

KIRKLAND DOWNTOWN STRATEGIC PLAN UPDATE

Downtown Advisory Committee Meeting Summary #3: July 26, 2007

Task Force Members

Michael Nelson, co-chair (*absent*)
Jeff Trager, co-chair
Brian Berg (*absent*)
Rob Butcher
Denise Campbell
Margaret Carnegie
Joe Castleberry
Jeff Cole
Doug Davis
Ken Dueker
Gary Harshman
Carolyn Hayek
Keith Maehlum
Bea Nahon
Glenn Peterson
Don Samdahl

City & Organizational Staff

Eric Shields, Planning Director
Ellen Miller-Wolfe, Economic Development Manager
Dick Beazell, KDA Executive Director
Bill Vadino, Chamber of Commerce Executive Director

Consultants

Bonnie Berk, Berk & Associates
Meghann Glavin, Berk & Associates
Kapena Pflum, Berk & Associates
Chris Zahas, Leland Consulting Group

WELCOME AND INTRODUCTIONS

Jeff Trager opened the meeting and welcomed the DAC to meeting 3. Chris Zahas, Leland Consulting Group, and Kapena Pflum, Berk & Associates, introduced themselves to the group.

COMMUNITY MEETING DEBRIEF

Meghann Glavin shared that the community meeting on July 16, 2007 was a success and thanked the DAC members who were able to participate. Meghann briefly reviewed the format of the meeting and key topics heard before opening the floor to DAC reflections. DAC members had the following comments:

- We got about 80 people; that's a good turnout, especially for a summer event in July.
- While there was not a huge turnout, there were a lot of new faces, which was great to see.
- Everyone was really engaged in a constructive way.
- The group I facilitated was frustrating. They thought that nothing should change, except for fixing the sidewalks and trees. They were all residents who have been here for a long time.

- The demographic of the group was older. This represents some of the people who live downtown, but not all. We need to think of ways to reach the people who didn't come to the meeting.
- I heard a lot of participants interested in affordable housing, which may be a way to bring more, younger folks into the downtown. I think the Plan needs to address an area or strategy for affordable housing downtown.
- The DAC members did a really good job facilitating and hosting.

PROPERTY OWNER MEETING DEBRIEF

Joe Castleberry discussed the key themes from the July 24, 2007 Property Owner group meeting. Joe organized the meeting to ensure that the DAC and the Downtown Strategic Plan represented a complete picture of property owner views and needs. Approximately 25 downtown property owners met and discussed current and pipeline projects in the downtown and what is working well downtown and what is not. There was a wide distribution of property owners. Joe shared a map displaying all of the properties the participants own in downtown; it was a considerable portion of the downtown buildings.

Joe said that the meeting started with some skepticism on the part of the property owners, but, as the forum progressed, participants opened up and shared their issues and the challenges of owning and developing property downtown. The major themes included a need for predictability from the City, problems with the City code, and with the purview of the Design Review Board. Property owners were critical of the Central Way traffic calming, which they do not believe has improved access or mobility downtown. There were also not supportive of the Lakeshore Plaza project, questioning its benefits. Specific issues discussed by the group were the need to better define "superior retail"; obtain key decisions earlier in the planning process (before considerable money has been invested; revisit parking requirements (which are excessive compared with other cities); and a desire to see consistent leadership and understanding of developers' perspectives from the City Council. An underlying issue discussed was how the Downtown Strategic Plan, City policies, and City code can support financially feasible development downtown, including a discussion of incentives and the need for development agreements for specific projects.

Joe said the property owners agreed to continue meeting and to outline a set of development principles to establish a partnership between property owners/developers and the City. They agreed that group would be facilitated by Ellen Miller-Wolfe, the City's economic development manager.

SUSTAINING SUCCESS: LESSONS FOR A HEALTHY DOWNTOWN KIRKLAND (DOWNTOWN 101)

The DAC welcomed Chris Zahas to give an overview presentation of strategies for creating and sustaining a healthy downtown. Chris thanked the group for the opportunity to present and shared that in addition to being a part of the current DSP consultant team, Leland Consulting also assisted on the 2001 Plan.

Chris opened by discussing the reasons for planning in a downtown. He said communities are defined by the public realm and that a city's downtown generally serves as the symbol of a community.

Chris then focused on retail, residential, employment and demographic trends in downtowns. Retail markets are constantly changing. During the first half of the 20th century, downtown and main streets were the focus of commercial energy. In the 1960s and 1970s, malls were being built across the country. In the 1980s and 1990s, life-style centers, like University Village in Seattle, became more popular. In the 21st century, there has been a resurgence of focus on downtowns. Chris told the group that while many downtowns focus on luxury goods, luxury goods are only a minor share of total retail sales. Also, 70% of all retail sales are made after 5:30 pm and on the weekends.

There has also been a resurgence of residents moving downtown. Downtown units are normally smaller units, occupied by one or two people and are mostly marketed to young professionals and empty-nest baby boomers. The majority of residences in downtowns like Kirkland are owner occupied.

Many employers are now choosing office locations based on the needs of employees, not the needs of the "boss." Location and quality of life are considered part of the benefits package provided by an employer. Chris believes this is an advantage for downtown Kirkland. He also said the office market is traditionally more cyclical than the residential market. Office also requires more parking than residential. Where a standard residential metric is approximately 1,000 square feet per parking stall, office can require two to three stalls for that same space.

Chris outlined some key elements of a successful downtown. He discussed the importance of placemaking and urban design in the public realm, and creating spaces that transform a community and promote vibrancy. Other attributes of a healthy downtown are:

- **Physical:** a compact, pedestrian-friendly core, with a mix of uses, historical connections, and easy access via transit and car, including good parking.
- **Financial:** a diversified tax base, including retail sales and effective commercial rents.
 - Chris mentioned tools to help fund projects downtown, including LIDs and BIAs, paid parking, hotel/motel taxes, sales taxes, and property taxes.
- **Organization:** an effective organization to promote, advocate for, and manage the downtown. An organization is crucial to supporting and educating businesses and to act as a liaison between the private and public sectors.

Chris then put forth some of the universal problems and barriers for downtown development. Problems include competition from suburban malls; vacant retail space; lack of parking supply; and traffic circulation and congestion. Chris discussed the following high-level barriers including some Kirkland-specific challenges within those categories:

- **Market:** seasonality of business;
- **Physical:** a lack of parking and waterfront orientation; Chris said that "fish don't shop," meaning retail needs to be oriented toward the pedestrian core for shoppers to see;

- **Financial:** high development costs;
- **Regulatory:** restrictive heights and uses, overly prescriptive design standards, and a discretionary process versus developer certainty; and
- **Political:** lack of clear vision and priorities from the Council, a lack of communication among the community, and missing public, inter-agency partnerships.

There are also inherent challenges for property owners and developers to take on downtown and infill projects. This type of development can be more complicated than undeveloped land found outside the downtown core, due to higher land costs, higher parking costs, and more diffuse ownerships and public opinions of downtown, which can lead to more regulations and intense review of projects. In order for a downtown to develop successfully, the community needs to address all of these challenges.

Chris concluded the presentation by focusing on implementation principles for downtown planning:

- Downtown planning must integrate with other City and community planning efforts. The community should be comprehensive in the vision for the entire city. When planning for downtown, the DAC should consider how downtown relates to the rest of Kirkland and the region.
- The City and community need to have a strong, shared vision and strategy for downtown that goes beyond specific projects.
- Take on many projects and programs, large and small, to inspire vibrancy and demonstrate activity. Programs and projects could include public and private efforts, new buildings, infrastructure upgrades and improvements, marketing, events, activation of open, public spaces, etc.
- Consider the power of the fine and performing arts as an economic driver.
- Committed leadership from the public and private sectors is necessary.
- A supportive City government that sets priorities and champions implementation of the Plan is also needed.
 - The City can investigate incentives including tax abatement, rezoning, expedited permitting, and generally setting a business-friendly environment.
- Strong public-private partnerships are an integral part of a successful downtown; they do not have to be formal agreements.
 - Private investment follows public commitment. The public sector should set the bar for quality; public projects need to be up to the same standards that the community expects from the private sector.
 - The City and community have to recognize the role of the private sector in downtown. In most cases for every dollar of city investment 4 to 12 private dollars are invested in downtown.
- The Plan and implementation process need to undergo ongoing review. A downtown is never finished, plans continually need to be reviewed and revisited.

Questions and Discussion

After a short break, the group reconvened for a question and answer discussion period with Chris. Several questions and comments were posed:

Parking

- In Kirkland, we frequently talk about building structured parking. How far are people willing to walk from a structured parking lot to downtown shopping?
 - First, in my experience, shoppers are willing to walk farther from mall parking to mall stores than downtown structured parking to downtown stores. A downtown garage will only be successful when it is more painful and more expensive to park on the street than in the garage. Also, the distance people are willing to walk is different for different demographic groups. For example, singles will walk further than families and elderly people.
- What about size of parking structures? Do you suggest building larger structured parking that is farther from the downtown core or smaller pocket lots where you are not guaranteed to find a spot?
 - The City of Portland has done a great job with marketing of city parking. The private lots cater to monthly renters and the City's hourly lots cater to tourists.
- If we were to build a large non-centralized garage, we would have to consider the experience of the walk as part of the benefits package. We should consider building an enjoyable path to downtown shopping with trails or covered walkways.
- Do you know of similar sized towns with paid parking?
 - Paid parking is a management tool to regulate turnover of spaces. It will never be a significant revenue generator.
- In my experience, parking is only a problem on a sunny day.

Options for Making Downtown Pedestrian-Friendly

- Are downtown pedestrian malls successful?
 - There are cases of successful pedestrian malls, but the majority are not. In the 1960s and 1970s, cities tried to recreate the mall phenomenon downtown to compete with suburban malls. At one point there were 200 total downtown pedestrian malls, now there are about 30.
- Do you know of any successful people movers or downtown trolleys?
 - Downtown Kirkland is small enough that it doesn't need that type of public transportation.
- What if we had a centralized garage that was outside the core and the people mover shuttled back and forth between the garage and downtown?
 - The more times people have to switch modes, the more likely they are not going to use the service.

Impact of Kirkland Parkplace Development

- If they redevelop Kirkland Parkplace, what effect do you think it will have on downtown?
 - Kirkland Parkplace will be different enough from the downtown core that I don't think it would compete. Considering their differences, the downtown core and Parkplace can compliment one another. Furthermore, there would be so many employees at Parkplace that won't get all their needs met there--which is an opportunity for downtown merchants.

Waterfront Issues

- Chris, you said that "fish don't shop," meaning that you wouldn't suggest reorienting our downtown retail towards the water. Do you know of any waterfront downtown that is full-service retail oriented toward the water?
 - First, restaurants are the exception to that statement. Waterfront restaurants can be very successful. I made that comment to illustrate how you want to orient your retail. Pedestrians and auto traffic need to be able to see the retail offerings in order to know that they are there.
- We have so much discussion of re-orienting downtown to the water. Maybe that's not the best mantra.

Development, Land Use, and Mix of Uses

- What is the right mix of residential and retail uses?
 - There isn't a "right amount." If a downtown doesn't have residential in the upper floors of downtown, there has to be adjacent housing. The City has to balance enough residential to support retailers, but the code should be flexible enough so that you are not cutting out developers who are dependent on market trends, such as growing demand for office space. In Kirkland, you have a large residential market within walking distance to support the downtown. Now you should be considering what type of housing are you getting. Do you have enough affordable housing for workers or are you catering to a wealthier retiree market?
- How can the City and community participate in leasing trends to encourage the type of retail development that fits within our vision?
 - I will share an anecdote. Many people think that development on Northwest 23rd Street in Portland was spontaneous and natural. In reality, there is one owner who owned half the parcels on the street. He carefully managed those properties to his vision for the neighborhood and other property owners followed suit. Retailers go in packs. Most retailers need to see a half dozen marquee names in order to locate somewhere. Others will demand concessions from the developer, making them a a loss leader. If a property owner doesn't have a large area to distribute that loss across many rents, they may not be able to afford to take on that loss.
- I know in Auburn they have an active property owner group that managed their properties and leases together. That takes an enormous amount of cooperation from many parties.

- Do we have an inventory of parcel ownership? We need to look at the total land area in Downtown Kirkland and define the ownership. The City is a major owner given public property and the rights of way (sidewalks, streets, etc.) We should look at what is left over after taking away City property and any new developments to see how much of downtown is really in play and who controls the scenery. We could also be looking at the ratio of building value to land value to see what is redevelopable.
- What does it take to create a viable economic model for the downtown? What kind of critical mass do you need? What is the right mix of office and residential to foster an economic engine that will make downtown successful? We need to benchmark standards to know what we can work with, so that the Downtown Strategic Plan can make strong recommendations. Maybe we have to come up with 500,000 square feet of retail. How can we do that with our current stock?
- The office market is changing. Employees are not afraid to walk to lunch and it's not just lunch, people also enjoy just the walk around town. High tech tenants have meetings outside and use Wi-Fi in the park.

Public Investments

- What is the plan for City Hall expansion? Currently City Hall is a major presence in the downtown.
 - We are looking into a free-standing public safety facility. Of course, City Hall plans will be impacted by possible annexation. We'll need to determine how large the City will be, then what size City Hall needs to be to serve the City.
- I've heard discussion of a new recreation facility being built downtown or possibly in Juanita or at Lake Washington High School?
 - The City is currently studying the need. There are few parcels that could be large enough, that is the challenge downtown. We need about 90,000 square feet.
- I thought what you said about the City setting the bar for quality was interesting, could you elaborate on that thought? We don't have the same luxury as malls to do a facelift every 20 years.
 - First, let me be clear that I am not an advocate for fancy sidewalks or design elements. You want visitors to look up at the storefronts not down at the sidewalks. The City should focus on maintaining the infrastructure that exists. That said, when the City invests in major public elements like parks and open spaces you need to set the bar for quality. You should never expect a private developer to build something above the standard that the public sector has set.

Seasonality

- I think if we had year-round sunshine many of our problems would be solved, but that is not an option. We need to consider how to make weather less of a factor for downtown.
- We have two seasons, wet and dry. The downtown has to work on the wet season and we need to fine tune the dry season. There are solutions. If the proposal for Kirkland Parkplace goes through then we need to focus on connecting that walk in a way that works in all seasons. We need to think out of the box. Maybe we could consider buying 10,000 umbrellas, for example

Kirkland Focus

- Chris, given your knowledge and expertise, what should Kirkland be focusing on?
 - I am still learning about Kirkland, but one issue that I have heard about is the lack of strong City leadership. I think you need to build your leadership. The Council should be supporting staff expertise and decisions.
 - I need to learn more before I say anything definitively about parking.
 - The KDA could be developed and given more responsibilities and funding.
 - This community needs to establish the vision. Where do you want to come out in the end? Do you want to double retail or not? Do you want to be a University Village?

VISION STATEMENT: REVIEW AND DISCUSSION

Bonnie presented the draft vision statement that Berk & Associates developed based on discussion at the previous DAC meeting. She said it was a rough draft that attempted to capture everything the group said, and then opened the floor for reactions and discussion.

The group discussed the length of the draft and agreed to shorten and broaden the vision statement, and add guiding principles that provide more detail. Other comments are listed below and organized by elements the DAC liked, elements the DAC would like to change, and elements that were missing.

Positive

- I think this statement is a good start
- Year-round
- Walkability is important and needs to be developed in the plan
- All-ages

Elements to Change

- Magical
- "Neighborhood business district" has a specific meaning in the City's Comprehensive Plan
 - "Urban neighborhood"
- "Special village" character
 - Suggest "Main Street" character instead
 - "Character" is good, but "village" could trap us
 - What about small-town charm? That limits us.
- Is central gathering area too specific?
- We need to define "healthy." Is that financially? Physically?
- What does "sustainable" mean?
- What does "more vibrant" mean?
- What does "improvements to infrastructure" mean?

Elements that are Missing

- After as it “grows and changes” add “incrementally”
- Historic character
- High-wage employment
- Significant increase of retail businesses – this is future tense – needs to look forward; that this is going to become more of what it is
- Diversity of retail businesses
- In addition to year-round activities need to add 12-16 hour day
- Visit daily – “or longer”
- Should the vision be comparative? Attributes of...how do we capture that? As a way of making it understandable
- Residential needs to be mentioned in here
- Should we also mention affordable housing?
- Access to and around downtown is easy, and there are multiple modes
- Discuss the role of downtown in the community/city as a whole
- It is more than a shopping district with housing, we need to capture that
- We need to expand on the water and natural beauty because that is why we have had any success
- We have to be sure that we are differentiating ourselves. People choose to be here in Kirkland. Why?
- Safety should be mentioned. The downtown is becoming less safe and that’s a concern

UPCOMING MEETINGS AND NEXT STEPS

The group agreed to meet on:

- Thursday, August 23, from 4 to 7 pm; and
- Wednesday, September 19, from 4 to 7 pm.