered statistically valid even though the findings are similar to the random sample phone survey.

Figure 5. *Web and phone survey highlights.*

Respondents support	Web survey	Phone Survey
Support tolling to help fund new 520 bridge.	Nearly 2:1 margin **(59% to 30%)**	More than 2:1 margin **(64% to 30%)** • Highest support from non-bridge users at 67%. • Lowest support from I-90 users at 60%.
Support for tolling 520 increases when respondents learn about electronic tolling and "no toll booths."	**69%**	**73%** • Highest support from 520 users at 78%. • Lowest support from non-bridge users at 69%.
Respondents support variable tolling.	More than 2:1 margin **(65% to 31%)**	More than 2:1 margin **(70% to 27%)** • Highest support from 520 users at 73%. • Lowest support from I-90 users at 66%.
Respondents support tolling in 2010 if it results in lower tolls and financing costs.	Nearly 3:1 margin **(60% to 23%)**	Less than 2:1 margin **(58% to 36%)** • Highest support from non-bridge users at 59%. • Lowest support from users of both bridges at 55%.
Support goes down for tolling in 2010 if it makes 520 faster, but slows down I-90.	**55%**	**51%** • Highest support from 520 users at 56%. • Lowest support from I-90 users at 47%.
Support for tolling both bridges goes up (but not among I-90 users) if it makes speeds go up on both bridges.	**61%**	**61%** • Highest support from 520 users at 75%. • Lowest support from I-90 users at 47%.
Support for tolling both bridges goes up (but not among I-90 users) if toll rates are lower than just tolling 520.	**61%**	**61%** • Highest support from 520 users at 73%. • Lowest support from I-90 users at 47%.
Support for tolling both bridges goes up among I-90 users when they know improvements will be made to I-90.	**64%**	**65%** • Highest support from 520 users at 75%. • Lowest support from I-90 users at 53%.

Written Comments

In addition to the surveys, more than 8,000 written comments were received, including more than 1,000 comments from a Sierra Club postcard campaign and more than 3,300 signatures from "No Toll on I-90" petitions.

Comments from the "No Toll on I-90" petitions opposed a toll on I-90, advocated toll exemptions for residents and workers coming to and from Mercer Island, and opposed using funds from I-90 to support 520.

The Sierra Club effort supported variable tolling as a way to reduce traffic congestion, reduce climate change, and fund transportation choices.

In addition to comments from these organized sources, the most common themes in general public comments were:

- **Generally supports tolling**
  Comments were in favor of the idea of tolling to fund the 520 bridge and improve the flow of traffic.

"I strongly support tolls being added to 520 between Seattle and Bellevue. I think this is a responsible solution to pay for the roadway by those who use it."

- **Generally opposes tolling**
  Some comments said tolling is a "tax" and others saw it as a "double tax." Many said other funding should be used, and some said tolling was not affordable, either for themselves or for other drivers.

"No tolls, of any kind, not on any state highway... No tolls in Washington State!"

- **Decision-making process**
  Many respondents were interested in or concerned about how tolling decisions are being made.

"Make a decision and move forward."

- **Concerns about the tax burden on residents**
  The majority of these respondents said that taxes in this region are already high, and felt that tolling would add to this burden.

"I don't think a toll should be required considering the amount of gas tax we are already paying that supports roads."

- **Opposes tolling both bridges**
  Some opposed a toll on I-90 as a way to fund improvements to a different corridor, while others said it was important to have a non-tolled alternative route across Lake Washington, and still others felt it would hurt Mercer Island residents.

"People that use 520 should be responsible for paying for the new bridge."

"Mercer Island residents don't have a choice about rerouting and avoiding tolls, we live here and use the bridge for basic services."

- **Supports increased transit service**
  Comments often said that increased transit service would be a necessary complement to tolling on 520.

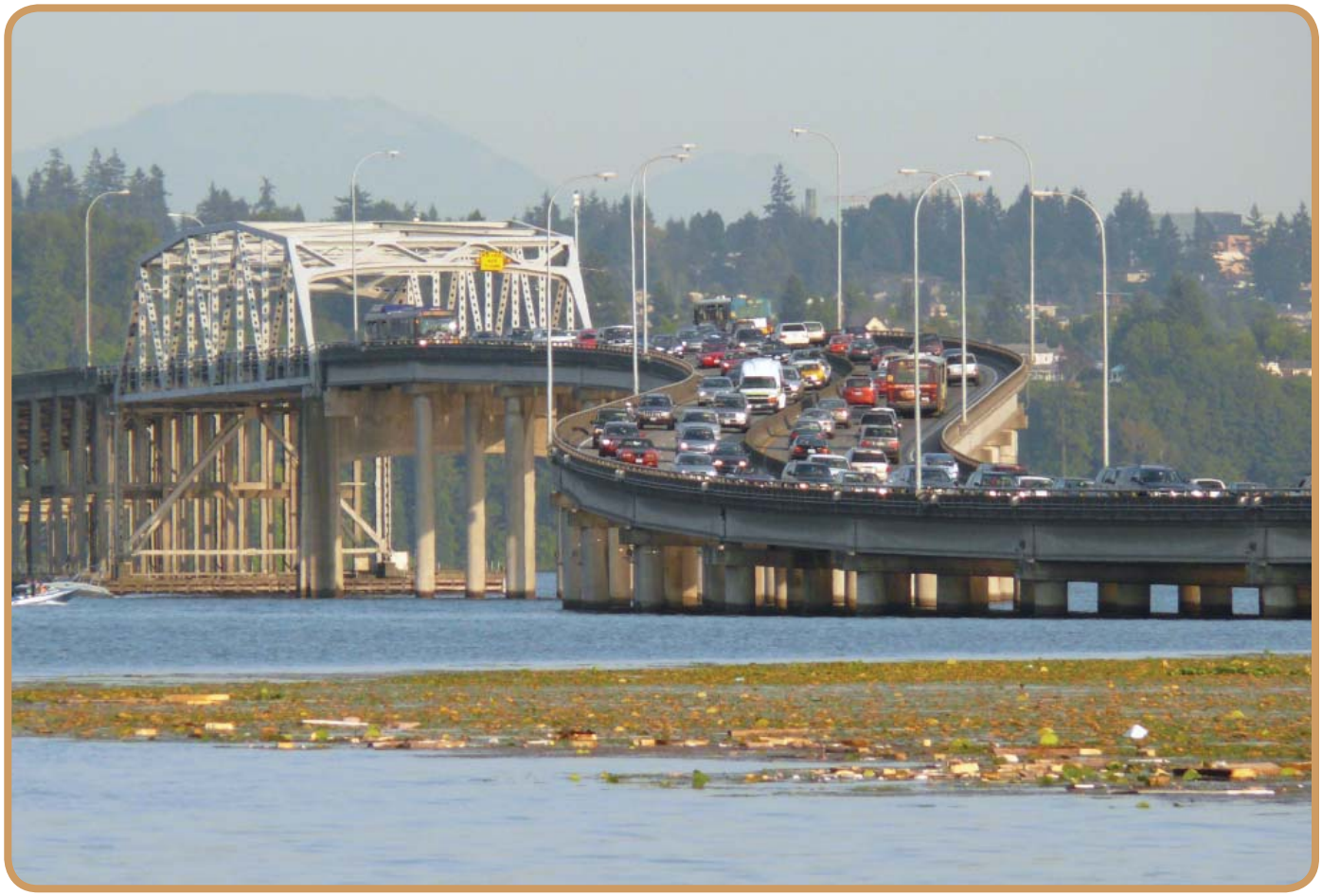
"I strongly support increased transit and bicycle facilities across the 520 bridge."

- **Supports tolling both bridges**
  Comments suggested that both the 520 and I-90 bridges be tolled, and many said tolling should begin on the two bridges at the same time and in 2010. Some were concerned about diversion effects or lower revenues if only the 520 bridge is tolled.

"We all paid for the I-90 bridge to be rebuilt, we all should pay for the 520 to be expanded. I am for both bridges to be tolled."

Complete comment summaries and full text of all comments are available in Appendix I.

evaluating and comparing toll scenarios



The Legislature directed the Committee to study three basic scenarios:

- Toll 520 when the new bridge opens
- Toll the existing 520 bridge
- Toll both the 520 and I-90 bridges and fund improvements on both

Committee staff developed scenarios intended to demonstrate the effects of tolling 520 or tolling both 520 and I-90. For the summer 2008 outreach effort, four scenarios were developed and presented to the public. Based on outreach and public input, the Committee selected six additional scenarios for the fall 2008 outreach effort. Detailed results of each of these scenarios are included in Appendix C.

The basic scenarios were expanded to ten by the Committee to provide the public with examples of tolling effects. Analysis of the tenth scenario (HOT lanes on I-90) was completed after the other scenarios. A more detailed traffic model was used—one that addresses lane configuration, on and off ramps, and other bridge design elements. The model also allowed toll prices in the HOT lane to change with traffic conditions, rather than by time of day.

The Committee used a three-step approach to evaluating toll scenarios. These steps were:

- **Travel Demand Modeling**—Forecasts the number of vehicles and people, the routes they take and the modes (single occupant, carpool, transit) they use.
- **Revenue Analysis**—Projects gross revenue, deductions for toll collection and maintenance, and net revenue available for bridge funding.
- **Financial Capacity Analysis**—Assesses how much project funding can be supported by tolls, including bonds and pay-as-you-go construction spending. Financial capacity is the bottom line for how much funding is needed and available to pay for the bridge through tolls.

520-Only Toll Scenarios

1. **Toll 520 in 2016, when project is complete**—This is the traditional approach to tolling, one that was used on the Tacoma Narrows Bridge. However, unlike the Tacoma Narrows Bridge, variable tolling was used in this scenario.

2. **Toll 520 in 2010, when construction begins**—By tolling sooner rather than later, lower overall toll rates can yield the same level of funding with less borrowing. Traffic on the bridge will also flow better when variable tolls are in place.

5. **Toll 520 at a flat rate in 2016**—This approach is the most similar to the Tacoma Narrows Bridge. A flat rate toll that does not change by time of day would begin when the new bridge opens in 2016.

6. **Toll 520 in 2010 at a rate that attempts to maximize funding by tolling only 520**—This approach was intended to find a toll rate at which the funding gap for the project could be closed by tolling only 520. The toll rates studied are the highest of the ten scenarios.

7. **Toll 520 in 2010; increase rate in 2016**—Some have suggested that while tolling early makes sense from a financial perspective (enabling a significant reduction in financing costs), the corridor will still be under construction during these early years and drivers will not have the full benefit of the six-lane facility. Others have suggested that a lower toll initially would provide an opportunity to test congestion benefits associated with tolling and enable a tolling rate to be established later when the corridor is complete. This may provide a balance between improving corridor performance, raising revenue for the project and managing diversion impacts.

Two-Bridge (520 and I-90) Scenarios

3. **Toll both bridges (520 and I-90) in 2016**—Tolls I-90 and 520 bridges in 2016, when the 520 bridge opens.

4. **Toll 520 bridge in 2010 and I-90 in 2016**—Tolls 520 in 2010 when construction begins on the bridge, but tolls on I-90 would not begin until 2016 when the new capacity is in place on 520.

8. **Toll 520 at a higher rate than I-90 in 2016**—At the public meetings, residents in the I-90 corridor were concerned that the bulk of the tolling revenue from the two bridges would go toward improvements on 520. Also, it was noted that when both bridges are tolled equally, more traffic is attracted to the 520 corridor. Having a higher toll on 520 than on I-90 could balance, from a traffic management standpoint, the use of both bridges. This scenario would have drivers on 520, where the bulk of the improvements are planned, paying more toward the cost of replacing the bridge.

9. **Toll both bridges in 2010**—This scenario provided the Committee with information about traffic effects and the amount of early funding raised from lower toll rates.

10. **Full bridge toll on 520; HOT lanes on I-90**—In this scenario, 520 would be tolled starting in 2010. To provide a congestion relief benefit to those using I-90, a HOT (high-occupancy toll) lane system could be implemented on I-90. This scenario continues to provide a free travel alternative in the I-90 corridor and meets the intent of the multi-jurisdiction Memorandum of Agreement regarding the corridor. The Memorandum of Agreement is available in Appendix H.

variables examined in toll scenarios

Toll scenarios differed in their use of key variables that might or might not be part of a final tolling plan for 520 and/or I-90. Some important variables include:

- **Toll collection locations (single-point or segment)**—A tolling location could be at a single point, such as the eastern end of the 520 bridge. There could also be several tolling locations, so that drivers would pay a partial toll for using just a portion of the 520 corridor, such as for trips between I-5 and the Montlake interchange in Seattle. Some toll scenarios were modeled with single-point tolls and some with segment tolls.

Single-point toll on both existing and new 520 bridges

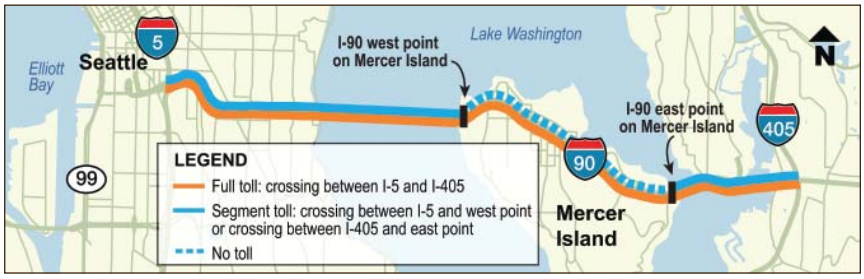
- Beginning in 2010 for Scenarios 2, 4, 6, 7, 9
- Beginning or continuing in 2016 for Scenarios 5, 7, 8, 9

Segment tolls on new 520 bridge

- Beginning in 2016 for Scenarios 1, 2, 3, 4, 6

Segment tolls on I-90

- Beginning in 2016 for Scenarios 3, 4



Single-point toll on I-90

- Beginning in 2010 for Scenario 9
- Beginning in 2016 for Scenario 8

Figure 6. *Options for toll collection locations.*

- **Toll exemptions**—For the purposes of the scenario analysis, some scenarios assumed all vehicles would pay the toll. Others assumed that only transit vehicles would be exempt and still others exempted carpools with three or more people from toll payment. By looking at a variety of exemption types, the Committee could assess the revenue implications of exemptions.
- **Variable tolls or flat tolls**—All but two of the scenarios assume variable tolls, set by time of day, that are higher in the peak travel periods and lower at all other times. Variable toll rates would not change automatically according to traffic conditions. One scenario examined a flat rate toll that stays the same twenty-four hours a day, and another (the HOT lane scenario) examined a toll on I-90 that increases or decreases according to actual traffic conditions.
- **Toll rate ranges**—For the purposes of this analysis, the Committee presented tolls in the following time frames:

Time of Day	Range of Tolls Evaluated (2007$)
Morning Commute (5 am - 9 am)	$2.15 - $4.25
Mid-day (9 am - 3 pm)	$1.05 - $2.75
Afternoon Commute (3 pm - 7 pm)	$2.80 - $5.35
Evening (7 pm - 10 pm)	$1.00 - $2.55
Overnight* (10 pm - 5 am)	$0.00 - $0.95
Weekend	$0.80 - $1.60

**Tolls would be in effect 24 hours a day after bridge completion in 2016.*

Figure 7.
Chart shows the range of one-way toll rates that were assumed across nine of the ten scenarios (I-90 HOT lanes since they would be dynamically priced, are not included). Actual toll rates would vary within these time periods.

Toll rates for 520-only scenarios are shown in Figure 8 on the opposite page. Toll rates for two-bridge (520 and I-90) toll scenarios are in Figure 9 on page 24. For the purposes of the analysis and report, all toll rates are reported in 2007 dollars. The tolls are then assumed to increase yearly at the assumed rate of inflation of 2.5 percent. The 2010 scenarios do not include an overnight toll.

The average toll paid under each of the ten scenarios is for a one-way trip. The average round trip toll would be double that amount. This rate is useful for comparison purposes among the scenarios. The actual rates paid would depend on the time of day that a person made the trip across the bridge.

For the purpose of this analysis, trucks are broken into three categories, including light, medium and heavy. Light trucks pay the same toll as a passenger vehicle while medium trucks pay twice that rate and heavy trucks pay three times the passenger rate.

For Scenario 10, the HOT lanes on I-90 were priced between 10 cents and 70 cents per mile, depending on the time of day and the direction of travel. These rates for the HOT lanes were then combined with Scenario 6 (Toll 520 in 2010 at a rate that attempts to maximize funding by tolling only 520).

Figure 8. 520-only toll scenario rates, one-way, expressed in 2007 dollars.

Chart shows minimum toll, maximum toll and average toll paid in each 520-only toll scenario.

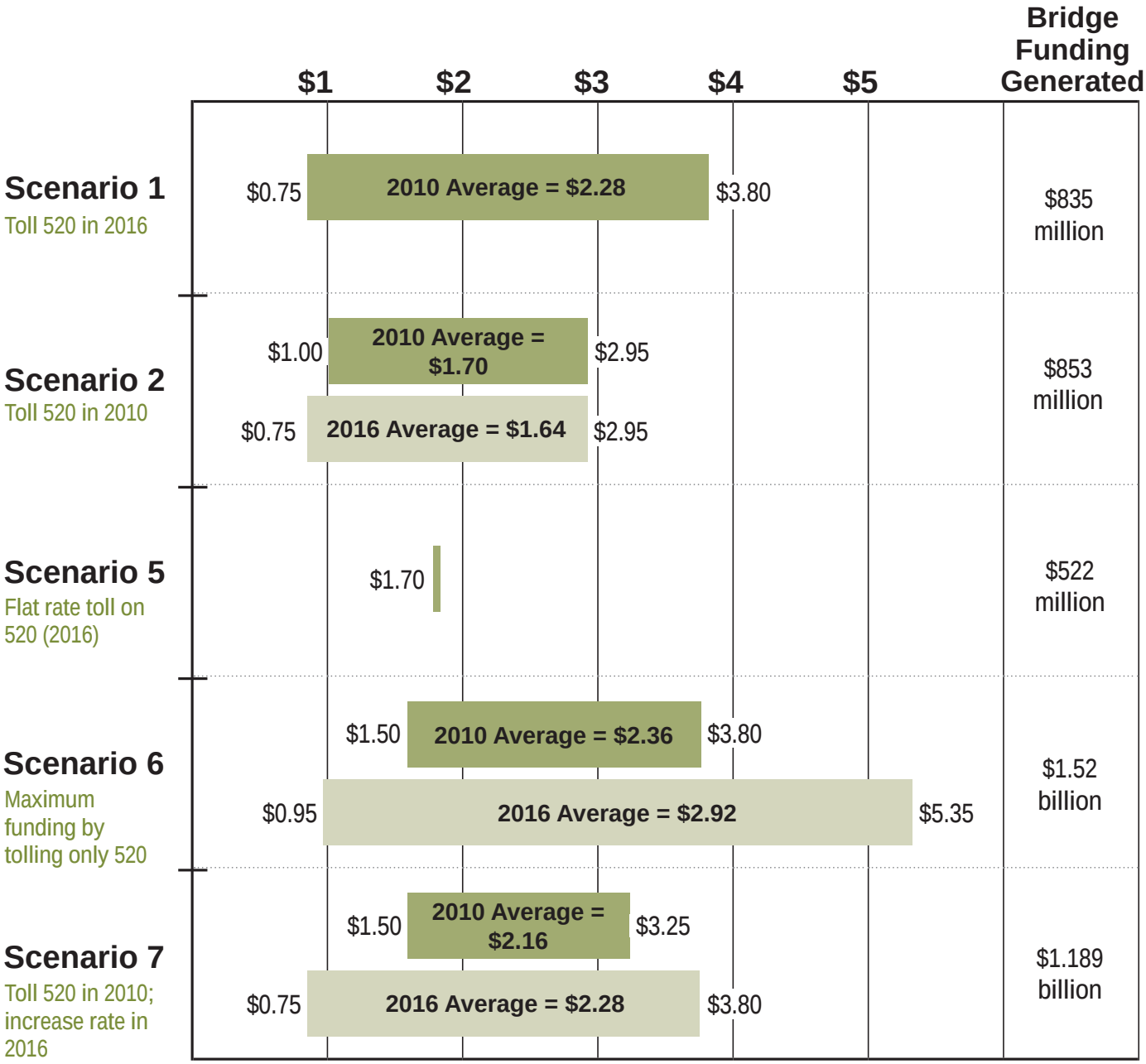
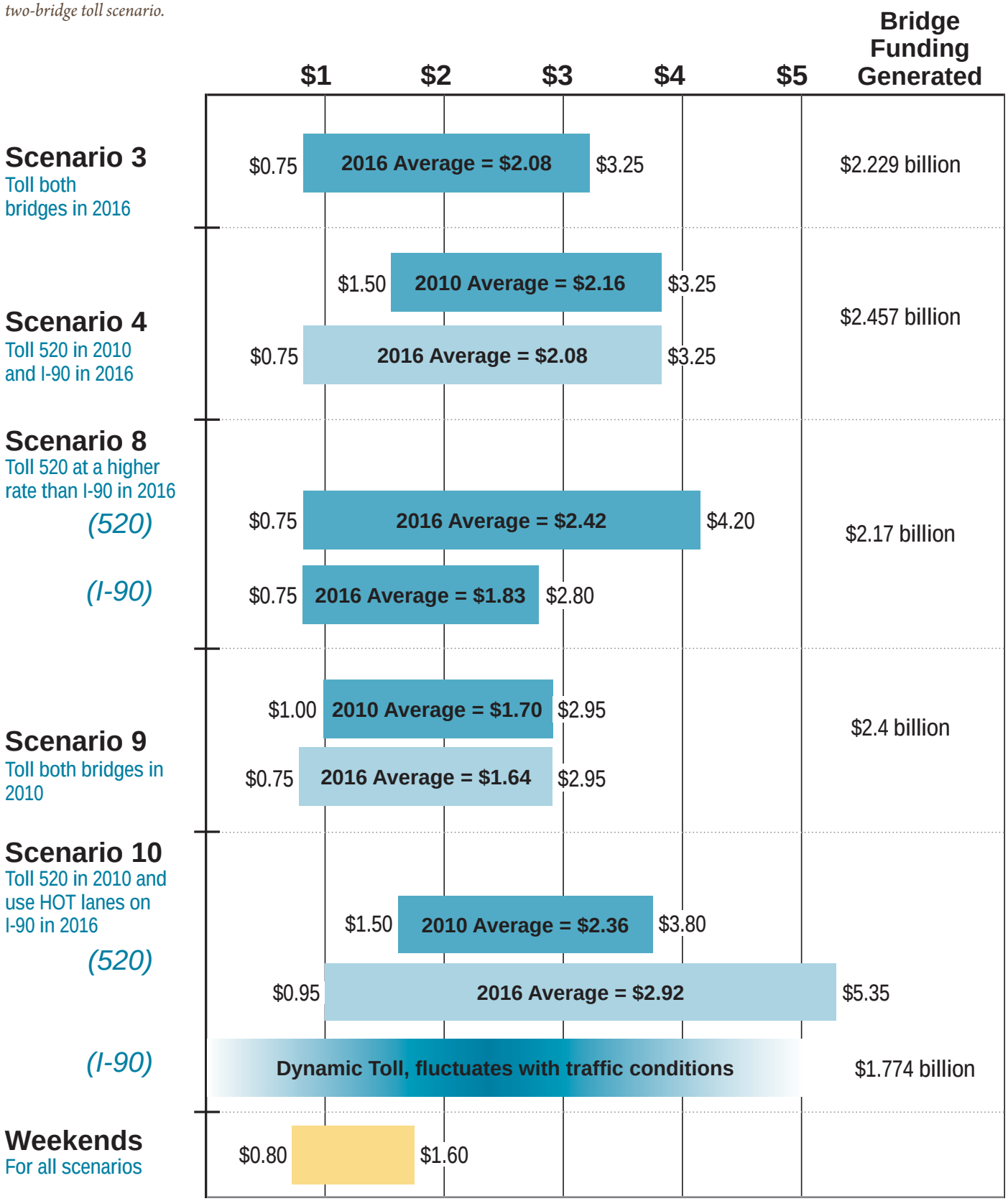


Figure 9. Two-bridge (520 and I-90) toll scenario rates, one-way, expressed in 2007 dollars.

Chart shows minimum toll, maximum toll and average toll paid in each two-bridge toll scenario.



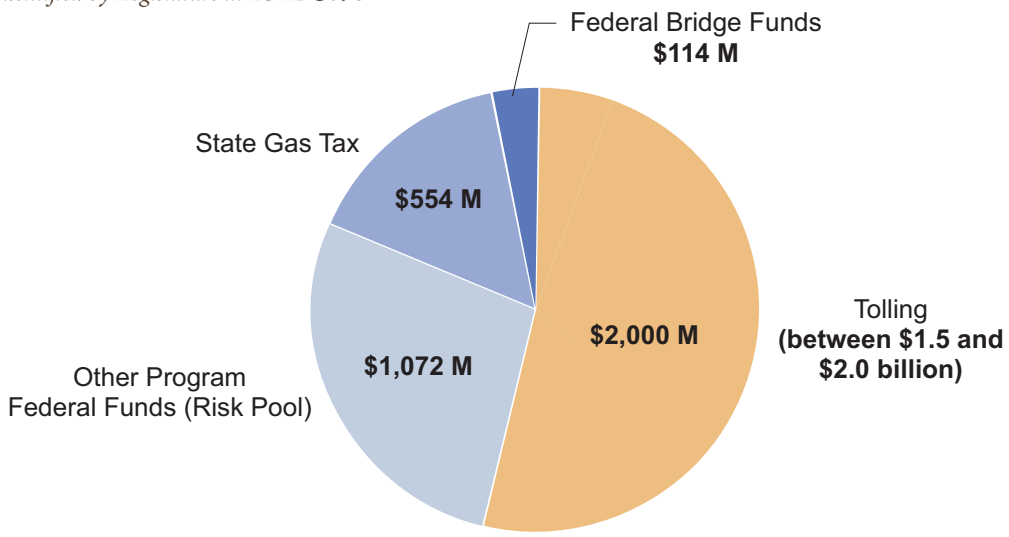
comparing scenarios

The Legislature's Funding Target

Section 3 of ESHB 3096, calls for "recognition of revenue sources that include…one billion five hundred million dollars to two billion dollars in toll revenue…"

This funding target was based on the project budget as it stood in April 2008. The pie chart in Figure 10 shows the funding sources identified by the Legislature.

Figure 10. *Anticipated funding sources identified by Legislature in ESHB 3096*

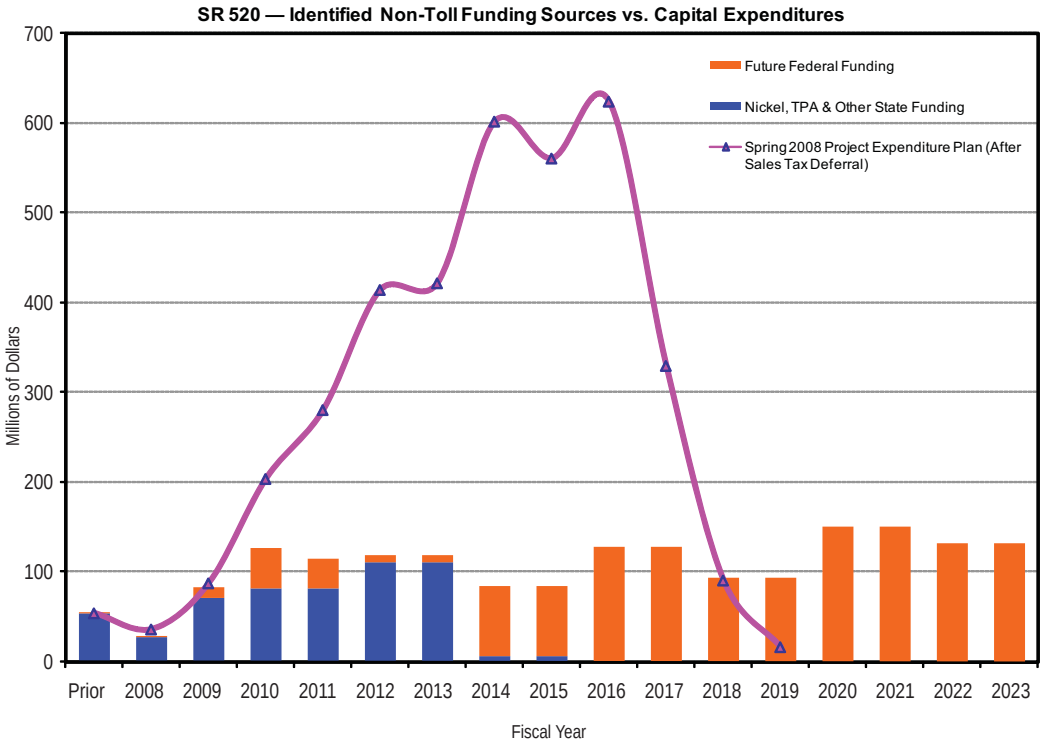


Project estimate as of April 2008 was $3.7 billion – $3.9 billion (Low end of range reflects $180 million in sales tax deferral)

Cash Flow Required

The funding target established by the Legislature did not account for the fact that some of the funds allocated to the project would not be available until after project completion. This will require bonds to be issued in anticipation of that future revenue and will raise the project finance costs. Figure 11 shows the cash flow needs for the project against the current identified state and federal funding sources, as of April 2008.

Figure 11. *Project cash flow needs and identified funding sources*



Financial Capacity Results

Figure 12 below illustrates how scenarios relate to the 2008 Legislative funding target.

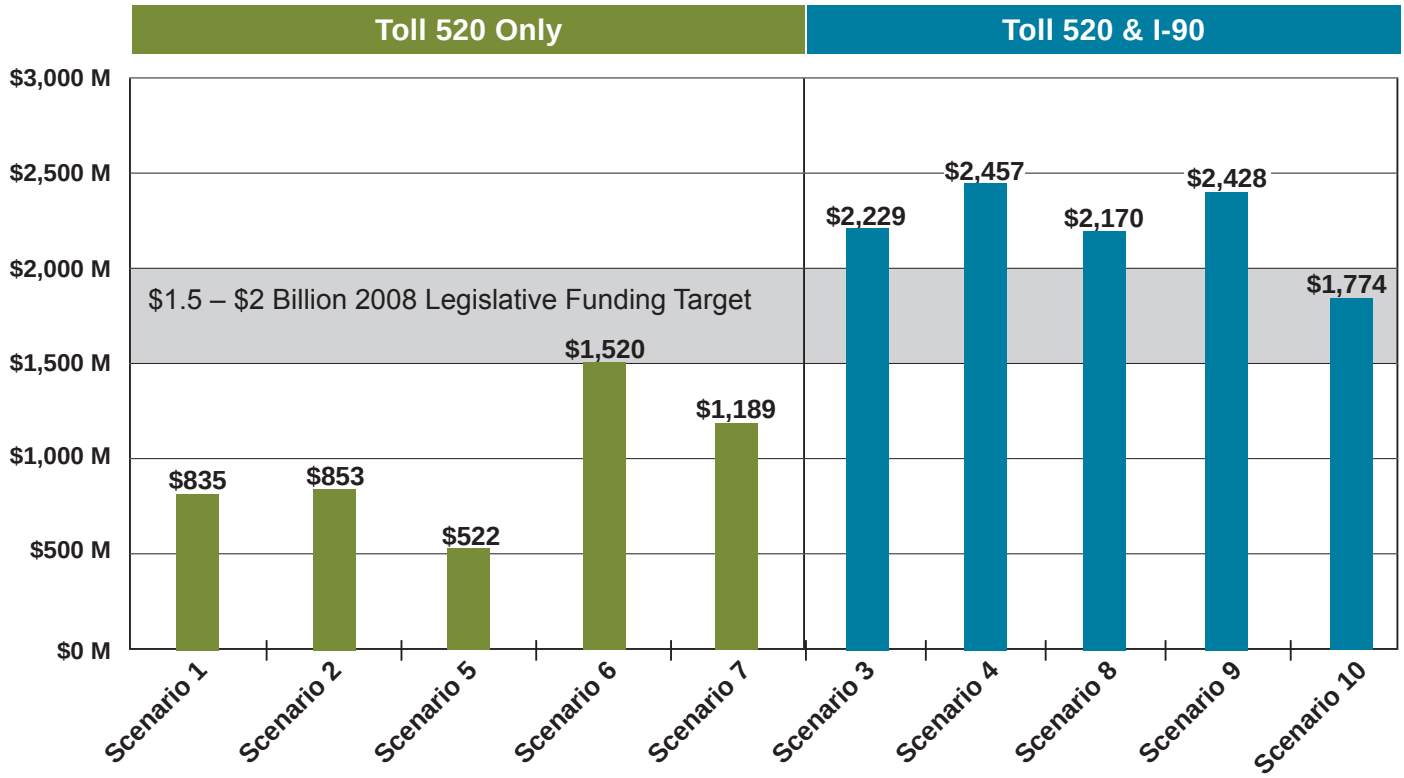


Figure 12.
Financial capacity of ten toll scenarios.

Given the cost of the project, the cash flow needs for construction as of April 2008, and the timing and availability of funds, more than $2.0 billion from tolls would be needed to fully fund the project if no additional revenue sources are found. It should be noted, however, that the final project budget and the exact cash flow needs have yet to be determined.

For these estimates, interest rates were assumed to be 6.0 percent for current interest bonds and 6.5 percent for capital appreciation bonds to reflect changing market conditions. Peak years for cash flow will be 2014 through 2016, and for purposes of the Committee's work, the project cost was assumed to be $3.7 to $3.9 billion. Detailed information about the finance assumptions is included in Appendix C.

the "reasonableness" of the toll

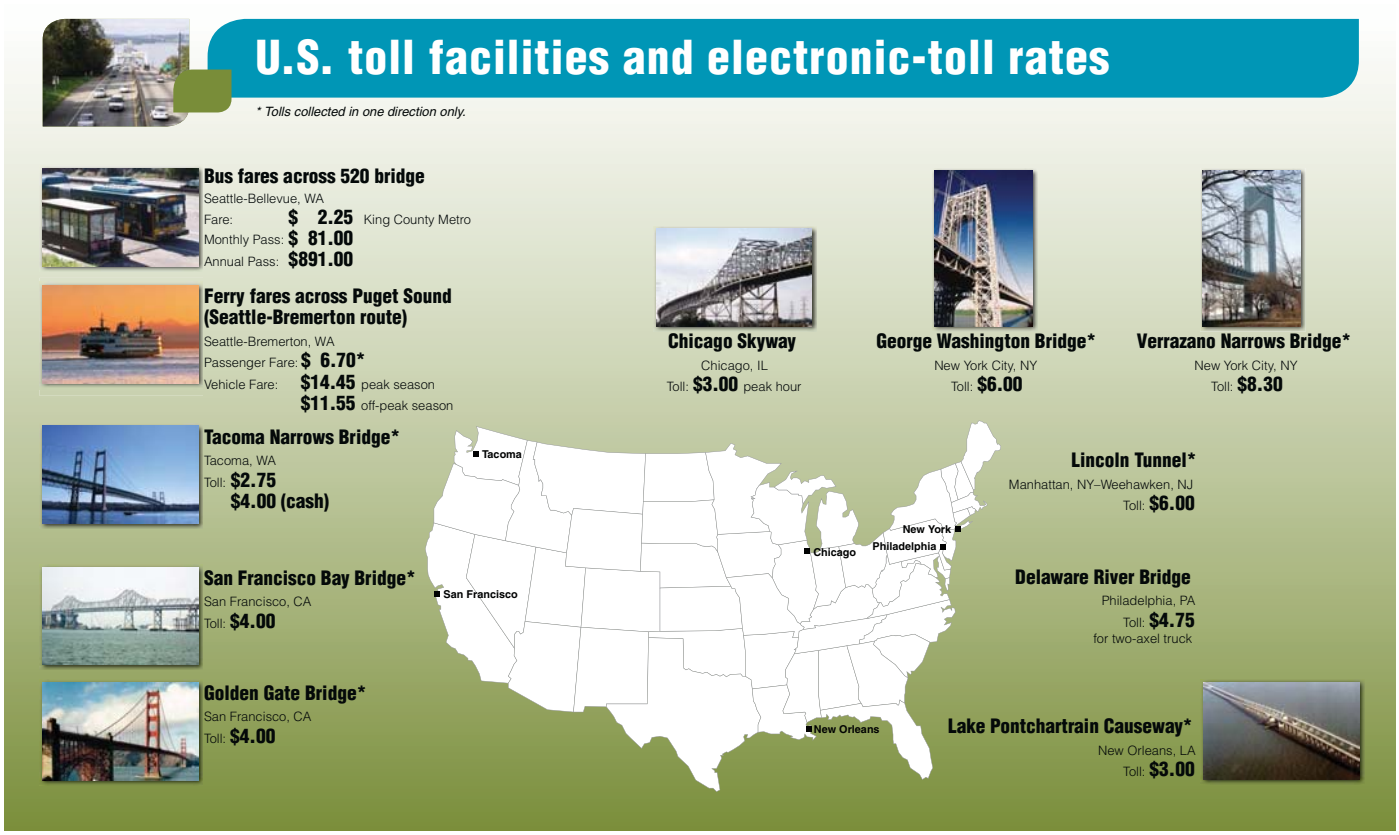
Flat Rate Toll vs. Variable Toll

Results from the analysis suggest that the bridge performs better with variable tolls than with flat rate tolls and that variable tolls provide greater financial capacity. A flat rate toll is relatively low during rush hour compared to a variable toll, encouraging more people to use the bridge at peak times, and limiting speeds. During the mid-day or at night when there is little or no congestion on other facilities, such as I-90, more people will divert to those routes to avoid paying the flat rate toll, which is higher than the variable toll would be at the same time of day.

Average Toll Paid

The average toll paid is also useful for a comparison of toll rates against other facilities. Figure 13 shows the tolls charged on a number of other tolled facilities across the nation. In our region, the best example is the Tacoma Narrows Bridge that opened in July 2007. The current toll on the Tacoma Narrows is $4.00 if using a toll booth and $2.75 with a *Good to Go!* transponder. That toll is only collected in one direction. The graphic also compares toll rates to bus fares and ferry fares.

Figure 13.
Toll rate and transit fares shown are one-way.



how bridge tolling affects diversion

Diversion can be defined in four ways: take another route, shift to transit, change destination or travel at a different time of day. Diversion rates are sensitive to several factors. The major factor is toll rate, followed by availability of alternate routes. If no good alternate route is available, many people will continue to take trips on the corridor rather than divert. This seems to have been the case with the Tacoma Narrows Bridge, where the traffic levels have been higher than projected. If there is a nearby alternate route (for example I-90), diversion may be more significant.

The situation changes if two bridges are tolled. Bridge users would face the choice of diverting to the north or south ends of Lake Washington should they want a non-tolled route. Traffic levels, and thus diversion rates, may change as a result of economic conditions. Mitigation measures for toll-related diversion are discussed on page 36 and in Appendix G.

Diversion to Specific Routes

In all scenarios, most traffic will stay on 520. Those who change routes can choose between 522, I-90 or I-405.

In general, analysis found that most people continue to use the tolled bridge, either by paying the toll, carpooling, taking transit or changing the time of their trip. Some people do change their route, but the overall effect of those route changes tends to be distributed across the transportation system.

The diversion data in Appendix C are presented for 520-only and two-bridge scenarios and for 2010 and 2016. Data is also broken down by peak and off-peak periods and for vehicle volumes and person trips. This data is generated by the regional travel demand model.

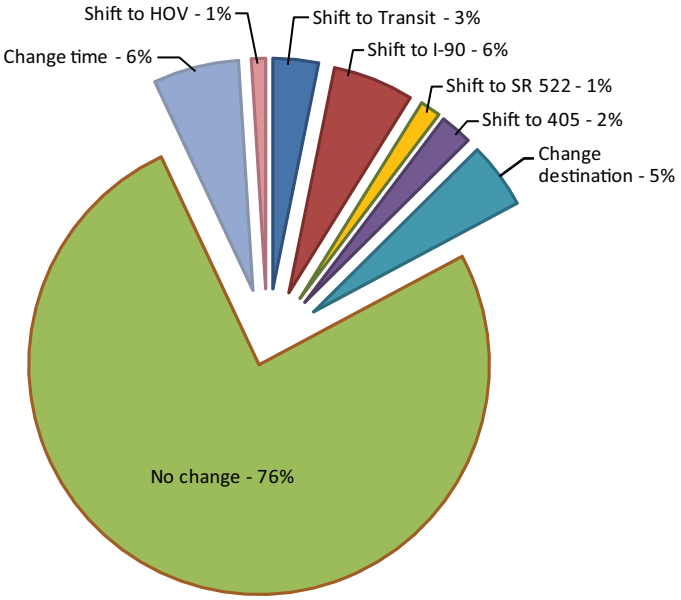
For the 520-only scenarios:

- Transit ridership increases 15 to 30 percent, provided service is in place in 2010. This represents about three percent of all 520 users.
- Peak period traffic on 520 decreases, because some people choose other routes. The higher the toll rate, the higher the diversion rate.
- Peak period traffic on I-90 increases less than 5 percent, except in the highest toll 520-only scenario where it increases 8 percent.
- Peak period traffic on 522 (at 61st Avenue in Kenmore) increases by no more than 5 percent.
- Peak period traffic on I-405 (at 167 in Renton) increases by no more than 3 percent.
- Between 3 and 11 percent choose to travel at a different time of day in 2010.

For the two-bridge (520 and I-90) scenarios:

- There is a decrease in volumes on both 520 and I-90 as some people choose other routes, modes, or destinations.
- Peak period traffic on 522 (at 61st Avenue in Kenmore) increases by no more than 5 percent.
- Peak period diversion to I-405 (at 167 in Renton) is greater in two-bridge scenarios, with volume increases reaching 8 percent.

Figure 14. Diversion from 520.
The pie chart below illustrates diversion findings from one scenario and is not meant to represent all findings. It is from Scenario 6 and shows the travel decisions people make during peak periods in 2010. Text in the left-hand column describes general changes in vehicle traffic.



Diversion effects on arterials
Local roadways leading to tolled bridges have less traffic when tolls are in place, while access routes leading to alternate routes would see an increase in volumes. The regional travel demand model does a good job of showing how regional traffic is projected to shift routes or modes when tolls are placed on one of these major routes. Data has been generated for major roadways; however, additional traffic modeling is needed to see specific arterial effects. (See *520 Tolling Screenline and Location Traffic Estimates* in Appendix B.)

Diversion in 520-only vs. two-bridge scenarios
When only 520 is tolled, the greatest route diversion effects are seen on I-90. When both bridges are tolled more traffic moves to the north and south ends of Lake Washington. I-405 south of I-90 is affected more than 522, because much of the diversion to 522 comes from tolling 520. I-405 only becomes a viable option for many people if I-90 is tolled.

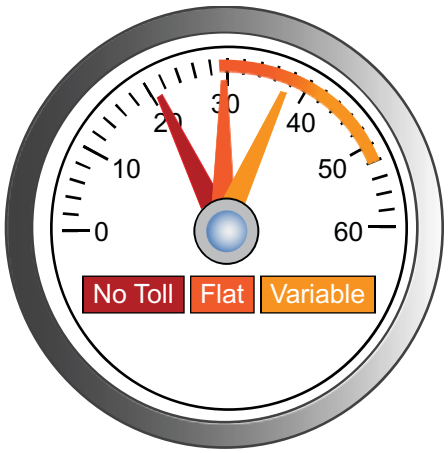
bridge performance

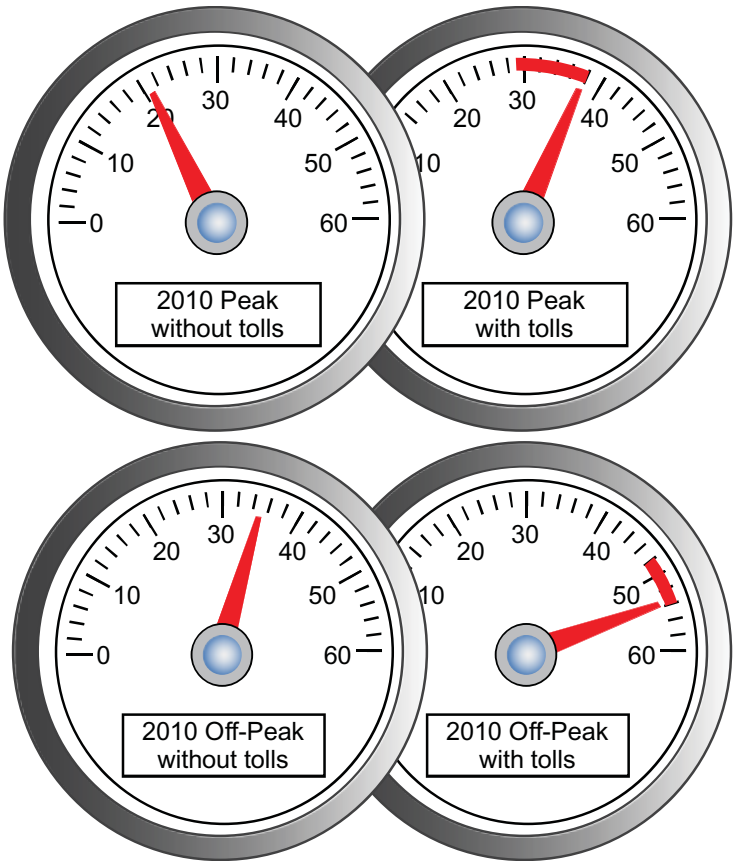
One of the key evaluation criteria is how tolls affect bridge performance and traffic flow. Tolls should provide improved speeds.

Impacts on Bridge Speeds

When tolls are in place traffic volumes go down and speeds improve.* On 520, speeds increase as much as 40 percent (under the highest toll rate scenario). Speeds increase on average from 10 to 30 miles per hour in the corridor between I-5 and I-405. When both 520 and I-90 are tolled, speeds improve on both bridges in peak and off-peak times.

Figure 15. *Impact of tolling options on bridge speeds.**





Above: 520 bridge speed ranges, comparing no toll, flat toll and variable tolls in peak times in 2010.

Right: Examples of speed changes during peak and off-peak times on the 520 bridge in 2010 without tolls compared to with tolls.

**Based upon the regional travel demand model.*

incentives for transit and carpooling

Incentives for transit and carpooling provide an alternative to paying the toll. The 2006 Commute Trip Reduction (CTR) Efficiency Act focused on urban growth areas and congested corridors. There are more than 570 employers participating in CTR program, with more than 337,000 employees.

The program focuses on the Seattle and Bellevue central business districts, as well as the Overlake and Totem Lake areas, making the CTR program central to reducing traffic congestion on 520 and other area highways. The CTR Board estimates that CTR programs save an average of five minutes for a typical commuter from Seattle to Bellevue.

The Urban Partnership Agreement also includes transportation demand management, including shifting trips to transit or carpool travel. Currently, King County Metro and Sound Transit buses carry more than 15,000 riders each day on 520, and the Urban Partnership Agreement would fund purchase of 45 new buses carrying 5,000 additional riders each day. Funding to operate the buses has not been identified.

Almost all major employers in King County use CTR programs, and their programs include:

- University of Washington UPASS
- FlexPass and PugetPass
- Vanpool and Carpool Subsidies
- Emergency Ride Home
- Parking Management
- R-TRIP In Redmond

Transit Need and Availability

Transit ridership is expected to grow 30 percent or more on 520 if the Urban Partnership Agreement service is added. In addition, the recently approved Sound Transit 2 includes 100,000 systemwide hours of additional bus service that could improve transit in this corridor. Bus rapid transit could also be used on 520 in the future to meet transit demand.

Figure 16.
Urban Partnership Agreement service levels and costs.

	Metro	Sound Transit
Buses ($41 million)	30	15
Annual Service Hours	28,000	10,000
Annual Operating Cost	$3,500,000	$1,250,000

(Purchase of buses included in Urban Partnership Agreement; service costs unfunded. Source: Sound Transit and King County Metro.)

Telecommuting

One of the key components of the Urban Partnership Agreement is promoting telecommuting and flextime as options for some employees. By encouraging employees to work from home at least part-time and/or adjusting their work schedules to take advantage of lower toll rates, businesses will contribute to the goal of decreasing traffic in this busy corridor.

Providing Choices

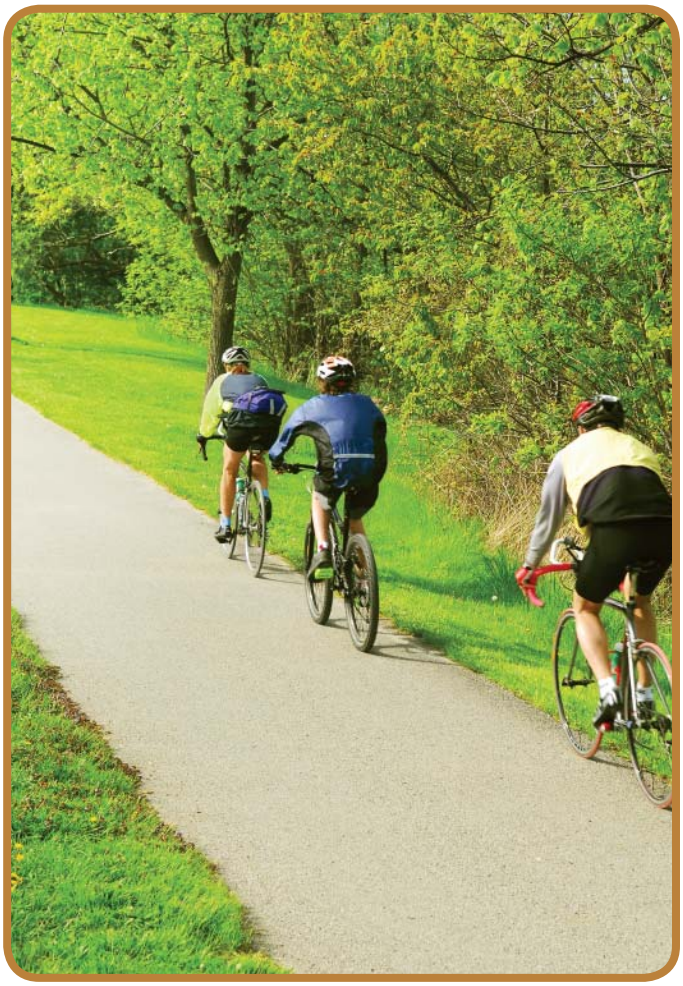
WSDOT plans major outreach efforts to occur in the months leading up to the start of tolling across Lake Washington. All publications and presentations related to tolling will include information on the choices available to drivers, including transit, carpooling, telecommuting, and flextime. A small change in the number of drivers who choose an alternative to driving alone will have a significant effect on traffic flow. By offering a range of choices, drivers can determine what changes work for them.

Public Comment on Transit

When asked what they would do if a toll were charged on 520, nine percent of participants in the statistically-valid phone survey said they would take transit. Of web survey respondents, 17 percent said they would take transit if a toll were charged. This compares with 76 percent of phone survey respondents and 78 percent of web survey respondents saying it is important to have transit available as an alternative to paying tolls.

In the written comments received in fall 2008, 13 percent of respondents expressed support for increased transit service. In the written comments received in summer 2008, 21 percent of respondents expressed support for increased transit service in these corridors. These respondents often said that increased transit service would be a necessary complement to tolling on 520. Others expressed general support for transit service, including both bus and rail service on 520, I-90, and throughout the region.

Most comments that referenced transit mentioned alternatives to paying a toll. Transit improvements were often mentioned as way to reduce effects on lower-income travelers. Some respondents advocated using toll revenue to fund transit improvements, while others were opposed to funding transit with toll revenue. Use of toll revenue for transit service is a legislative policy decision.



potential effects on lower-income bridge users

Committee Outreach Activities

As part of its outreach, the Committee publicized its open houses and website information in minority newspapers, social service newsletters, transit, and at community events. It coordinated with the 520 program on surveys and focus groups, and met with social service agencies to better understand how tolling may affect lower-income commuters.

Current services that meet the needs of lower-income customers:

- Customers can establish *Good To Go!* accounts with cash. There is no need for a credit or debit card.
- Lower-income users can establish and replenish a *Good To Go!* account using their EBT (Quest) card issued by DSHS.
- Full-service *Good To Go!* customer service centers are available for cash customers.
- Mobile *Good To Go!* center is available to set up at events, businesses, and high-traffic areas.

Findings and Input

- A higher proportion of lower-income families' budgets will go toward tolls.
- Putting $30 in a pre-paid *Good to Go!* account may be difficult for lower-income families. They may not have credit or debit cards to automatically replenish online accounts.
- Most trips across the bridge are for people accessing social services, work or medical appointments.
- Buses don't always work for those with children in day care who must be dropped off before continuing on to work.

Additional options to consider:

- Implement more bus service in the corridor to better meet demand. Forty-five new buses are planned for the corridor under the Urban Partnership Agreement, but funding to operate the buses has not yet been identified.
- Investigate partnering with retail outlets to make purchase and replenishment of cash and *Good to Go!* accounts more widely accessible.
- Translate tolling materials into several languages.
- Educate service providers who can explain the system to those who do not read.
- Explore a transportation allowance for those who use the bridge that will provide additional toll allowances on EBT cards, consistent with existing eligibility requirements.
- Analyze the relationship between toll rates and transit fares.

Puget Sound Data

- In the 2005 census, 10 percent of King County households were below the national poverty line of $19,971 for a family of four.
- The median household income in King County was $58,351.
- Transit serves many lower-income residents. According to a 2006 King County Metro Rider / Non-Rider Survey, 25 percent of the riders who participated in the survey had household incomes below $35,000, compared to only 12 percent of non-riders.

National Research

National research on the effects of tolls on lower-income populations is limited, with most studies focused on HOT (high-occupancy toll) lanes. Definitions of lower-income vary across studies, making clear conclusions difficult. In general, national research indicates:

- The cost of purchasing a transponder and the possible need for a credit card to set up an electronic account can limit accessibility for lower-income people.
- Lower-income drivers are more likely to pay for a toll if it results in time savings or reliability.
- Lower-income populations are more likely to use transit and more likely to carpool.

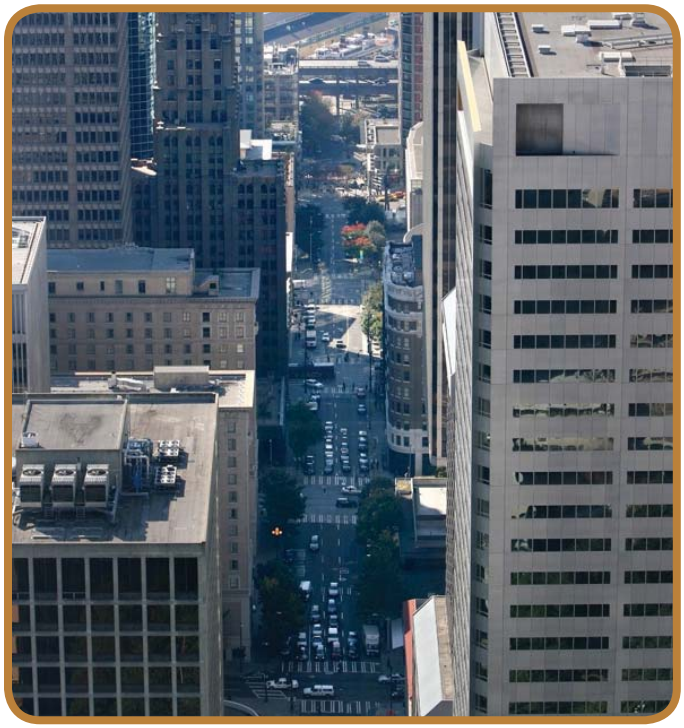
A recent UCLA study suggested that a toll would adversely affect lower-income users of a highway but would be more equitable than a sales tax that affected all lower-income people regardless of whether or not they drive.

opportunities to partner with businesses

The Committee did not find business interest in providing direct funding assistance for the 520 project. Opportunities do exist to partner with businesses and educate their employees about tolling through the various Commute Trip Reduction (CTR) programs.

Specifically, the Puget Sound Regional Council is working to create CTR zones in employment centers. The current program targets employers with over 100 employees in one location who commute during peak times. Changing the focus to employment centers will expand CTR services and funding to smaller businesses.

Businesses will play a primary role in future outreach activities focused on educating drivers about electronic tolling and how the *Good To Go!* system will work in the 520 corridor. Marketing activities will include presentations to employees, e-newsletters, breakroom posters, news articles, employee and client handouts, and on-site *Good To Go!* account sign-ups. The business community has responded positively to this role on the Tacoma Narrows Bridge project and is expected to be an important partner in sharing information and encouraging employees to participate in the electronic tolling program. In return, businesses recognize the benefits of improved traffic conditions, potential added transit service, and variable toll rates for their employees and clients.



advanced tolling technology

Toll Collection Technology

When the Tacoma Narrows Bridge opened in 2007, Washington State launched an electronic tolling system called *Good to Go!*. More than 70 percent of traffic using the new bridge travels non-stop at highway speeds without stopping at toll booths. During peak times, the number is 85 percent. Solo drivers on 167 in Southeast King County can now use this same electronic tolling system to pay for a quicker trip on the HOT lanes.

The 520 corridor will use 100 percent electronic tolling – no toll booths at all. This means all traffic on 520 can cross without stopping to pay.

Simulation of toll collection on existing 520 east high-rise

With *Good to Go!* electronic tolls are collected with a transponder, about the size of a credit card. Drivers affix the transponder on the inside of their cars' windshields. When driving on a tolled facility, an overhead antenna links the transponder to account information, and deducts the correct toll from a prepaid account. Automatic replenishment allows drivers to easily manage accounts by authorizing payments from a credit card or bank account.

To use this no toll booth technology, regular users should have pre-paid transponder accounts. However, some people will not have transponders or may be visiting from

out of town. Their vehicles will have their license plate photographed and can prepay (online or by phone) or be invoiced for the toll, which will include an additional administrative fee for processing. Transponder technology and license-plate recognizing cameras are used today as part of the *Good to Go!* program on the new Tacoma Narrows Bridge and at tolling facilities around the world.

All electronic tolling for 520 is important for a number of reasons:

- **High Volume:** The current daily crossings on 520 are approximately 115,000 vehicles per day and 150,000 on I-90. The Tacoma Narrows Bridge averages about 40,000 toll transactions per day.
- **Traffic Flow:** If vehicles on 520 are required to stop and pay tolls, the resulting congestion would negate the benefit of improving the facility.
- **Variable Tolling:** Electronic toll technology supports the use of variable tolling, which provides lower toll rates during non-peak hours and helps keep traffic moving.

Advances in Tolling Technology

As technology continues to develop, additional technologies will become available and could make toll collection easier and more cost efficient. Technologies that may be available for toll collection in the future include:

- Transponders that include a button or switch indicating if the vehicle is currently a high-occupancy vehicle (HOV).
- Global positioning system (GPS)-based tolling technology.
- Stored-value card for transit, ferries and tolled facilities.
- Rental car companies outfitting rental cars with transponders or using license plate images to pay tolls for their rental fleets.

active traffic management

Active traffic management is the use of high-tech traffic tools to make roadways safer and less congested. These tools provide more accurate real-time information about what is on the road ahead and help improve traffic flow.

If given approval to implement tolling on 520, WSDOT will expand current use of these technologies and focus on low-cost projects that have high benefits for drivers.

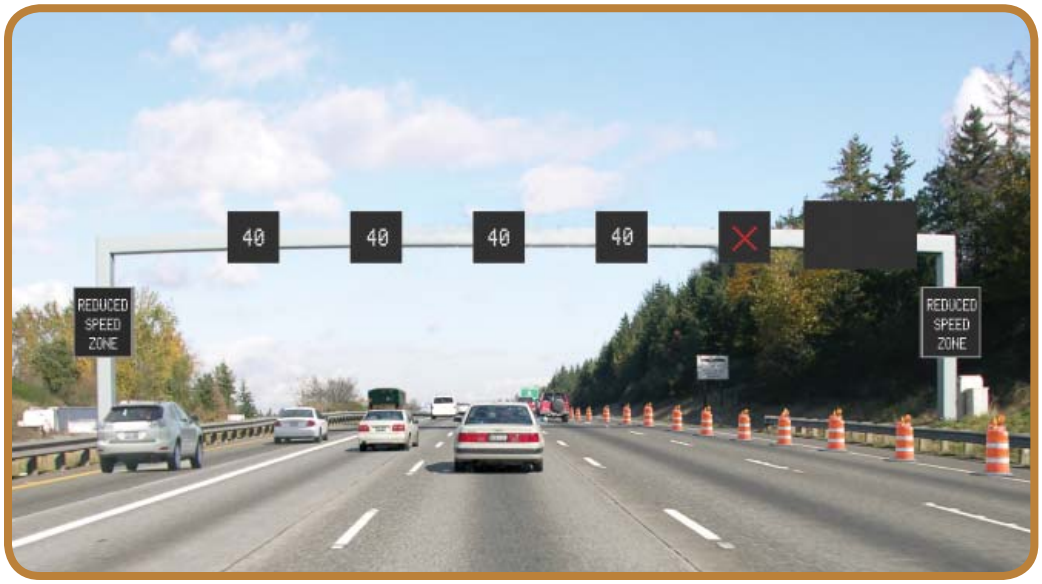
Today's Tools and Technologies Include:

- **Real-time information for drivers,** such as electronic driver information signs, traffic cameras, traffic centers and online traffic maps. The Puget Sound region already has more than 475 traffic cameras, 169 electronic driver information signs, and seven traffic management hubs.
- **Ramp meters,** or stop-and-go traffic signals, that automatically space vehicles entering the flow of traffic on the highway. Today, 135 ramp meters help keep traffic moving on some of Washington's busiest routes.
- **Incident response teams** that clear roads and help drivers. WSDOT used more than 55 trucks and responded to more than 52,000 incidents in 2007.
- **Using HOV lanes more efficiently,** with projects including a four-year high-occupancy toll (HOT) lane pilot project on 167 between Auburn and Renton that converted a HOV lane to a HOT lane.

Smarter Roadways Tomorrow

Building upon the successes already seen, new techniques are available and can be used in the Puget Sound region, including:

- Installing overhead signs, which convey variable speed limits; lane closures and warning signs, to alert drivers to slow down or change lanes because of collisions and backups.
- Where possible, building additional emergency pull off areas for vehicle breakdowns or collisions.



Future variable speed limit and driver information signs will improve traffic flow and safety on northbound I-5 between Boeing Access Road and I-90. Similar signs will also be used in the 520 corridor.

mitigation recommendations for diversion related to tolling

The Committee was tasked by the Legislature with evaluating potential tolling diversion from 520 to other roadways and recommending mitigation to address diversion. All the tolling scenarios had similar effects on traffic diversion, although specific amounts and locations varied based on toll rates and facilities tolled.

What Happens on Local Roads?

Generally, in the 520-only toll scenarios, traffic drops on direct access routes to 520 (such as Montlake Boulevard and Lake Washington Boulevard) and increases somewhat on direct access routes to I-90 (such as Rainier Avenue and Bellevue Way). In two-bridge scenarios, traffic on all direct access routes drops somewhat. Local access routes to 522 have increases in traffic in all toll scenarios. Complete diversion data can be found in Appendix C.

A Proposed Two-Part Approach to Mitigation

The Committee is recommending an approach that attempts to keep traffic on the tolled 520, and takes actions to mitigate the effects of diversion off of 520. Additional detail on this approach is in Appendix G.

Part 1: Approaches to keep traffic on the tolled 520

- Use variable tolls to improve performance during peak periods and encourage traffic to stay on the bridge in the off-peak when tolls are lower.
- In addition to meeting debt requirements, manage toll levels to keep traffic on the bridge; higher tolls will divert more traffic off 520.
- Segment tolls are opposed by jurisdictions throughout the region. Segment tolls may cause traffic to divert to local arterials to avoid a toll; however, segment tolls also lower traffic on bridge approaches and improve traffic flow.
- Identify funding to operate Urban Partnership Agreement transit service, and continue working with employers to reduce solo commutes in these corridors.
- Replace the 520 bridge. An expanded bridge will improve traffic flow and bring traffic that currently diverts because of congestion back to the 520 corridor.

Part 2: Mitigation recommendations

Based on discussions with jurisdictions, the Committee identified five areas of concern related to traffic diversion:

- 522, Bellevue/Points communities arterials, I-90, I-405 South, Seattle/University of Washington.

Committee mitigation recommendations related to tolling include:

- System-wide instrumentation and traffic monitoring
  - Additional coverage would be needed on 522.
  - Local access roads may need to be added such as Ballinger Way, NE 145th Street, and Juanita Drive.
- 522 mitigation
  - Traffic reporting with electronic driver information signs at decision points on I-5, I-405, and along 522.
  - Traffic signal reliability and coordination.
- A toll mitigation account to respond to traffic diversion effects would be set up to fund the noted mitigation strategies and to find other mitigation as necessary. A joint state/local process would be developed to decide which projects should be implemented to mitigate the actual effects of diverted traffic once tolling begins. Funds from the account would be focused on the six-year period following tolling authorization.
- Advanced traffic management technology on 520, I-90, I-405 and I-5.
- A coordinated transit implementation plan developed by WSDOT, King County and Sound Transit.
- Transit service expansion via the Urban Partnership Agreement in the 520 corridor and possible other improvements to transit service in response to anticipated or actual traffic diversion.
- Transit-related improvements such as new or expanded park-and-rides should be added, including in the I-90 corridor, if it is tolled.
- In a two-bridge scenario, expansion work on I-405 and I-405 alternate routes should proceed as quickly as possible.
- Local jurisdictions support new transit service in the corridor. The Urban Partnership Agreement would fund the purchase of 45 new buses, but operational funds are needed.
- Funding to operate transit needs to be identified and secured. Using toll revenues to pay for that service is a policy decision to be made by the Legislature.

appendices

Volume 1:

A: Legislation - ESHB 3096

B: Outreach Events and Materials

C: Travel Demand Modeling and Financial Analysis

D: Travel Demand Model Peer Review

E: Active Traffic Management

F: Toll Collection Technology

G: Mitigation Recommendations for Diversion

H: Discussions on I-90

Volume 2:

I: Public Comments

- Letters from jurisdictions
- Summaries of public comment
- All public comments received

How can tolls work for people who use 520, nearby communities, and taxpayers?

for more information contact:

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Americans with Disabilities Act (ADA) Information: Sign language and communications materials in alternative formats can be arranged given sufficient notice by calling 206.464.7090 or TDD/TTY 206.464.5409.

Title VI: The 520 Tolling Implementation Committee ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, national origin or sex in the provision of benefits and services resulting from its federally assisted programs and activities.

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

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director

Date: April 24, 2009

Subject: Additional Level of Service for Snow Response

RECOMMENDATION:

It is recommended that the City Council approve the purchase of specifically identified equipment for snow and ice response activities.

BACKGROUND DISCUSSION:

Following the December 2008 and January 2009 snow events, Public Works briefed the City Council on the City's response efforts. During that discussion, it was noted that staff would explore additional resources and return to Council with a recommendation. In that discussion, staff identified the following needs:

Three additional small plow attachments that will be mounted on existing 1-ton 4X4 pickup trucks -

- total cost: $18,000 for all 3 plow attachments

These plows would be utilized for City emergency response facilities such as the Police Department access at City Hall and all the Fire Stations. They will also then be available to be used on City streets in order to supplement the existing three plows. It should be noted that two existing City vehicles are capable of mounting these plows; a third scheduled replacement truck was ordered, and the specifications included mounting for a snow plow attachment. These vehicles will be utilized by both Parks Department staff and Public Works staff as the needs arise. As noted in the previous discussion, Parks is responsible for clearing access to City facilities (City Hall and the Fire Stations), and this proposal will provide them appropriate equipment for those duties.

Chemical de-icer equipment –

- Cost $25,000 initial capital outlay
- $10-$20,000/yr for supplies (depending on frequency of use)

Staff has identified de-icer products that are utilized by other local municipalities. We believe appropriate and judicial use of de-icer can keep specific major roadways from freezing and

minimize the environmental damage normally associated with salt products. The de-icer is applied to the road surface prior to a snow/ice event, and in some cases, will prevent freezing from occurring at temperatures as low as -30 F.

Staff is recommending that the three plow attachments and the chemical de-icer products be purchased from 2008 year-end available cash in the general fund as was proposed at the council retreat in March. At this time, an ongoing funding source for the annual cost of de-icer (estimated at $10 - $20,000) has not been identified. We will explore all options in 2010, however the first step is to acquire the equipment and to begin to determine a frequency of application history; based on the frequency a replenishment funding source can be identified.

Staff believes that the City's existing equipment has provided an appropriate response level for historical winter events, however with the volatility introduced by climate change and with the trend of recent weather patterns that have included greater intensity winter storms, additional resources are justified. In addition to being able to address large precipitation events, the de-icer is anticipated to be able to be utilized under freezing conditions that don't include significant precipitation. Some streets, Forbes Creek Drive for example, remains shaded for long periods of time and experiences icy and potentially dangerous conditions without a snow event.

Cc: Jennifer Schroder, Director of Parks and Community Services
Jason Filan, Parks Operation Manager
John Hopfauf, Street Manager

Council Meeting: 05/05/2009
Agenda: New Business
Item #: 11. a.

CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033 425.587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Eric Shields, Planning Director

Date: April 23, 2009

Subject: Zoning Code Interpretation: Schools in LIT Zones

RECOMMENDATION

Determine whether the Zoning Code should be interpreted to allow schools in the LIT zone. If so, direct the Planning Director to prepare a formal code interpretation.

BACKGROUND DISCUSSION

The Issue: Mr. Ken Rice owns property located at 400 6th St. S. in a Light Industrial Technology (LIT) zone. He is interested in selling the property to someone who wishes to locate a Montessori school there. Both Mr. Rice and the potential purchaser contacted the Planning Department about whether the LIT zoning would allow a Montessori school. They were told that it would not. Mr. Rice then contacted me to determine if there is any way to accommodate the school. During the course of our conversation, we identified one section of the LIT regulations that could conceivably be interpreted to allow a school. I agreed to consult the City Council about whether such an interpretation would be desired.

Uses Allowed in the LIT Zone: Most of the permitted uses in the LIT zone are light industrial in nature, for example warehousing, wholesale trade and contracting services. Offices and high technology uses are also permitted and in recent years have been the most predominant type of new construction. Day care centers are allowed if they are accessory to other permitted uses, occupying no more than 20% of the floor area of a building. A few other uses such as accessory restaurant uses are also permitted.

Schools are allowed in nearly all zones in the City, but not in the LIT zone (this is also true of churches). Community facility uses, on the other hand are also allowed in all or nearly all zones, including LIT zones (the same is true of government facility uses). See the attachment showing regulations for the LIT zone. See also the attachment showing the example of school regulations in the PR zone.

Definition of Community Facility: The Zoning Code defines Community Facility as:

> "A use which serves the public and is generally of a noncommercial nature. Such use shall include food banks, clothing banks, and other nonprofit social service organizations; nonprofit recreational facilities; and nonprofit performance arts centers."

The Question: The question for the Council is whether a school should be considered to be within the scope of a Community Facility. I don't think the City specifically had schools in mind when the community facility definition was written, particularly since schools are specifically listed as a permitted use in most zones and have their own definitions. However, a school could be considered to serve the public and be noncommercial in nature. If the Council concludes that a school would be acceptable in the LIT zone, then it would be possible for a written zoning code interpretation to be prepared that would recognize schools as being within the scope of the Community Facility use in the LIT zone.

One thing to keep in mind is that the question must be addressed for the LIT as a whole and would not be site specific. In other words, the decision will apply to all LIT zoned land throughout the City, not just to the property that is currently of interest at 400 6th Ave. S.

Attachments:

- LIT Zone regulations
- PR Zone school regulations

Chapter 48 – LIGHT INDUSTRIAL TECHNOLOGY (LIT) ZONES

48.05 User Guide. The charts in KZC 48.15 contain the basic zoning regulations that apply in the LIT zones of the City. Use these charts by reading down the left hand column entitled Use. Once you locate the use in which you are interested, read across to find the regulations that apply to that use.

Section 48.10

Zone LIT

Section 48.10 – GENERAL REGULATIONS
The following regulations apply to all uses in this zone unless otherwise noted:

1. Refer to Chapter 1 KZC to determine what other provision of this code may apply to the subject property.

2. If any portion of a structure is adjoining a low density zone, then either:
   a. The height of that portion of the structure shall not exceed 20 feet above average building elevation; or
   b. The horizontal length of any facade of that portion of the structure which is parallel to the boundary of the low density zone shall not exceed 50 feet.

   See KZC 115.30, Distance Between Structures/Adjacency to Institutional Use, for further details.
   (Does not apply to Hazardous Waste Treatment and Storage Facilities uses).

3. Except if adjoining a low density zone, structure height may be increased above 35 feet in height through a Process IIA, Chapter 150 KZC, if:
   a. It will not block local or territorial views designated in the Comprehensive Plan;
   b. The increased height is not specifically inconsistent with the applicable neighborhood plan provisions of the Comprehensive Plan; and
   c. The required yard of any portion of the structure may be increased up to a maximum of one foot for each foot that any portion of the structure exceeds 35 feet above average building elevation. The need for additional setback yards will be determined as part of the review of any request to increase structure height.

   (Does not apply to Hazardous Waste Treatment and Storage Facilities and Public Parks uses).

4. If the property is located in the NE 85th Street Subarea, the applicant shall install a through-block pedestrian pathway to connect an east-west pathway designated in the Comprehensive Plan between 124th Avenue NE and 120th Avenue NE pursuant to the through-block pathway standards in KZC 105.19(3) (See Plate 34K).

5. Retail uses are prohibited unless otherwise allowed in the use zone charts.

Zone LIT

USE ZONE CHART

Section 48.15	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
		DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS										
.010	Packaging of Prepared Materials Manufacturing See Spec. Regs. 1 and 2.	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	90%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	A	C	1 per each 1,000 sq. ft. of gross floor area.	1. The following manufacturing uses are permitted: a. Food, drugs, stone, clay, glass, china, ceramics products, electrical equipment, scientific or photographic equipment, fabricated metal products; b. Fabricated metal products, but not fabrication of major structural steel forms, heavy metal processes, boiler making, or similar activities; c. Cold mix process only of soap, detergents, cleaning preparations, perfumes, cosmetics, or other toilet preparations; d. Packaging of prepared materials; e. Textile, leather, wood, paper and plastic products from pre-prepared material; and f. Other compatible uses which may involve manufacturing, processing, assembling, fabrication and handling of products, and research and technological processes. 2. May include as part of this use, accessory retail sales, office or service utilizing not more than 20 percent of the gross floor area. The landscaping and parking requirements for these accessory uses will be the same as for the primary use.
.020	A Retail Establishment Providing Storage Services									E	See KZC 105.25.	1. May include accessory living facilities for resident security manager.
.030	Warehouse Storage Service									C	1 per each 1,000 sq. ft. of gross floor area.	1. May include, as part of this use, accessory retail sales, office or service utilizing no more than 20 percent of the gross floor area. The landscaping and parking requirements for these accessory uses will be the same as for the primary use.
.040	Wholesale Trade											
.050	Industrial Laundry Facility											
.060	Wholesale Printing or Publishing											

Section 48.15 Zone LIT USE ZONE CHART

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS

Section 48.15	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
.070	Wholesale Establishment or Contracting Services in Building Construction, Plumbing, Electrical, Landscaping, or Pest Control	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	B	E	1 per each 1,000 sq. ft. of gross floor area.	1. Outdoor storage for this use must be buffered as established in Chapter 95 KZC for Landscape Category A.
.075	A Retail Establishment providing rental services											
.080	A Retail Establishment providing banking and related financial services										1 per each 300 sq. ft. of gross floor area.	1. This use is permitted if accessory to a primary use, and: a. It will not exceed 20 percent of the gross floor area of the building; b. The use is integrated into the design of the building; and c. There is no vehicle drive-in or drive-through.
.090	High Technology								A	D	If manufacturing, then 1 per each 1,000 sq. ft. of gross floor area. If office, then 1 per 300 sq. ft. of gross floor area. Otherwise, see KZC 105.25.	1. This use may include research and development, testing, assembly, repair or manufacturing or offices that support businesses involved in the pharmaceutical and biotechnology, communications and information technology, electronics and instrumentation, computers and software sectors. 2. May include as part of this use, accessory retail sales or service utilizing not more than 20 percent of the gross floor area. The landscaping and parking requirements for these accessory uses will be the same as for the primary use. 3. Refer to KZC 115.105 for provisions regarding outside use, activity and storage.

Zone LIT

USE ZONE CHART

Section 48.15	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	MAXIMUMS: Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
		DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS										
.100	Office Use	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	70%	35′ above average building elevation with a maximum of two stories, exclusive of parking levels except as specified in Spec. Reg. 2.	C See also Spec. Reg. 1a.	E	If a medical, dental, or veterinary office, then 1 per each 200 sq. ft. of gross floor area. Otherwise, 1 per each 300 sq. ft. of gross floor area.	1. The following regulations apply only to veterinary offices: a. If there are outdoor runs or other outdoor facilities for the animals, then use must comply with Landscape Category A. b. Outside runs and other outside facilities for the animals must be set back at least 10 feet from each property line and must be surrounded by a fence or wall sufficient to enclose the animals. See KZC 115.105, Outdoor Use, Activity and Storage, for further regulations. 2. a. If adjoining a low density zone other than RSX, then 25 feet above average building elevation; and b. In the Norkirk Neighborhood, south of 7th Avenue and west of 8th Street, maximum height is 40 feet above average building elevation, with no limit on number of stories.
.110	Auction House See Spec. Reg. 1.	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	B	E	1 per each 300 sq. ft. of gross floor area.	1. Livestock auctions are not permitted. 2. Outdoor storage for this use must be buffered as established in Chapter 95 KZC for Landscaping Category A.
.120	Kennel			20′	0′	0′						1. Outside runs and other facilities for the animals must be set back at least 10 feet from each property line and must be surrounded by a fence or wall sufficient to enclose the animals. See KZC 115.105, Outdoor Use, Activity and Storage, for further regulations. 2. Must provide suitable shelter for the animals. 3. Must maintain a clean, healthful environment for the animals.
				See Spec. Reg. 1.								
.130	Day-Care Center See Spec. Reg. 1.	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	D	B	See KZC 105.25.	1. This use is permitted if accessory to a primary use, and: a. It will not exceed 20 percent of the gross floor area of the building; b. The use is integrated into the design of the building. 2. A six-foot-high fence is required along the property lines adjacent to the outside play areas. 3. Hours of operation may be limited to reduce impacts on nearby residential uses. 4. Structured play areas must be set back from all property lines as follows: a. Twenty feet if this use can accommodate 50 or more students or children. b. Ten feet if this use can accommodate 13 to 49 students or children. REGULATIONS CONTINUED ON NEXT PAGE

Section 48.15 Zone LIT USE ZONE CHART

Section 48.15	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	MAXIMUMS: Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
		DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS										
.130	Day-Care Center (continued)											REGULATIONS CONTINUED FROM PREVIOUS PAGE 5. An on-site passenger loading area may be provided. The City shall determine the appropriate size of the loading areas on a case-by-case basis, depending on the number of attendees and the extent of the abutting right-of-way improvements. Carpooling, staggered loading/unloading time, right-of-way improvements or other means may be required to reduce traffic impacts on any nearby residential uses. 6. May include accessory living facilities for staff persons. 7. The location of parking and passenger loading areas shall be designed to reduce impacts on any nearby residential uses. 8. These uses are subject to the requirements established by the Department of Social and Health Services (WAC Title 388).
.140	Mini-Day-Care See Spec. Reg. 1.	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	D	B	See KZC 105.25.	1. This use is permitted if accessory to a primary use, and: a. It will not exceed 20 percent of the gross floor area of the building; b. The use is integrated into the design of the building. 2. A six-foot-high fence is required along the property lines adjacent to the outside play areas. 3. To reduce impacts on nearby residential uses, hours of operation of the use may be limited and parking and passenger loading areas relocated. 4. Structured play areas must be set back from all property lines by five feet. 5. An on-site passenger loading area may be required depending on the number of attendees and the extent of the abutting right-of-way improvements. 6. The location of parking and passenger loading areas shall be designed to reduce impacts on nearby residential uses. 7. May include accessory living facilities for staff persons. 8. These uses are subject to the requirements established by the Department of Social and Health Services (WAC Title 388).

Zone LIT

USE ZONE CHART

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS

Section 48.15	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
.150	Recycling Center	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	A	C	See KZC 105.25.	1. May deal in metal cans, glass, and paper. Other materials may be recycled if the Planning Director determines that the impacts are no greater than those associated with recycling metal cans, glass, or paper. The individual will have the burden of proof in demonstrating similar impacts.
.160	Public Utility								C See Spec. Reg. 1.	B		1. Landscape Category A or B may be required depending on the type of use on the subject property and the impacts associated with the use on the nearby uses.
.170	Government Facility Community Facility											
.180	Hazardous Waste Treatment and Storage Facilities	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	30′	0′	0′	90%	35′ above average building elevation with a maximum of two stories, exclusive of parking levels. See Spec. Reg. 2.	A	C	1 per each 1,000 sq. ft. of gross floor area.	1. Must comply with the state siting criteria adopted in accordance with RCW 70.105.210. 2. Structure height may be increased above 35 feet in height through a Process IIA, Chapter 150 KZC, if: a. It will not block local or territorial views designated in the Comprehensive Plan; and b. The increased height is not specifically inconsistent with the applicable neighborhood plan provisions of the Comprehensive Plan; and c. The need for an increase in height is directly related to the hazardous waste treatment and/or storage activity; and d. The required yard of any portion of the structure may be increased up to a maximum of one foot for each foot that any portion of the structure exceeds 35 feet above average building elevation. The need for additional setback yards will be determined as part of the review of any request to increase structure height.
.190	Vehicle or Boat Repair, Services, Storage, or Washing			20′			80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.		E	See KZC 105.25.	1. Outdoor vehicle or boat parking or storage areas must be buffered as required for a parking area in KZC 95.40(6) and (7), landscaping regulations. 2. Access from drive-through facilities must be approved by the Public Works Department. Drive-through facilities must be designed so that vehicles will not block traffic in the right-of-way while waiting in line to be served.

Section 48.15 Zone LIT USE ZONE CHART

Section 48.15	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
		DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS										
.195	Automobile Sales	Process I, Chapter 145 KZC	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	A	C See Spec. Reg. 7.	See KZC 105.25.	1. This use is permitted only on properties that adjoin 8th Street or 7th Avenue in the Norkirk Neighborhood. 2. Outdoor automobile sales, storage, and display are not permitted. 3. Outdoor sound systems are not permitted. 4. Outdoor balloons, streamers, and inflatable objects are not permitted. 5. Test drives must be accompanied by an employee through the LIT zone and limited to 8th Street, 7th Avenue, and either 6th Street or 114th Avenue NE enroute to Central Way/NE 85th Street. 6. Hours of operation are limited to 7:00 a.m. to 8:00 p.m. 7. Cabinet signs are not permitted. 8. This use primarily entails the sale of alternative fuel vehicles such as biodiesel, ethanol, and electric vehicles.
.200	Restaurant See Spec. Reg. 1.	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.							B	E	1 per each 100 sq. ft. of gross floor area.	1. This use is permitted if accessory to a primary use, and: a. It will not exceed 20 percent of the gross floor area of the building; b. The use is integrated into the design of the building; and c. There is no vehicle drive-in or drive-through.
.210	Public Park	Development standards will be determined on case-by-case basis. See Chapter 49 KZC for required review process.										

Zone LIT

USE ZONE CHART

Section 48.15	USE ⇩ / REGULATIONS ⇨	DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS										
		Required Review Process	MINIMUMS				MAXIMUMS		Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
			Lot Size	REQUIRED YARDS (See Ch. 115)			Lot Coverage	Height of Structure				
				Front	Side	Rear						
.220	Commercial Recreation Area and Use	Within the NE 85th Street Subarea, D.R., Chapter 142 KZC. Otherwise, none.	None	20′	0′	0′	80%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 35′ above average building elevation with a maximum of two stories, exclusive of parking levels.	A	E	See KZC 105.25.	1. The use is permitted only if the property is located between NE 107th Street (extended) and NE 116th Street; and between I-405 and 116th Avenue NE. 2. The use shall be conducted within a wholly-enclosed building. 3. The building housing the use shall have been in existence on June 1, 2004, and shall not be altered, changed, or otherwise modified to accommodate the use if the cost of such alteration, change, or modification exceeds 30 percent of the replacement cost of that building. 4. The use must be discontinued when there is an alteration, change, or other work in a consecutive 12-month period to the space in which the use is located, and the cost of the alteration, change or other work exceeds 30 percent of the replacement cost of that space.

Zone PR

USE ZONE CHART

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS

Section 25.10	USE ⇩ / REGULATIONS ⇨	Required Review Process	MINIMUMS: Lot Size	MINIMUMS: REQUIRED YARDS (See Ch. 115) Front	Side	Rear	MAXIMUMS: Lot Coverage	MAXIMUMS: Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
.090	School or Day-Care Center	Within the NE 85th Street Sub-area, D.R., Chapter 142 KZC. Otherwise, none. If this use is adjoining a low density zone, then Process I, Chapter 145 KZC.	8,500 sq. ft. if PR 8.5 zone, otherwise 7,200 sq. ft.	If this use can accommodate 50 or more students or children, then: 50′	50′ on each side	50′ If this use can accommodate 13 to 49 students or children, then: 20′	20′ on each side	20′	70%	If adjoining a low density zone other than RSX, then 25′ above average building elevation. Otherwise, 30′ above average building elevation. See Spec. Reg. 7.	D	B	See KZC 105.25.	1. A six-foot-high fence is required only along the property lines adjacent to the outside play areas. 2. Structured play areas must be set back from all property lines as follows: a. Twenty feet if this use can accommodate 50 or more students or children. b. Ten feet if this use can accommodate 13 to 49 students or children. 3. An on-site passenger loading area must be provided. The City shall determine the appropriate size of the loading area on a case-by-case basis, depending on the number of attendees and the extent of the abutting right-of-way improvements. Carpooling, staggered loading/unloading time, right-of-way improvements or other means may be required to reduce traffic impacts on nearby residential uses. 4. May include accessory living facilities for staff persons. 5. To reduce impacts on nearby residential uses, hours of operation of the use may be limited and parking and passenger loading areas relocated. 6. These uses are subject to the requirements established by the Department of Social and Health Services (WAC Title 388). 7. For school use, structure height may be increased, up to 35 feet, if: a. The school can accommodate 200 or more students; and b. The required side and rear yards for the portions of the structure exceeding the basic maximum structure height are increased by one foot for each additional one foot of structure height; and c. The increased height is not specifically inconsistent with the applicable neighborhood plan provisions of the Comprehensive Plan; and d. The increased height will not result in a structure that is incompatible with surrounding uses or improvements. *This special regulation is not effective within the disapproval jurisdiction of the Houghton Community Council.* 8. For a Mini-School or Mini-Day-Care Center use, electrical signs shall not be permitted and the size of signs may be limited to be compatible with nearby residential uses. 9. These uses are subject to the requirements established by the Department of Social and Health Services (WAC Title 388).