



CITY OF KIRKLAND

Planning and Community Development Department

123 Fifth Avenue, Kirkland, WA 98033 425.587.3225

www.kirklandwa.gov



MEMORANDUM

Date: June 18, 2015

To: Planning Commission

From: Angela Ruggeri, AICP, Senior Planner
Paul Stewart, AICP, Deputy Director
Eric Shields, AICP, Director

RE: PUBLIC HEARING ON MRM AMENDMENT REQUEST
FILE NO. ZON11-00006

I. RECOMMENDATION

- Hold a public hearing and take public comment on the MRM proposal to amend the Comprehensive Plan and Zoning Code text. The amendments would allow additional residential use and additional office height subject to provision of several public amenities for the property at 434 Kirkland Way in the Moss Bay Neighborhood (see Attachment 1).
- After taking public comment, the Planning Commission may continue the hearing to July 9, 2015, for deliberation and recommendation to the City Council. The Planning Commission may also choose to keep the record open to allow written comments to be submitted through July 9, 2015.

II. BACKGROUND INFORMATION

The City Council directed the Planning Commission and staff to study this request to amend the Comprehensive Plan and **Zoning Code for CBD 5 as part of the City's update to the** Comprehensive Plan. The amendments would allow increased height and residential uses for the parcel at 434 Kirkland Way in the Moss Bay Neighborhood (see Attachment 1). The original proposal was to amend the Comprehensive Plan and Zoning Code to increase height from the current 5 story (67 feet) maximum to 8 stories (100 feet) and to allow residential uses on the entire site.

The Planning Commission held a study session on March 12, 2015 to discuss the proposal. At that study session the applicant withdrew his request for additional height and asked that **6 stories of residential be allowed within the existing 67' height limit** in exchange for a variety of public amenities. The Planning Commission asked staff to do more research on the potential public amenities proposed by the applicant.

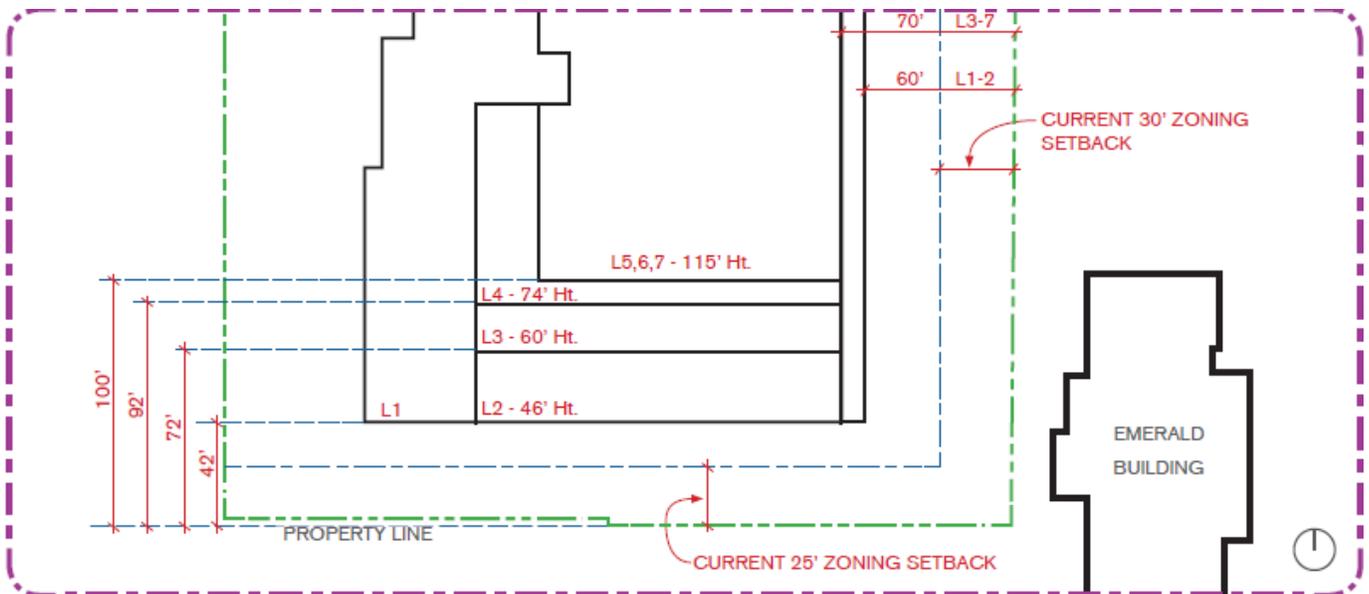
The full history of this amendment request is included in the packet for the March 12, 2015 meeting and can be found at the following link:

http://www.kirklandwa.gov/depart/planning/Boards_and_Commissions/Planning_Commission.htm

The applicant provided additional information including drawings and details on the public amenities (see Attachment 2) for the May 14, 2015 Planning Commission meeting. After **reviewing the applicant's submittal and the proposed public amenities**, the Planning Commission asked staff to present the following for public comment at the public hearing on June 25, 2015.

The Planning Commission asked staff to provide the following additional information for the public hearing:

1. The allowed height for the Parkplace building directly to the north of the MRM site.
 - o The building is required to be stepped back for the first 100 feet north of the property line between Parkplace and MRM.
 - o The remainder of the building can be a maximum of **115' and 8 stories** (see map below).



2. The MRM Supplemental EIS Fiscal and Economic Impact Analysis can be found at the following link: http://www.kirklandwa.gov/depart/planning/Code_Updates/Projects/MRM.htm

- The Fiscal and Economic Impact Analysis is Appendix D to the Draft Supplemental EIS which is **under "Project Status" on the right side of the webpage.**
- Clarifications and corrections to Appendix D can be found in the Final Supplemental EIS on pages 3-6 to 3-8.

- A report from Gardner Economics was supplied by Davidson, Serles & Associates at the May 14, 2015 Planning Commission meeting and is also available at the above webpage under **“Comments submitted at study session on 5/14/2015.”**
- The applicant has supplied a response to the Gardner Economics report which is included as Attachment 4 to this memo.

At the June 2, 2015 City Council briefing on the MRM proposal, the following questions were asked.

1. *Are there other sites in the downtown area where office development could potentially occur?*

Maps with potential office redevelopment sites are included as Attachment 5.

2. *Staff was asked to provide information on the effect of the MRM proposal on the City's ability to meet employment growth targets and the ability of Downtown Kirkland to qualify as an urban center.*

A memo from the Planning Director, Eric Shields responding to these questions is included as Attachment 6.

III. PROPOSED AMENDMENTS TO THE ZONING CODE AND COMPREHENSIVE PLAN

The following is a summary of the proposed amendments for the MRM site.

1. Maintain existing step back requirements from Peter Kirk Park and Kirkland Way.
2. Maintain existing height limit of **67' above ABE** (five stories) with two exceptions:
 - **Allow five stories of residential over ground floor retail (six stories total, maximum 67')** on the MRM site, if the proposed public amenities are provided.
 - **Allow five stories of office over ground floor retail (six stories total, maximum 80')** on the MRM site, if the proposed public amenities are provided.
3. Clarify landscape category and parking requirements in CBD 5 zoning chart – clarification edits only, no change to actual requirements (see Attachment 7).

Public Amenities

Staff has determined that these public amenities are a compelling reason to allow 6 stories and **residential use on the MRM site**. **Per the Planning Commission's suggestion, additional height also** would be allowed as an incentive for office if the proposed public amenities are provided. The current property owner has made it clear, however, that he is not considering office development on the site, even with this additional one story height incentive.

- Easement improvements from Parkplace to Kirkland Way: The Park Promenade along the west side of the Parkplace project would be **54' to 56' wide** and include: **12' wide sidewalks**

with tree wells on both sides, two 11' drive aisles and parking on the east side of the street (see Attachment 8).

The existing easement on the MRM property is only **20' wide**. A requirement for two 11 foot wide drive aisles and two 8 foot wide sidewalks (**total 38'**) is proposed for all new development on the site.

If 6 stories of residential or office are developed on the site, it is proposed that easement improvements at **54' to 56' wide** be required to match those required on the Parkplace site for the Park Promenade. This pedestrian and vehicular connection across the MRM site that matches the Parkplace improvements will provide an enhanced connection to Kirkland Way and the Kirkland Performance Center that will not be otherwise available. The width of this easement will be more than double what is there now and the Park Promenade will continue through to Kirkland Way. With proper design, landscaping and wider sidewalks, this will provide an inviting connection to Parkplace.

- Retail on the Ground Floor: Not currently required for CBD 5, this use would tie the project into the Parkplace site and continue the pedestrian friendly environment through to Kirkland Way. Retail on the MRM site will activate the Park Promenade and surrounding area.

There will also be a requirement that one retail tenant space have a 9000 square foot minimum size that could potentially be used for a hardware store or drug store.

- Public Plaza: Require a minimum 2000 square foot open public plaza that relates to Kirkland Way, the Performance Center and Peter Kirk Park. The plaza will draw the public into the site; provide a gathering place; and enhance the Park Promenade to Parkplace.
- Public Art: Incorporate public art into the project with a minimum specified value of \$10,000.
- Affordable Housing: Require 10% of the housing to be affordable as defined in Chapter 5 of the Zoning Code.
- LEED silver or a comparable standard: Require that the project be built to environmentally responsible standards.

IV. COMPREHENSIVE PLAN AMENDMENTS

Comprehensive Plan amendments are necessary for both the additional residential and the additional height of one story that is proposed. The required amendments are included as Attachments 9 – 12 to this memo. Proposed amendments are indicated on the draft Land Use Element and Moss Bay Neighborhood Plan pages that are in the packet of information relating to the general plan elements for the public hearing on June 25, 2015. Amendments to the Moss Bay Neighborhood Plan, which relate to the MRM property are shown on Attachments 11 and 12.

The Supplemental EIS for the property suggested three areas of the Comprehensive Plan that may need amendments which are listed below.

1. *Policy LU – 3.2: Encourage residential development within commercial areas.*

This policy actually supports residential development in CBD 5, but one sentence in the **narrative following the policy states that “Residential use should not displace existing or potential commercial use.”**

This sentence was called out in the EIS as an inconsistency with the proposed residential. The sentence has been proposed to be removed as part of the amendments to the Comprehensive Plan Land Use Element to alleviate the inconsistency. (See Attachment 9).

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

This policy was also called out in the EIS as an inconsistency with the proposed residential use. As part of the proposed amendments to the Comprehensive Plan Land Use Element, the policy is proposed to be amended as follows:

“Maintain and strengthen existing commercial and mixed use areas by focusing economic development within them.”

If this change is made, the policy will no longer be inconsistent with the proposed **increase in residential use since a reference to “mixed use” has been added** (see Attachment 10).

3. Moss Bay Neighborhood Plan text limits building heights in Design District 5 (applicable to CBD 5 zoning) and so the following amendments are necessary.

- Figure MB-7: Downtown Height and Design Districts should say 3 to 6 stories in CBD 5 (see Attachment 11).
- Design District 5 – amended to allow 6 stories on MRM site (see Attachment 12).

V. ZONING CODE AMENDMENTS (Attachment 7)

ADDITIONAL RESIDENTIAL ALLOWED

The following changes are proposed to the existing zoning for CBD 5 for the MRM property and not the entire study area.

Existing zoning (Allowed Uses): Office; Restaurant or Tavern; Entertainment, Cultural and/or Cultural Recreational Facility; Hotel or Motel; Retail; Church; School or Daycare; Public Utility, Government Facility, or Community Facility; Park; Assisted Living (in specific areas); and multifamily residential (in specific areas).

Retail on the ground floor is not required.

Existing zoning allows assisted living or multifamily residential only in the following locations:

- On properties with frontage on Second Avenue
- Within 170 feet of Peter Kirk Park provided that the gross floor area of this use does not exceed 12.5% of the total gross floor area for the subject property.

Recommendation:

1. Allow additional residential uses at the MRM property if the proposed public amenities are provided;
2. Continue to allow all other uses already listed, including office.

ADDITIONAL ONE STORY OF HEIGHT

The following changes are proposed to the existing zoning for CBD 5 for the MRM site only.

Existing zoning (Allowed Height): Maximum height allowed: **67' above average building elevation (ABE).**

Recommendation:

1. Maintain existing step back requirements from Peter Kirk Park and Kirkland Way that are in existing Zoning.
 - No portion of a structure above the elevation of Kirkland Way as measured at the midpoint of the frontage of the subject property on Kirkland Way may exceed the following:
 - **Within 20' of Kirkland Way, 2 stories;**
 - **Within 40' of Kirkland Way, 4 stories;**
 - **Within 50' of Kirkland Way, 5 stories.**
 - No portion of a structure within 100 feet of Peter Kirk Park shall exceed three stories above average building elevation.
2. Maintain existing height limit of **67' above ABE** (five stories) with two exceptions:
 - Allow five stories of residential over ground floor retail (six stories total, maximum **67'**) on the MRM site, if the proposed public amenities are provided.
 - **Allow five stories of office over ground floor retail (six stories total, maximum 80')** on the MRM site, if the proposed public amenities are provided.

LANDSCAPE CATEGORY AND PARKING CLARIFICATION FOR CBD 5

This is a housekeeping item to clarify landscape category and parking requirements in the CBD 5 zoning chart –no changes to actual requirements are made (see Attachment 7).

VI. CRITERIA FOR AMENDING COMPREHENSIVE PLAN AND ZONING TEXT

The Zoning Code (KZC 140) contains criteria for amending the Comprehensive Plan (including Neighborhood Plans) which are described below.

1. The amendment must be consistent with the Growth Management Act.
2. The amendment must be consistent with the countywide planning policies.
3. The amendment must not be in conflict with other goals, policies, and provisions of the Kirkland Comprehensive Plan.
4. The amendment will result in long-term benefits to the community as a whole, and is in the best interest of the community.

The Zoning Code (KZC 135) contains three criteria for considering these amendments to the text of the Zoning Code. The list of criteria is provided below:

1. The proposed amendment is consistent with the applicable provisions of the Comprehensive Plan; and
2. The proposed amendment bears a substantial relation to public health, safety, or welfare; and
3. The proposed amendment is in the best interest of the residents of Kirkland.

Evaluation of Criteria

The Supplemental Environmental Impact Statement (SEIS) concluded that the amendments are consistent with the Growth Management Act and the Countywide Planning Policies. The amendments are also consistent with the Comprehensive Plan with the exception of those specific provisions proposed to be amended in the Land Use Element and the Moss Bay Neighborhood Plan, which relate to the residential and additional story on the MRM property.

Comprehensive Plan Policies that support this proposal include:

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

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

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

Urban Design

- *Create lively and attractive districts with a human scale.*
- *Support a mix of retail, office, and residential uses in multistory structures...*

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

- *Create a compact area to support a transit center and promote pedestrian activity.*

- *Promote a mix of uses, including retail, office and housing.*
- *Encourage uses that will provide both daytime and evening activities.*
- *Support civic, cultural, and entertainment activities...*

The applicant's proposal, which includes public amenities that are unique to this location, provides a compelling reason to allow 6 stories and additional residential use on the MRM site. Without the amendments, many of these public amenities which result in long term benefits to the community as a whole and are in the best interest of the community and the residents of Kirkland, will be lost. The proposed amendments bear substantial relation to public health, safety and welfare of the citizens of Kirkland as shown below.

- The Park Promenade and the public plaza will provide an enhanced connection to Parkplace, Peter Kirk Park and the Performance Center.
- The combination of the required retail on the ground floor, the Park Promenade and the public plaza will activate the area between Parkplace and Kirkland Way.
- The retail will enhance downtown vibrancy and provide the City with an additional fiscal benefit.
- **The current 67' height limit combined with proposed retail and residential uses will provide a** transition between Parkplace and the existing multifamily residential on the south side of Kirkland Way.
- The amendments still allow and will provide an incentive for office.
- The City will gain additional affordable housing in the downtown and promote green building.
- These changes will result in sooner redevelopment of this site and do not preclude the economic use of the property.

VII. PUBLIC NOTICE OPPORTUNITIES FOR PUBLIC COMMENTS

Public notice has been provided for study of the proposed amendments. The City issued a Special Comprehensive Plan Update Edition of the City Update newsletter in October 2014 and has continued to give ongoing information about the Comprehensive Plan update including the MRM amendments. A City Update newsletter was mailed to all residents and businesses in Kirkland describing all of the amendment requests and public hearing schedule.

Prior to the public hearing, notices of the hearing date were mailed to property owners and **residents within the study area and 300' feet surrounding the area.** Public notices signs have been installed surrounding the study area.

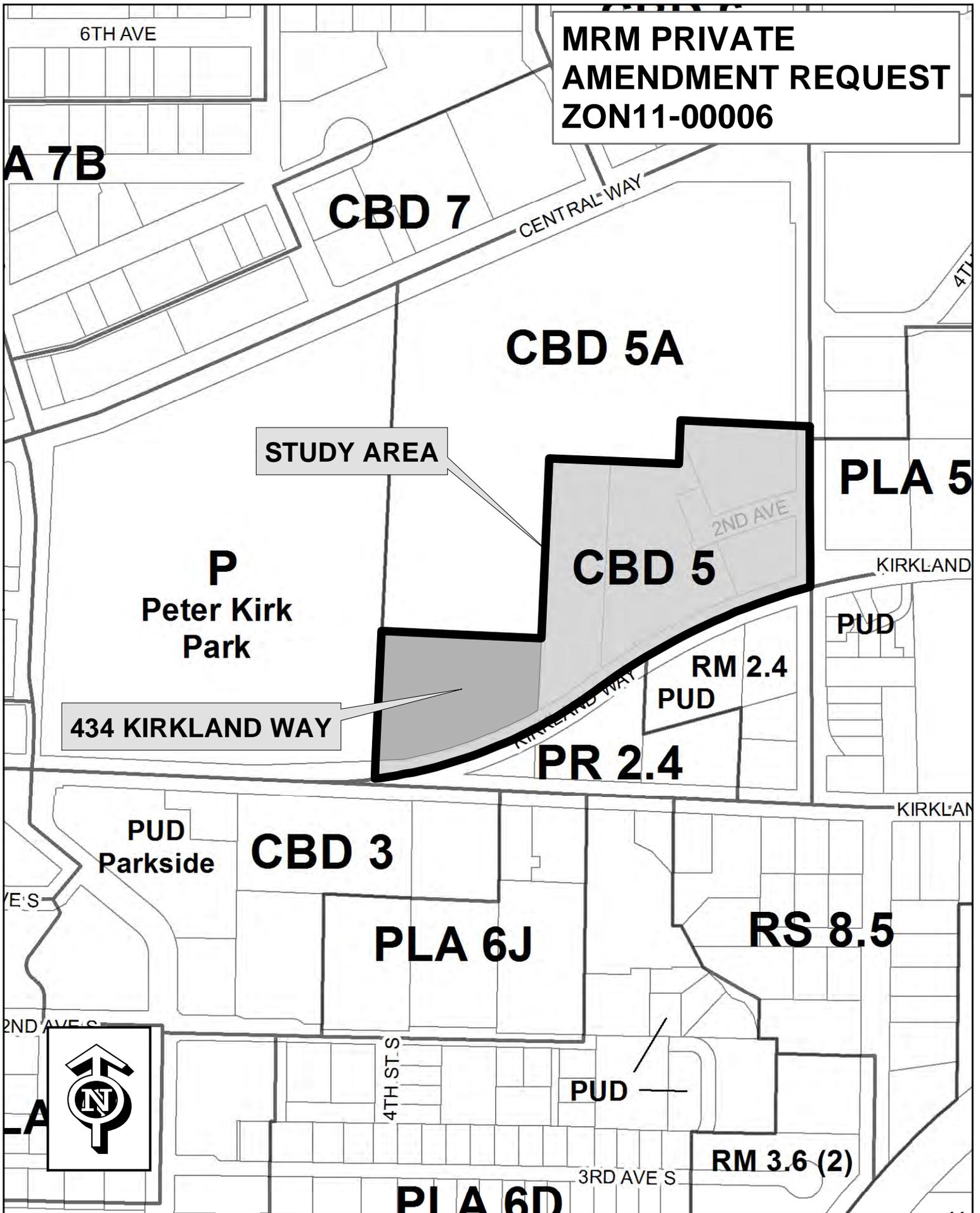
VIII. PUBLIC COMMENTS RECEIVED

All public comments on this proposal can be found on the MRM webpage at:
http://www.kirklandwa.gov/depart/planning/Code_Updates/Projects/MRM.htm
Recent communication is included as Attachment 13.

Attachments

1. Site/study area map
2. Drawings from Joe Razore submitted for May 14, 2015 Planning Commission meeting
3. Letter from Joe Razore dated June 15, 2015
4. Letter to Planning Commission from Anthony Gibbons with RESOLVE
5. Maps of potential office sites
6. Memo from Eric Shields
7. Zoning Code Amendments
8. Parkplace Master Plan – Development Standard for Park Promenade Section
9. Comprehensive Plan amendments – Policy LU-3.2
10. Comprehensive Plan amendments – Policy LU-5.2
11. Comprehensive Plan amendments - Figure MB-7: Downtown Height and Design Districts
12. Comprehensive Plan amendments - Design District 5
13. Recent public comment

cc: File ZON11-00006
Joe Razore, applicant
Brian Brand, AIA
Moss Bay Neighborhood Association
KAN
Ken Davidson
Brent Carson, Attorney for Davidson, Serles and Associates





434 AND PARK PLACE AERIAL VIEW
434 KIRKLAND WAY



AERIAL VIEW OF 434 AND PROMENADE
434 KIRKLAND WAY



VIEW NORTH AT PROMENADE
434 KIRKLAND WAY



VIEW NORTH AT PROMENADE
434 KIRKLAND WAY



VIEW NORTHEAST AT KIRKLAND WAY
434 KIRKLAND WAY



VIEW WEST AT KIRKLAND WAY
434 KIRKLAND WAY





June 15, 2015

Kirkland Planning Commission
123 Fifth Avenue
Kirkland, WA 98033

Re: MRM Private Amendment Request (PAR)

Dear Planning Commission Members;

Thank you for your continuing consideration of the MRM PAR. We look forward to the upcoming public hearing and, once you hear from the public, urge you to support the proposal.

We have listened to citizen concerns about the proposal. Most were focused on the proposed 8 story height. We listened to these concerns, and felt that they deserved to be addressed. Accordingly, we have revised our PAR to remove the requested height increase. If the PAR is approved, then, the height of any new construction will be no taller than is currently allowed.

Since that time, we have more support than ever from the community. Many of our immediate neighbors, including Unico, Kirkland Performance Center, and Doug Waddell, along with local residents and other business owners, support the PAR, and have written to the Commission to express that support.

As you know, in addition to retaining the current height, we have committed to substantial public benefits, including a widened and pedestrian friendly access from Kirkland Way to Parkplace, a public plaza, art work, and ground level retail.

We are excited at the opportunity to bring a new vitality and sense of urban fabric to this long underdeveloped parcel adjacent to the Kirkland Performance Center. Indeed, as the Kirkland Performance Center stated in its letter to the Commission, "We strongly support this change and urge the approval of the Planning commission."

Sincerely,

MRM Kirkland, LLC

A handwritten signature in blue ink, appearing to read "J. Razore", with a long horizontal line extending to the right.

Joe Razore

Angela Ruggeri

From: Andrew Cox <AndrewC@unicoprop.com>
Sent: Wednesday, March 11, 2015 9:24 AM
To: Angela Ruggeri
Subject: Kirkland Land Use Project

Ms. Ruggeri,

Please pass this along to the City Council and Planning Commission.

My company, Unico Properties, owns Continental Plaza at 550 Kirkland Way and are a part of the same CBD 5 Zone as the MRM property at 434 Kirkland Way. We fully support MRM's proposal to build an apartment project on the site and feel that residential should be an integral part of the Kirkland CBD. We've seen residential, office and retail work together across the 12 million square feet of property we own and operate – in fact those combined uses are integral, in our opinion.

The tenants in our 75,000 square foot office building would benefit by having additional housing alternatives nearby and would certainly be in favor of new retail options. Additionally, the residents in this project would help make the existing and incoming retail businesses in the area more successful/vibrant. The office demand for the CBD can more-than be accommodated by the combination of the existing product and the planned Park Place development. Please approve the MRM request and help us continue the momentum you started by approving the Park Place re-design.

Please call with questions.

Sincerely,

Andrew Cox

Vice President, Regional Director

Unico Properties LLC

1215 Fourth Avenue, Suite 600 | Seattle, WA 98161

O 206.346.3022 | F 866.741.2039 | C 206.229.2678

www.unicoprop.com



From: Doug Waddell [<mailto:doug@waddellpropertiesinc.com>]
Sent: Saturday, March 08, 2014 10:24 AM
To: Angela Ruggeri
Subject: MRM-PAR

Angela, Eric and Kurt – As you know, I manage and own several multi-family properties very close to the proposed PAR and others just a few blocks away. This development, if approved, would be in direct competition with me and arguably no one has more to lose than me. That being said, I see no reason multi-family should not be allowed on this site especially considering what has been approved next door. In addition, in my and I am guessing most people's minds, this property is part of Park Place and similar height and setback standards should apply here.

In addition, I have reviewed some of the public benefits they offering to provide and feel that they are more than adequate.

I only wish I could be part of this exciting development...

Doug Waddell

From: Santos and Sue Contreras [<mailto:scon1965@hotmail.com>]
Sent: Thursday, May 14, 2015 11:47 AM
To: Angela Ruggeri; Eric Shields
Subject: MRM Capital Comp plan amendment request

Good morning Angela and Eric,

I am President of the Kirkland Performance Center Board of Directors this year. On behalf of KPC I want to express our support of the MRM Capital request for the amendment to the Comprehensive Plan and Zoning Code for CBD 5.

MRM has committed to sponsoring KPC shows for the next 3 years and they plan to build a public plaza at the southwest corner of the building which could be used by KPC for gatherings. In addition, we believe that there will be increased parking availability for KPC patrons as a result of this project. Currently there is no parking availability on that property.

Finally, we believe that the zoning change to residential will add to the customers who will patronize the KPC events. We strongly support this change and urge the approval of the Planning Commission.

Sincerely,

Santos Contreras
President KPC Board of directors.

From: Carolyn and Jim [mailto:Carolynandjim@hitterworld.com]
Sent: Sunday, March 02, 2014 11:05 AM
To: City Council
Subject: Approve MRM proposal for 434 Kirkland Way

Dear Mayor Walen and City Council,

After receiving a flyer from the anti-MRM forces we're sending you this request to **approve** the proposal to build an 8-story apartment building on the Albertsons/hardware store/Microsoft site. Let's face it, Ken Davidson's objection to this building is merely an attempt to preserve his views. He can say all he wants about Comp Plan "visions" but what Kirkland needs is downtown density in both residential and office sectors.

One of the things that we're more interested in is the control of the look and feel of any construction on this site. We have enough buildings constructed without responsible architectural input. An 8-story building will never be built to meet the "quaint" criteria of so many Kirklanders. We're sure there's a decent amount of leverage attained when a change in the zoning or Comp Plan is negotiated to **require** attractive setbacks, amenities and materials. Just maxing out volume on this site is not good enough. Please, set design standards very high; let this site be a kick-starter for a beautiful ParkPlace.

Sincerely,
Jim Hitter and Carolyn Hitter

From: Joshua McAdams [mailto:joshua.mcadams@gmail.com]
Sent: Tuesday, February 25, 2014 8:55 PM
To: City Council
Subject: MRM Development Exception Opnioin

Hi again city council,

I just received a mailer from "Davidson, Serles & Associates" encouraging me to email you and encourage you to not allow MRM's proposal. Instead, I'd like to ask that you seriously consider the proposal. I for one think that denser housing is better for the environment and that having more residents living close to the retail areas would be a win for local businesses and residents.

They are asking for an exception, so if it isn't approved, fair enough. But please do know that there are some of us in the area that don't mind "tall" eight story buildings.

Thanks for your time,
Josh McAdams
Norkirk

From: Zach Zaborowski [<mailto:zach.zaborowski@gmail.com>]
Sent: Wednesday, March 12, 2014 11:58 AM
To: Angela Ruggeri; awhalen@kirklandwa.gov
Subject: MRM Proposed Zoning Changes

Dear Mayor Whalen, Members of the Planning Commission, and Members of the City Council:

I am writing in response to the flyer I received from Davidson, Serles & Associates regarding the MRM PAR. I am actually in support of the proposed changes MRM is asking for.

I recently moved into Kirkland as I was attracted to the lifestyle and location of the City. It took me a considerable amount of time to find housing (both to lease or own). After many months of looking, I ultimately found a unit that would work for me. I've lived in many downtown apartment buildings (the last one I was in I could literally see my office from my unit, allowing me to walk to work). I believe that more residential in that area of Kirkland is supportive to the Downtown Core. I am not concerned with an 8 story building so long as it meets your design guidelines.

Please approve the zoning changes MRM is asking for.

Thanks for your consideration.

Zach Zaborowski
222 5th Ave
Kirkland, WA

From: Peter Lang [<mailto:peterl@trellisintegration.com>]
Sent: Friday, March 07, 2014 1:29 PM
To: Amy Walen
Subject: Davidson, Serles & Asso

Hi Amy

We were on the policy ride last week which was informative and enjoyable. Thanks for all you're doing there!

I got a flyer in the mail from the name in the subject line trying to drum up support against some apartment building in Kirkland on K-Way. Personally, I think all the new construction is great! It upgrades the look of the downtown, creates a population closer into the city which should support local /downtown retail and professional services businesses etc., So they are asking for support against it, and I say let it be built! Our office is less than a block from this location and I'd be glad to see new development of even 8 stories so long as it's not on the waterfront where it will obstruct all views for everyone.

Best regards,

Peter



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From: Dan Ryan <dan.ryan@gmail.com>
Date: March 12, 2014 at 10:21:42 AM PDT
To: <PlanningCommissioners@KirklandWA.gov>
Subject: MRM

I write in support of the requested rezoning of this location. Both the proposed height and use make excellent sense.

The height is consistent with what's already permitted at Park Place (slightly less, in fact). Any view impacts are substantially mitigated by the rather low grade of the site, far below Kirkland Ave except at the very corner. I think the setbacks contemplated for upper floors fully mitigate any reasonable concerns about massing above the Avenue or encroachment on neighboring buildings.

I understand there has been concern about the conversion from business to residential use. (You've probably gathered that Ken Davidson has been clogging neighbor's mail boxes with post cards these last several weeks).

Ideally, I agree it might be better to see substantial office development in the area so that downtown has a more balanced mix of daytime and evening population. However, with the imbalance of available space and demand at Park Place and elsewhere, it's clear that downtown office development is not effectively constrained even if this site is completely developed as residential/retail. Indeed, the choice is between mostly residential uses and no development at all. I see no value at all in holding this site hostage any longer to the unlikely prospect of commercial demand in the next several years.

Redeveloped, the site is close enough to the downtown core to contribute significantly to economic activity in the area. As downtown becomes more hemmed in by recent single-family homes, some of the areas near downtown where multifamily housing are allowed are no longer available. Development at this site will encourage needed development at Park Place and adjacent parts of downtown. I'm thinking particularly of locations such as the Antique Mall or the adjacent strip mall where the economics of retailing could be assisted by the increased population at the MRM site.

A few more specific remarks.

I don't see that parking has been extensively discussed in the review of the proposed zoning. It would be useful to review whether reduced parking requirements might be practical here. The site is adjacent to both transit and to the CKC, and there may be synergies between the residential parking here and the commercial parking that's likely to come online at Park Place. In any case, the residential parking requirements should be set at the lower end of what is required in CBD residential.

I noticed in the draft EIS that the building envelopes all envisioned a driveway and parking between the building and the Kirkland Ave sidewalk. It wasn't clear whether that's a function of required setbacks or some other reasoning. I'd ask that you consider closely whether lower

floors of the building can't be brought out to meet the Avenue. Either put the driveway elsewhere, or build the second floor over an interior parking ramp. There's an opportunity to improve the pedestrian experience on the Avenue that doesn't appear to have been fully explored here. Certainly, the optimal pedestrian experience here is not a sidewalk bounded by the Avenue on one side and a driveway on the other.

Bringing the building out to the street would also be a helpful visual cue to calm traffic on the Avenue. Downhill traffic in particular is fast and unsafe for other street users. The large parking lots in front of the Emerald and Continental buildings are a cue to drivers that they are still in a high-speed zone outside of the core where pedestrian activity is unlikely. Let's consider how the building can interface with the Avenue so it announces to drivers that they are now in a downtown space and need to ease off the gas.

Bringing the building out to the street is more consistent with urban design principles generally.

Some of these particulars may be a matter for design review rather than zoning, but at least the zoning should facilitate such a building form. Obviously, any building at such a central location should go through design review.

Finally, if there are to be conditions for height, I'd ask that a priority be given to maintaining linkages between Kirkland Ave and Central Ave, with driveways and pedestrian spaces linking to those in Park Place. There was a lot of discussion around these in the review of Park Place, and it's important to extend those 'through-ways' around MRM.

Dan Ryan
493 2nd Ave S, Kirkland
425.260.9441

From: Kris Nichols [<mailto:kristopher.nichols@gmail.com>]
Sent: Wednesday, March 12, 2014 6:29 PM
To: Planning Commissioners; Joan McBride; Amy Walen
Subject: Kirkland Planning Commission Hearing

Hi Kirkland Leadership Team-

I recently received a piece of snail mail with a call to action to: *"Tell the Planning Commission and City Council that Kirkland doesn't need an 8-story apartment building downtown"*

I could not **disagree** more and was really glad I did not recycle without reading further.

I grew up in Bellevue and bought a condo at the Kirkland Central (on Kirkland Ave) because it is so much different than the Central Business District of Bellevue. The bars/restaurants are unique, I can easily walk to them, the lake is right here.

I **absolutely** think you should approve apartment heights of eight stories.

Kirkland is a great place, with a waterfront like no other on the Eastside. I absolutely agree that we don't want Kirkland to look like Downtown Bellevue with cold glass high-rises and chain restaurants.

I really think Kirkland has an opportunity to increase density in a smart way. I personally think it is sad that the businesses in downtown Kirkland come and go so quickly - largely due to lack of foot traffic in the rainy season. The reality is most people are not going to get in their cars and drive to Downtown Kirkland to shop where parking is next to impossible. I do think if you add dense residential, people will leave their homes to walk to local shops and restaurants - especially where they can establish rapport and more of a sense of community.

I feel as though the addition of residential units (eight stories or fewer) is a brilliant idea. Google is adding 1,500 jobs up the street in three new buildings under construction. How great would it be to have tech talent **LIVE** and **WORK** in downtown Kirkland? I think the addition of more dense residential housing downtown would force more foot traffic on to the streets, which in turn would translate to dollars being spent in local businesses.

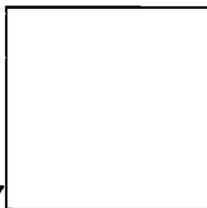
Park Place is **LONG** overdue for a renovation, the addition of parking, retail on the ground level, and dense residential would be a great thing for the area, I see zero harm in allowing the addition of 8 stories of residential. I say go for it, approve it! Add a hotel to boot - travelers will be happy to come spend money in the local restaurants.

I don't think we want this to become car-centric Bellevue, all spread out and ice cold, but I do think done properly, in a dense urban core, the addition of more residential would be a great thing for the area and could spur other start up tech companies to come in to the area.

My two cents for what they're worth, but seriously I think census data suggest people want to live close to work and retail when possible.

Welcome your feedback.

Thanks,
Kris Nichols



206.790.9927

-----Original Message-----

From: Bob Routt [<mailto:ibrunning26@gmail.com>]
Sent: Thursday, March 13, 2014 1:41 PM
To: Angela Ruggeri
Cc: Robert Routt
Subject: REZONE TO 8 STORIES DOWNTOWN

I am a lifelong Houghton/Kirkland resident, and I vote YES to the proposal. Kirkland cannot expect to create and maintain a strong village-like central zone if it does not increase the density of both residential and commercial areas. As long as the commercial areas stay as far away from the heart of the village as the east side of Park Place, I am 100% in favor.

I am tired of walking to the village core and watching business after business fail. We are not going to attract the desired walking traffic if few people live and/or work close enough to walk there in a reasonable time.

It seems this has been Kirkland's desire which is born out by the changes in zoning, yet every time something meeting the new zoning tries to get approved it gets sidetracked by a relatively few organized, loud and persistent people that want things to stay the same.

Our council needs to grow a backbone and lead, not continue to be bullied into rescinding or compromising the goals they have set for the village center.

Sincerely,
Bob Routt

From: CL [<mailto:exsstuff@comcast.net>]
Sent: Monday, March 10, 2014 9:37 AM
To: Planning Commissioners
Subject: 434 Kirkland Way

Hello,
I support the height limit increase for the project at 434 Kirkland Way.

I recently received a glossy postcard from Davidson, Serles & Associates describing the proposed height limit change. I am offended that this law firm did not make note of the fact that their only interest in fighting this request is the value of their own building and the potential loss of view. When they were fighting the Park Place development they hid behind the sham of a "citizen group". They are second only to the residents of Portsmouth condos who have fought the development of the Hector's property while living in the exact same monstrosity they are trying to fight. Check my address.

The proposal to increase the height limit should be evaluated on its own merit. What value does it bring to Kirkland? Kirkland's downtown is pitifully under utilized and under developed. The City has no economic development activity to speak of and it shows. Development of parcels occurs as developers find acceptable projects. If the City and

citizens won't lead the way to encourage the development they need and want, then the market will decide the most profitable course. Based on the last ten years and this proposal, Class A office space does not make economic sense for developers in Kirkland. Park place tried yet was not completed due to lack of interested tenants. As much as Ken Davidson wants Class A office space, the City does not seem to care and the demand for office space in Kirkland doesn't exist (except Google and they are making their own).

Downtown Kirkland needs to be more. A mix of residential, retail and business office will occur. At this point residential is coming first.

Hobart Hani
110 2nd St S

ERIC C. EVANS
2472 173rd Place NE, Redmond, WA 98052 Tel. 425.429.8168

March 13, 2013

Kirkland Planning Commission
CITY OF KIRKLAND
123 Fifth Avenue
Kirkland, WA 98033

RE: MRM Private Amendment Request (PAR)
City of Kirkland File #ZON11-00006/SEP13-00554

Dear Kirkland Planning Commission Members.

Please accept this letter of support for the MRM Private Amendment Request. For the past 25 years, I have been developing market rate and affordable housing throughout the Pacific Northwest. In addition, I have had the pleasure of developing both market rate and affordable communities in Kirkland. From the South Kirkland Park & Ride with its 185 market rate residences, 6,000 square feet of commercial and 58 affordable residences to the Francis Village Community in Totem Lake, I can personally attest to the need for additional affordable and market rate housing options in Kirkland.

I can also personally attest that these opportunities would not have been possible without the support and leadership of the City of Kirkland to include a mix of housing and commercial opportunities within the City. These efforts in addition to being consistent with a wide variety of Comprehensive Goals and Policies and the Vision of the City of Kirkland, the City's actions are working to bring a diversity of housing and commercial opportunities that will strengthen our economic base and enable more of Kirkland's residents and its employment base the opportunity to enjoy the quality of life that is uniquely Kirkland.

I firmly believe that the MRM Private Amendment Request represents another unique opportunity to further vision of the City by providing additional housing supply in a tight market that can help sustain and compliment the growing retail and economic base downtown with little or no impact to the surrounding community.

Kirkland has been and continues to be a great place for me and the firms with which I have done business. One of the reasons for this is that the City has demonstrated a keen insight in seizing opportunities. Be it the Kirkland Cross Border Trail, or the South Kirkland Park & Ride, the City has proven to be quite nimble in adapting to new ideas that will make the City and the quality of life for its residents more dynamic, more livable, more Kirkland.

We are blessed with a strong economic base, finding creative ways to support that economic base with housing options close to jobs, great schools and vibrant retail is something that Kirkland has a proven track record accomplishing and I encourage you to help support that inventory with your recommendation today.

As a participant in the City's recent ARCH Housing workshop, I was asked what Cities can do to make housing more affordable to all. Your actions today can help bring about more housing options for our community and help ease some of the pressure and provide a great opportunity at the heart of Kirkland.

I appreciate your consideration, support and continued leadership.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric C. Evans". The signature is stylized and somewhat cursive, with a large initial "E" and a long, sweeping tail.

Eric C. Evans

Greg LaCombe
538 11th Avenue W.
Kirkland, WA 98033
(425) 828-6480

March 8, 2014

Dear: Members of the Planning Commission, City Council and the City Manager,

My name is Greg LaCombe and I live and run a small business in Kirkland. I was recently made aware of the MRM proposal to build a multi-family housing project on the old True Value hardware site and wanted to let you know that I support the changes they are requesting and ask that you approve their request for rezoning. Kirkland Park Place has sat dormant for too long and our city needs this space to be re-developed. A multi-family housing project on the MRM property would fit well in our city and would provide more housing for local employees consistent with the needs of the long-term businesses the city is trying attract. I understand there is concern about another 8-story building in city but it does not bother me if it is done with appropriate step-backs from the park and from Kirkland Avenue.

Thank you for your service and for considering my request to approve this project.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg LaCombe', with a stylized flourish at the end.

Greg LaCombe

Councillors:

It has taken three years for the MRM rezone to proceed to its current unsatisfactory status at the Planning Commission. In the six years since the Bank of America imbroglio, no other developer has broken ground anywhere in the CBD except for two small buildings northeast of the Park, and those only within the last few months.

Development in Central Kirkland is stalled out.

Meanwhile, development continues apace on Sixth Street. Google broke ground six months after announcing their expansion. There are several other residential developments underway or completed south of downtown and in Houghton. So less regulated areas in Central Kirkland are succeeding. At the same time, downtown Redmond is being transformed, and whole new neighborhoods are forming in the Bed-Red corridor. Redmond and Bellevue are building sustainable, walk-able, mixed-use neighborhoods with a variety of uses; everything we say we want, but are not executing on.

The message from the market is clear. The heart of our city is a no-go area for new development. The development process is too hard, too slow, and your parking and height rules make it marginally economic at best even if approvals are granted.

So development gets pushed to the fringes, and Kirkland becomes a doughnut with a core of shabby buildings and vacant lots. We continue to maintain an empty lot in the heart of our city at Lake and Central. The antique mall has been closed for eight years with no change in sight. Central Way and the south side of Kirkland Ave are increasingly run-down with no developer interest. We want a successful Park Lane retail area, but the eastern half of the lane is an embarrassment.

We've allowed the traffic and parking obsessions of those who don't actually live in downtown to override the interests of downtown residents and business in building a more vibrant community. (That, and one neighborhood business more concerned with private view corridors than the success of the neighborhood).

The proposed development at MRM offers high-quality retail, improved public spaces and pedestrian experiences, and homes for hundreds of new Kirkland residents. It'll bring a large enough retail space to host an anchor tenant that can support its neighbors. It's an enormous upgrade to the neighborhood. The alternative is a soon-to-be-empty office space and an ugly surface parking lot. Today's MRM site isn't even a safe place to walk across; the public driveway is a helter-skelter exit for drivers from QFC. We should be welcoming this proposal warmly even as we carefully review the details.

Several members of the Planning Commission were comfortable keeping this location 'land-banked' for future commercial use, many years in the future if necessary. I'd love to see commercial use here too if I thought it were remotely likely (but it's failing the market test next door). Realizing that commercial development isn't in the pipeline, the lack of urgency about improving the quality of

life in downtown is disappointing. You can't have a pedestrian-friendly city where residents are confronted with parking lots and 'land-banked' vacant buildings. A constructive approach would realize the urgency of redeveloping this site and work with the owners to shape the best possible plan.

MRM has asked that consideration of its zoning be deferred to the Comprehensive Plan. The Planning Commission has been unwilling to consider MRM's proposal without invoking the uncertainty around Park Place as a rationale for inaction. For that reason alone, MRM's request should be granted.

But please consider how to use the May 20 meeting to send a message that Kirkland intends the CBD to be successful. Council should affirmatively signal that it wants a successful redevelopment (and soon) of the MRM site and the other gaps in the downtown. A prompt and constructive response to the next Park Place proposal is also critical.

Thank you.
Dan Ryan
493 2nd Ave S, Kirkland WA 98033
425-260-9441

RE•SOLVE

Real Estate Appraisal, Counseling & Mediation
261 Madison Ave S, Suite 102
Bainbridge, WA 98110-2579
206 842-4887

Anthony Gibbons, MAI, CRE
Seattle Direct Dial 206 842-4887
Email: agibbons@realestatesolve.com

June 10, 2015

Kirkland Planning Commission
123 Fifth Avenue
Kirkland, WA 98033

Re: MRM Private Amendment Request (PAR) to allow additional residential development

Members of the Planning Commission:

At the request of the client Mr. Razore of MRM Kirkland LLC, I am providing you with some opinions on market feasibility and project compatibility with regard to the above referenced project.

My appraisal firm has extensive experience on the Eastside, including property valuation, market studies, and feasibility studies. I have also conducted additional research pertinent to the Kirkland and Eastside markets, proposed new development in the area, and Kirkland economic development. As you may recall, I attended the May 14, 2015 meeting of the Planning Commission, and provided a brief review of my findings at that time, now laid out in this letter. Since then I have also completed a review of documents provided to me regarding MRM's application for the amendment referenced above, specifically Mr. Gardner's letter of May 13, 2015 (the "Gardner Report").

I have concluded that acceptance by the Planning Commission of the amendment requested by MRM would be justified by a proper analysis of the market, and would represent a better fit for both the location and market at large.

Brief Review of the Office Market

The Kirkland office market is a relatively small part of the overall Eastside office market, comprising only 5,154,369sf of RBA out of the Eastside total of 48,000,592sf (all classes office, 1Q 2015 CoStar Office Report). Class A office space in Kirkland is a small subset of that figure at 1,512,867sf. Further, the amount of space actually downtown is further limited, at around 340,000sf, with most of the space suburban. Note of course that there is some fuzziness in these boundary classifications, and further that no market exists in isolation from surrounding communities; in particular the impacts of a weak or oversupplied market can stretch into different communities, acting as a form of vacuum. Experience tells us that the gravitation towards such markets can be intense, as lowered pricing is deliberately intended to pull users out of higher priced markets. The point to be made is that Kirkland, with its relatively small amount of space, is very susceptible to supply impacts from the eastside in general and Bellevue in particular.

The five year average absorption rate of all office space in Kirkland ending in May 2015 was 105,773sf per year, with absorption over the last twelve months at only 61,088sf. The five year average vacancy rate is 10.3%, similar to Bellevue's at 11.3%. Bellevue is the address of choice on the Eastside for the bread and butter tenants of CBD occupancy, such as the insurance firms and attorneys, and this is reflected in the higher rents achieved in the Bellevue market, even though construction costs are similar.

Further market context is provided by the history of previous office development in Kirkland and by analysis of office space currently under construction or proposed for the near to mid-term future. In the last thirty years a mere 339,332sf of office space has been delivered into downtown Kirkland, with 181,343sf of that delivered in the last twenty years; none of it occurred in the last ten years (CoStar as reported by the Broderick Group in May 2015). The Broderick Group report shows 0sf currently under construction. With this history as a backdrop, today we have a 686,800sf of planned development (650,000sf from Park Place) and 66,359sf coming back on the market due to Microsoft's departure from Continental Plaza, for a total projected new supply 752,359sf.

Put another way, Kirkland already (and without MRM's property) needs to be ready over the next decade (or longer) to absorb more downtown space than the city's CBD has absorbed over the past 30 years. These sobering statistics are what prompted Talon to halve the original Touchstone proposal, which originally called for 1,200,000sf of office space. That, and the parking requirements for that much space in the tight downtown market, challenged the economic feasibility of the endeavor, particularly with Kirkland's lower pricing structure. In any event, with 650,000sf on the horizon, we can comfortably predict that the Kirkland CBD will have enough office space for the downtown area for the foreseeable future, without needing to rely on the MRM property for additional supply.

Also, and with reference back to the issue that no market operates in isolation, we should also consider what is going on in the surrounding markets. Looking to other eastside markets, Bellevue in particular, it is apparent that demand from there will not likely rush-in to bolster the Kirkland market over the next decade – in fact the reverse (a vacuum) is more likely. Projects presently *under construction* in Bellevue represent more than five times the annual average absorption for that market. And the pipeline is stacked with new proposals, amounting to over 5,000,000sf, some of these pre-permitted and ready for construction, like 490,000sf permitted in the Spring District (which has potential for another 3,210,000sf) and Esterra Park (in Redmond, but on the boundary), which is permit ready to add (as the need arises) 1,100,000sf.

Gardner Report

The Gardner Report cites a vacancy rate for Kirkland for 1Q 2015 at 2.21% (from CBRE, presumably all office classes). I can't confirm this number; CoStar shows a 1Q 2015 all office classes rate of 6.9% for Kirkland, with Class A vacancy at 4.1%. The CBRE report I referenced has a 6.1% vacancy with a 10.3% five year average. Brokerage companies count space in different ways, though, and the quote may be accurate for a narrow segmentation of the market. Regardless, focusing on (an unusually low) vacancy today within such a narrow market segment, and for the purposes of assessing demand in the future, represents a very incomplete picture of the issue, particularly given the potential supply of new product on the horizon.

Again the actions of Talon are instructive, despite the commentary in the report to the contrary. It is true the project will be built in phases, this a recognition though of the absorption time required to meet market demand. Bill Pollard of Talon has stated that *“When demand is there we will build buildings, and when demand is not there we won’t build buildings”*, indicating current phasing is intended to meet what demand is present, not, as is suggested, something less than that. These are the actions of a cautious developer dealing with a market that could not possibly absorb 650,000sf at one time. They again support the notion that the Park Place proposal will likely meet Kirkland office needs for more than a decade. Further, as planned and permitted space, facilitated by approved ordinances, and as part of an up and running mixed use project, Park Place promises an optimal delivery time in response to new demand. This puts Park Place in a more competitive position to push out new office development options on other sites.

To facilitate the proposed Talon project, the Kirkland City Council unanimously adopted three ordinances which amend zoning and design guidelines; these allow for more residential use and offer incentives for affordable housing (DJC 2/19/15), a de facto acknowledgment of the research findings of their feasibility study. The MRM requested amendment provides for a similar assessment, with a request for an increase in residential development. The ordinances adopted in response to the Talon project indicate that arguments in favor of an increased proportion of housing and incentives for affordable housing have already been considered and approved with regard to both market needs (by the developer) and policy direction (by the city).

Nevertheless The Gardner Report argues that Talon’s 650,000sf of proposed office space should not be fully counted as anticipated space because some of that space would arrive on the Kirkland market in later phases. Mr. Gardner’s statement that *“future development of commercial office space is highly likely to meet with success”* is speculative and broad, and does not provide meaningful guidance on the future, in light of a potential tripling of local supply, let alone what is happening in the larger market. History tells us that office markets are very vulnerable to business cycles, and occupancy and rental rates fluctuate significantly (down and up) when economic conditions change. The probability that we will encounter another down-cycle (which typically occurs at least once a decade) prior to the full absorption of currently proposed space is very probable, and will further delay other development opportunities.

The Gardner Report makes a number of arguments based on the city’s need to meet the mandates of the Growth Management Act. These goals are important to planners and city officers and that may in turn impact developers, but developers themselves (wisely) do not heavily base development decisions on its mandates. Also, the specific arguments developed are difficult to support. The report states that *“the city has the capacity to add 20,400 new jobs between 2013 and 2015.”* But the document referenced (Draft Land Development Capacity Analysis, 2013) actually states that 22,944 (adjusted early in 2014) is the employment growth target for the period from 2013 to 2035, not to 2015. This is a 20-year goal, not a prediction or projection, and neither a developer nor lender would base a multimillion construction decision upon its contents. It is a very generalized forecast, but that does not mean it will be achieved where or when stated. The calculation that employment would likely rise by 4,600 jobs if the figure of 732,000sf which he uses for proposed space were constructed is a *“build it and they will come”* philosophy and does not address the financial feasibility of the endeavor. We (still) have a lot of office buildings out there occupied at rents that fail to support new construction, as a hangover of the past financial crises. Today developers and lenders are a little smarter (hopefully although time will tell), and

they will not build this product until the demand is there. If they do, once again we will see a “tanked market”.

The arguments made are then essentially circular; jobs will create demand for office space and office space will create jobs. The assertion that there will “*a shortage of development in order to meet the purported goals of the city,*” strikes me as very unlikely given the proposals presently on the books, but even if there were, other property would come into play to meet that demand. In any event this is not a meaningful analysis or support for the notion that the MRM property should be preserved through zoning for probably more than a decade to meet such a speculative demand possibility.

Residential and Retail represent a better Option for the Site

Additional arguments in favor of approving the MRM amendment request include the (better) suitability of the location for residential use, and the retail elements of the public benefits package offered by the developer. Residential use in a downtown core does a much better job of keeping a core vibrant in terms of its support of local retail businesses, and a healthy street scene than does office. Office, the users of which typically leave the core in droves in the evening, tend to have a harsher transportation impact¹ and parking demand, and are less supportive of a vibrant street scene both in the evening and on weekends.

Conclusion

Analysis of the Kirkland office market indicates a full slate of construction is on the way, and the prospects for development of the MRM site are much better invested in residential and retail use than in office development. MRM LLC’s private amendment request, which would allow additional residential as part of their proposed development of an apartment project with ground level retail, represents, in my opinion, a more appropriate use for the property, and a more prudent one in light of the existing office supply on the way.

Respectfully Submitted,



Anthony Gibbons, MAI, CRE

Ref: 15119

¹ The EIS undertaken for the property projects 262 fewer daily trips than an office scenario, reducing the traffic burden of the neighborhood

General Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. If the subject is improved: Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.

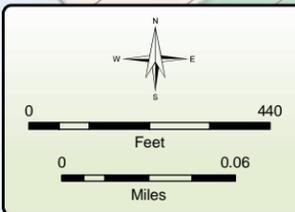
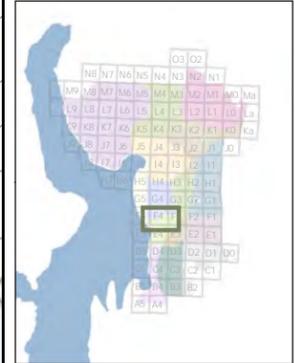
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent of the appraiser

The following assumptions and limiting conditions may apply to this assignment:

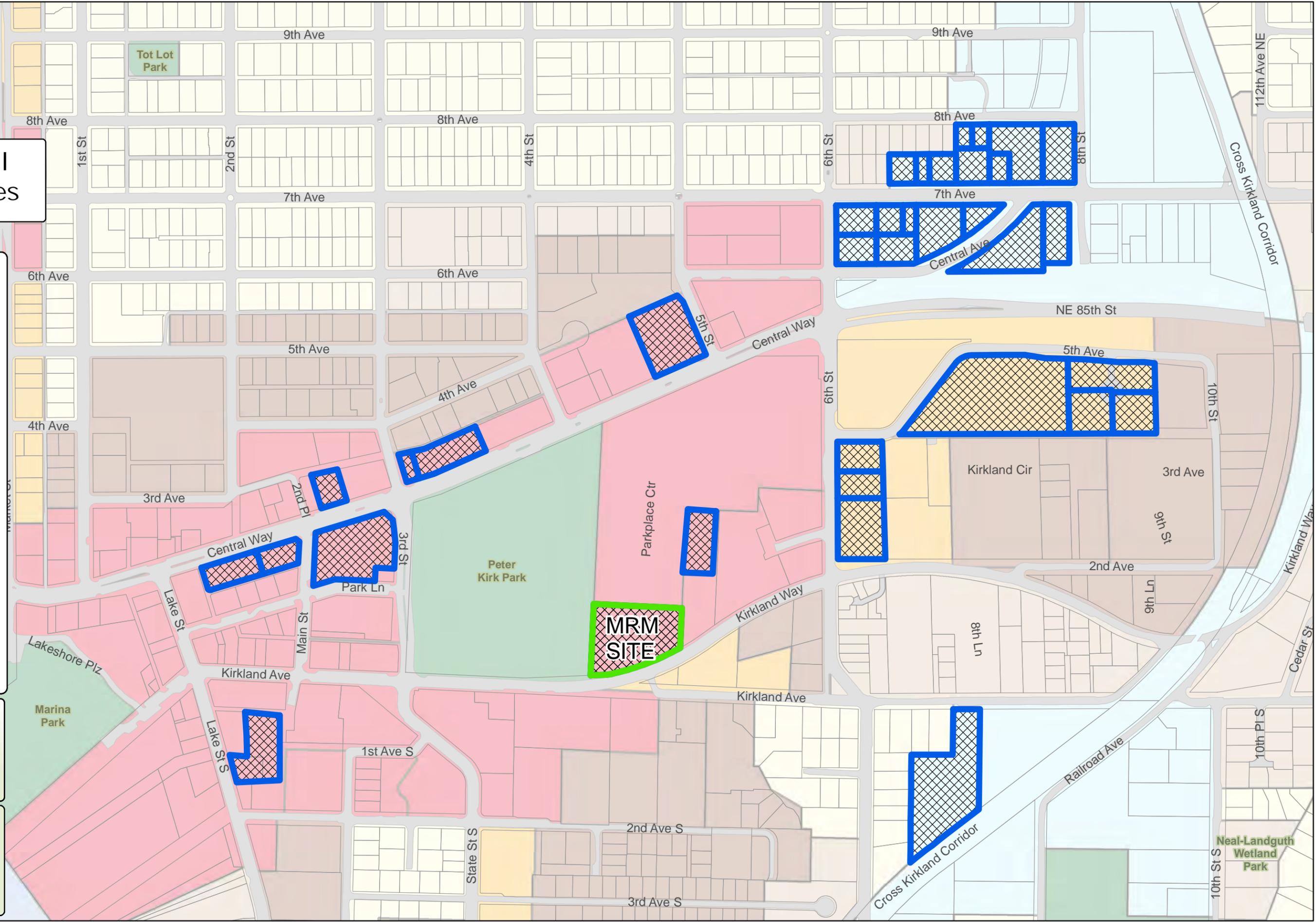
1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. In the case of proposed developments: If only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis, therefore, is subject to a review of the final plans and specifications when available.
3. In the case of proposed developments, and the assignment of values to a property at the completion of construction, all proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform with the building plans referenced in the reports.
4. In the case of improved property: The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
5. If no legal description or survey was furnished, the appraiser used the county tax plat to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted. If a legal description has been provided, the appraiser is not responsible for the accuracy of the description. The property appraised is assumed to be as delineated on county maps, as noted in this appraisal.
6. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7. If the subject is improved: The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of any improvements on the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has not direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

Potential office sites

- MRM site
- Potential office
- Commercial
- Industrial
- Light Manufacturing Park
- Transit Oriented Development
- Office
- High Density Residential
- Medium Density Residential
- Low Density Residential
- Institutions
- Park/Open Space
- Parks / Open Spaces
- Schools

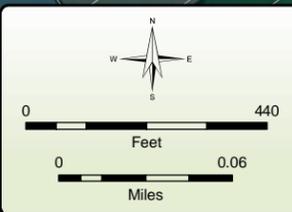
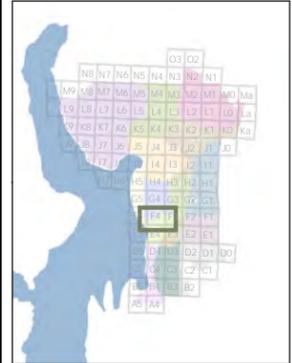


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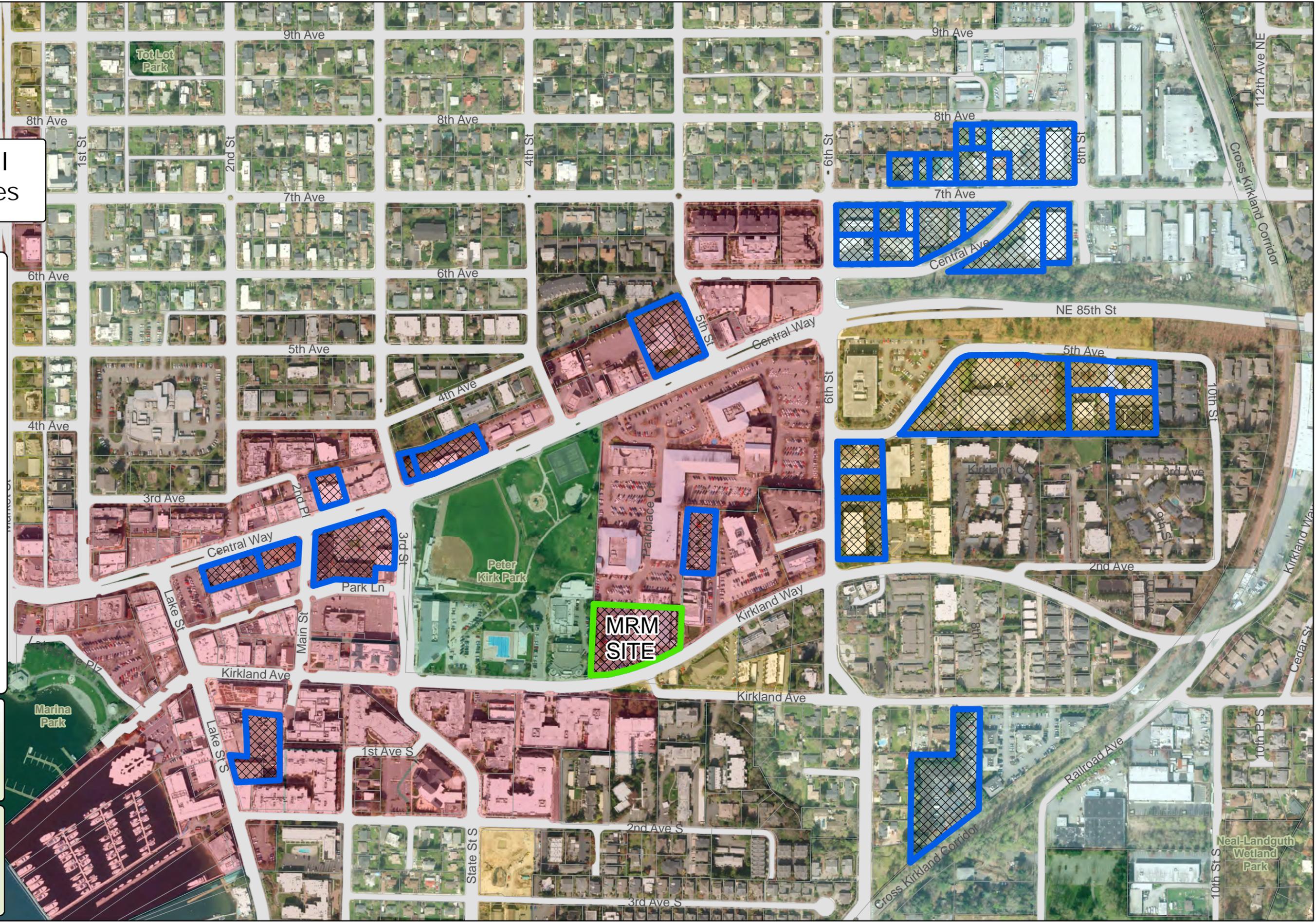


Potential office sites

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- Medium Density Residential
- Low Density Residential
- Institutions
- Park/Open Space
- Parks / Open Spaces
- Schools



Name: Potential office
Date Saved: 6/16/2015 11:10:18 AM





CITY OF KIRKLAND

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

MEMORANDUM

To: Planning Commission

From: Eric Shields, Planning Director

Date: June 10, 2015

Subject: Effect of MRM proposal on the City's ability to meet employment growth targets and the ability of Downtown Kirkland to qualify as an urban center

Employment Growth Targets

The City's employment growth target for 2035 is to accommodate an additional 22,435 jobs. The growth capacity study conducted in 2014 calculated that the capacity for additional employment was 22,944 jobs using the conventional methodology of determining sites that are likely to redevelop over the following 20 years. That methodology assumes that sites are likely to be redeveloped only where the assessed improvement value is less than 50% of the assessed land value. For the Totem Lake urban center, an alternative methodology was also used which compared the existing development to the development potential under the existing zoning. With that methodology, a site was assumed to be redevelopable where the amount (density) of existing development is less than or equal to 25% of the maximum potential zoned development. Using the alternative methodology, an additional capacity of 28,214 jobs was identified for Totem Lake, resulting in a total city job capacity of 51,758 jobs.

With both methodologies the same assumptions were made about the amount of development that was expected to occur and the percentages of different allowed land uses that would occur. Since many zones allow a variety of uses, the assumptions were by nature speculative using information about past development trends to inform assumptions about future growth. On some large properties where master plans had been approved but development had not yet occurred, assumptions about future development were based on the approved master plans.

This was the case for the proposed Parkplace redevelopment which was approved to contain 1,200,000 square feet of office space and 592,700 square feet of retail space. Subsequently, however, a new Parkplace master plan was approved which contains only 650,000 square feet of office, 225,000 square feet of retail and 300 dwelling units. Thus the new Parkplace plan reduces employment capacity by 2,347 jobs and increases housing capacity by 300 units.

The same logic holds true for the MRM site, where the change of zoning would result in a loss of job capacity and the addition of dwelling units. In the comprehensive plan capacity analysis, it was assumed that the MRM site would develop with a building containing both office and commercial uses containing a net addition of 320 jobs. Subsequent to preparation of the

capacity analysis, an EIS was prepared on the MRM proposal, estimating that under existing zoning, the site could accommodate an even larger building containing an additional 611 jobs.

Consequently, Parkplace and MRM combined would result in a potential Downtown job loss of **3,278**. **Even so, with regard to the City's ability to meet its** citywide employment target, the loss would be more than covered by the large surplus capacity in Totem Lake.

Potential Downtown Urban Center

The City Council has expressed an interest in nominating Downtown Kirkland as an Urban Center in accordance with the Countywide Planning Policies for King County (CPPs) and the Puget Sound Regional Council (PSRC) Vision 2040 Multi-county Planning Policies (MPPs).

PSRC MPP Criteria The PSRC MPPs designate regional growth centers, indicate that a significant share of population and housing growth should occur in centers and state that funding priority should be given to support centers. All, or nearly all, of the currently designated regional growth centers are those that were previously adopted through the county-wide planning policies of each of the four member counties; and each county has different center designation criteria. In 2011, subsequent to the adoption of the MPPs, the PSRC adopted criteria for adopting new regional **centers, based on the density of "activity units."** Activity units are calculated as the sum of both population and employment. The designation criteria indicate that to qualify a regional center must have a minimum of 18 activity units per gross acre and be planned for at least 45 activity units per gross acre. The criteria do not establish a particular balance between jobs and population, merely that the total density of activity units be met. The criteria also state that designated regional centers must reinforce the regional growth concept expressed in the MPPs, but do not explicitly require adjacency to a transit center, as do the King County CPPs.

The PSRC recently started a process to reevaluate the regional center designation criteria with a goal of providing some consistency in centers designation throughout the four county CPPs. This process will not be completed until late 2016.

King County CPP Criteria The King County CPPs have more stringent criteria for "urban center" designation:

- Encompasses an area up to 1.5 square miles;
- Zoning regulations and infrastructure to accommodate:
 - A minimum of 15,000 jobs within .5 miles of a high capacity transit station;
 - A minimum of 50 employees per gross acre; and
 - A minimum average of 15 housing units per acre.

Facts about Downtown Kirkland Below is information about Downtown Kirkland which may have a bearing on whether it qualifies as a regional growth center. Note that the capacity figures are derived from the capacity analysis prepared for the Comprehensive Plan update and assume that properties are redevelopable only if their assessed improvement value is less than 50% of their assessed land value. As a consequence, many parcels with higher assessed improvement values were not considered, but over time would be expected to redevelop. Further, the analysis assumed future developments would have mixes of uses similar to recent developments, which have been predominantly upper story residential, even though office use would be equally acceptable under the zoning.

Downtown – Compliance with Urban Center Criteria

Criteria	Existing Features	Meets MPP Designation Criteria? (18 AU/acre)	Capacity for Planned Growth	Meets MPP Growth Criteria? (45 AU/acre)	Meets CPP Criteria?
PSRC Criteria					
• Population	3,700		5,500		
• Jobs	4,600		10,800		
• Activity Units	8,300		16,300		
• Activity Units/ Acre	37	Yes	73	Yes	
King County Criteria					
• Size	224 acres				Yes
• Housing Units	2,490		3,690		
• Housing Units/G. Acre	11		16		Yes (15)
• Jobs	4,600		10,800		No (15,000)
• Jobs/ Gross Acre	21		48		No (50)
• Within .5 mile of High Capacity Transit Center	Downtown Transit Center				No (not high capacity transit)

Es: MRM targets & urban center

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS												
Section 50.35	USE ↓ 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						
.010	Restaurant or Tavern	D.R., Chapter 142 KZC.	None	20'	0'	0'	80%	67' above average building elevation.	D See Spec. Reg. 1. B	E	One per each 125 sq. ft. of gross floor area.	1. Landscape Category B is required if the subject property is adjacent to 6th Street or Kirkland Avenue. 2. For restaurants with drive-in or drive-through facilities: 1. a. One outdoor waste receptacle shall be provided for every eight parking stalls. b. Access for drive-through facilities shall be approved by the Public Works Department. Drive-through facilities shall be designed so that vehicles will not block traffic in the right-of-way while waiting in line to be served. c. Landscape Category A shall apply if the subject property is adjacent to 6th Street or Kirkland Avenue.
.030	Entertainment, Cultural and/or Cultural Recreational Facility	D.R., Chapter 142 KZC.	None	20'	0'	0'	80%	67' above average building elevation.	D See Spec. Reg. 2. B	E	See KZC 50.60 and 105.25.	1. The parking requirements for hotel or motel use do not include parking requirements for ancillary meetings and convention facilities. Additional parking requirements for ancillary uses shall be determined on a case-by-case basis. 2. Landscape Category B is required if the subject property is adjacent to 6th Street or Kirkland Avenue.
.040	Hotel or Motel								One per each room. See Spec. Reg. 1.			
.050	Any Retail Establishment, other than those specifically listed, limited, or prohibited in the zone, selling goods, or providing services including banking and related financial services	D.R., Chapter 142 KZC.	None	20'	0'	0'	80%	67' above average building elevation.	D See Spec. Reg. 4. B	E	One per each 350 sq. ft. of gross floor area.	1. The following uses are not permitted in this zone: a. Vehicle service stations. b. The sale, service and/or rental of motor vehicles, sailboats, motor boats, and recreational trailers; provided, that motorcycle sales, service, or rental is permitted if conducted indoors. 2. Access for drive-through facilities must be approved by the Public Works Department. 3. Ancillary assembly and manufacture of goods on the premises of this use are permitted only if: a. The assembled or manufactured goods are directly related to and dependent upon this use and are available for purchase and removal from the premises. b. The outward appearance and impacts of this use with ancillary assembly or manufacturing activities must be no different from other retail uses. 4. Landscape Category B is required if subject property is adjacent to 6th Street or Kirkland Avenue.
.060	Private Lodge or Club								D See Spec. Reg. 1. C		B	See KZC 105.25.

USE ZONE CHART

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS												
Section 50.35	USE ↓ 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						
.070	Office Use	D.R., Chapter 142 KZC.	None	20'	0'	0'	80%	67' above average building elevation. (see spec. reg. 3 for office use)	D See Spec. Reg. 3. C	D	One per each 350 sq. ft. of gross floor area.	1. Ancillary assembly and manufacture of goods on premises may be permitted as part of an office use if: <ol style="list-style-type: none"> The ancillary assembled or manufactured goods are subordinate to and dependent on this office use; and The outward appearance and impacts of this office use with ancillary assembly and manufacturing activities must be no different from other office uses. 2. The following regulations apply to veterinary office only: <ol style="list-style-type: none"> May only treat small animals on the subject property. Outside runs and other outside facilities for the animals are not permitted. Site must be designed so that noise from this use will not be audible off the subject property. A certification to this effect, signed by an Acoustical Engineer, must be submitted with the D.R. and building permit applications. A veterinary office is not permitted if the subject property contains dwelling units. 3. Landscape Category C is required if subject property is adjacent to 6th Street or Kirkland Avenue.
.080	Church	Proposed wording for Special Regulation #3 is shown on next page.							D See Spec. Reg. 2. C		One per every four people based on maximum occupancy of any area of worship.	1. No parking is required for daycare or school ancillary to the use. 2. Landscape Category C is required if subject property is adjacent to 6th Street or Kirkland Avenue.
.090	School, Day-Care Center, or Mini-School or Day-Care Center								D		See KZC 105.25.	1. A six-foot-high fence is required along all property lines adjacent to outside play areas. 2. Hours of operation may be limited by the City to reduce impacts on nearby residential uses. 3. 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.

Special Regulation 3 for Office Use

3. For property adjoining Peter Kirk Park, 80' above average building elevation, if the following are provided:

- a. At least 50% of the gross floor area is office use.
- b. A minimum 54' wide improved easement street from Parkplace to Kirkland Way which meets the requirements for the Park Promenade in the Parkplace Master Plan. The design must be approved by the Planning & Public Works Departments.
- c. The street level of all buildings shall be limited to one or more of the following uses: Retail; Restaurant or Tavern; Banking and Related Financial Services; Entertainment, Cultural and/or Recreational Facility; Parks; Government Facility; or Community Facility. At least one of the street level tenant spaces must be a minimum area of 9000 square feet. The required uses shall have a minimum depth of 20 feet and an average depth of at least 30 feet (as measured from the face of the building on the Park Promenade).

The Design Review Board (or Planning Director if not subject to D.R.) may approve a minor reduction in the depth requirements if the applicant demonstrates that the requirement is not feasible given the configuration of existing or proposed improvements and that the design of the retail frontage will maximize visual interest. Lobbies for office uses may be allowed within this space subject to applicable design guidelines.
- d. A minimum 2000 square foot public plaza that relates to Kirkland Way, the Kirkland Performance Center and Peter Kirk Park. The design must be approved by the Design Review Board.
- e. Public art on site valued at a minimum \$10,000.
- f. The project must be built to LEED silver or comparable standard.

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS												
Section 50.35	USE ↓ 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						
.100	Assisted Living Facility See Spec. Reg. 4. 3	D.R., Chapter 142 KZC.	None	20'	0'	0'	80%	67' above average building elevation.	D See Spec. Reg. 3. C	A	1.7 per independent unit. 1 per assisted living unit.	<ol style="list-style-type: none"> 1. A facility that provides both independent dwelling units and assisted living units shall be processed as an assisted living facility. 2. A nursing home use may be permitted as part of an assisted living facility use in order to provide a continuum of care for residents. If a nursing home use is included, the following parking standard shall apply to the nursing home portion of the facility: <ol style="list-style-type: none"> a. One parking stall shall be provided for each bed. 3. Landscape Category C is required if subject property is adjacent to 6th Street or Kirkland Avenue. 4. This use only allowed: <ol style="list-style-type: none"> a. On properties with frontage on Second Avenue. b. Within 170 feet of Peter Kirk Park provided that the gross floor area of this use does not exceed 12.5% of the total gross floor area for the subject property.
.110	Stacked or Attached Dwelling Units See Spec. Reg. 1								D See Spec. Reg. 1. C	See Spec. Reg. 3. 2	<ol style="list-style-type: none"> 1. Landscape Category C is required if the subject property to adjacent to 6th Street or Kirkland Avenue. 2. This use only allowed: <ol style="list-style-type: none"> a. On properties with frontage on Second Avenue. b. Within 170 feet of Peter Kirk Park provided that the gross floor area of this use does not exceed 12.5% of the total gross floor area for the subject property. 3. This use must provide a minimum of one parking stall per bedroom or studio unit and an average of at least 1.3 parking stalls per unit for each development. In addition, guest parking shall be provided at a rate of 0.1 stalls per bedroom or studio unit with a minimum of two guest parking stalls provided per development. 	
.120	Public Utility, Government Facility, or Community Facility								C See Spec. Reg. 1 1	B	See KZC 105.25.	<ol style="list-style-type: none"> 1. Landscape Category C is required if the subject property is adjacent to 6th Street or Kirkland Avenue. 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 nearby uses. 2. Site design must include installation of pedestrian linkages consistent with the major pedestrian routes in the Downtown Plan chapter of the Comprehensive Plan, between public sidewalks and building entrances, and between walkways on the subject property and existing or planned walkways on abutting properties.
.130	Public Park	Development standards will be determined on a case-by-case basis. See Chapter 49 KZC for required review process.										

Proposed wording for Special Regulation 3.b is shown on next page.

Proposed wording for Special Regulation 1.b is shown on next page.

3

1

2

Special Regulation 3.b for Assisted Living and Special Regulation 1.b for Stacked or Attached Dwelling Units.

3. For property adjoining Peter Kirk Park, if the following are provided:

a. A minimum 54' wide improved easement street from Parkplace to Kirkland Way which meets the requirements for the Park Promenade in the Parkplace Master Plan. The design must be approved by the Planning & Public Works Departments.

b. The street level of all buildings shall be limited to one or more of the following uses: Retail; Restaurant or Tavern; Banking and Related Financial Services; Entertainment, Cultural and/or Recreational Facility; Parks; Government Facility; or Community Facility. At least one of the street level tenant spaces must be a minimum area of 9000 square feet. The required uses shall have a minimum depth of 20 feet and an average depth of at least 30 feet (as measured from the face of the building on the Park Promenade).

The Design Review Board (or Planning Director if not subject to D.R.) may approve a minor reduction in the depth requirements if the applicant demonstrates that the requirement is not feasible given the configuration of existing or proposed improvements and that the design of the retail frontage will maximize visual interest. Lobbies for residential uses may be allowed within this space subject to applicable design guidelines.

c. A minimum 2000 square foot public plaza that relates to Kirkland Way, the Kirkland Performance Center and Peter Kirk Park. The design must be approved by the Design Review Board.

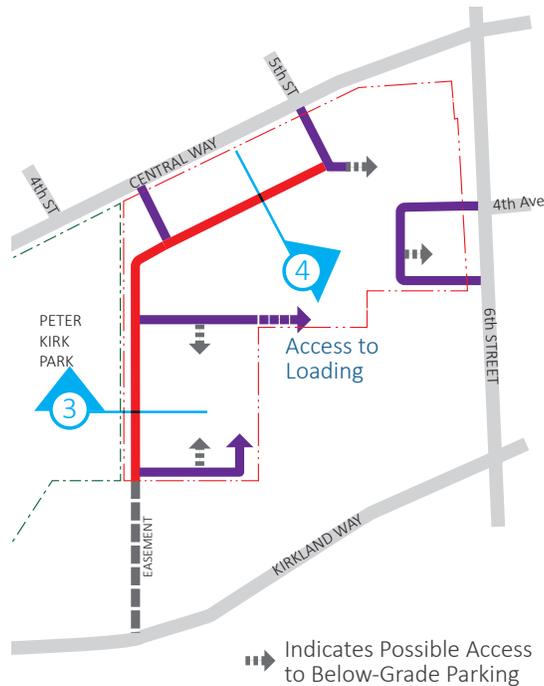
d. Developments creating four or more new dwelling units shall provide at least 10 percent of the units as affordable housing units as defined in Chapter 5 KZC. See Chapter 112 KZC for additional affordable housing incentives and requirements.

e. Public art on site valued at a minimum \$10,000.

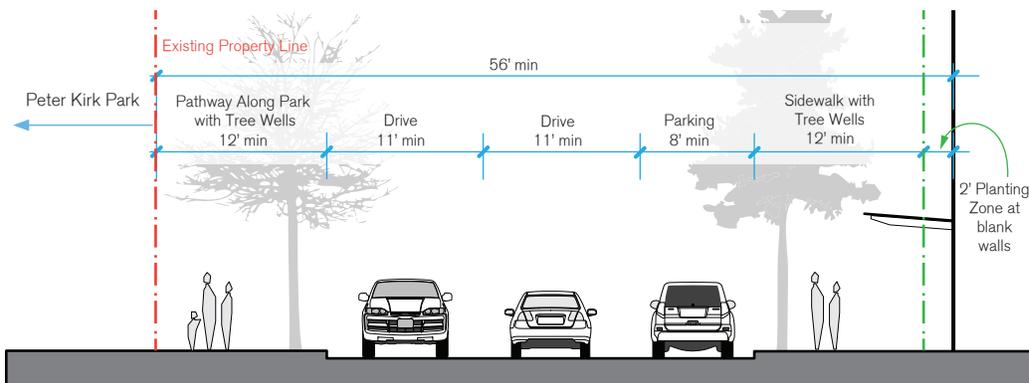
f. The project must be built to LEED silver or comparable standard.

MASTER PLAN: DEVELOPMENT STANDARDS

PRIMARY INTERNAL STREETS

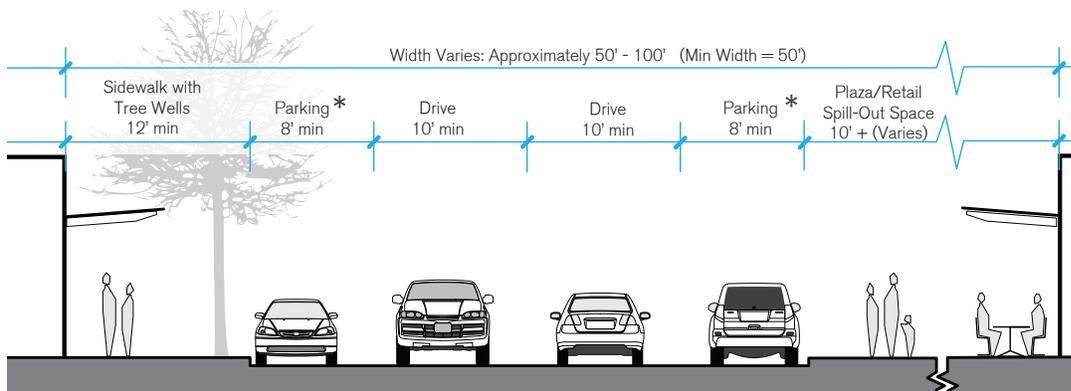


3 Park Promenade Section (typical)



The existing easement to the south shall include a pedestrian sidewalk connecting the Park Promenade with Kirkland Way.

4 Main Street Section (typical)



* Curbside parking may occur on one or both sides of the roadway.

KIRKLAND PARKPLACE MIXED-USE DEVELOPMENT: MASTER PLAN & DESIGN GUIDELINES

or transit trips. Allowing residential and nonresidential uses to locate in closer proximity provides transportation options making walking or bicycling ~~more feasible~~ a viable option.

Site design standards and street connectivity also impact the ability of drivers, transit riders, pedestrians, and bicyclists to get around. Policies in this section discuss the importance of considering connections and ~~alternative~~ transportation modes ~~choices~~ when planning new development. ~~The special needs of industrial development are also addressed.~~

Goal LU-3: Provide a land use pattern and transportation network that promotes mobility, transportation choices, and convenient access to goods and services.

Policy LU-3.1: Create and maintain neighborhoods that allow residents and employees to walk or bicycle to places that meet their daily needs. ~~Provide employment opportunities and shops and services within walking or bicycling distance of home.~~

Kirkland presently has a fairly largely complete network of commercial and employment centers, and **many of the City's residential neighborhoods can easily access a shopping area.** This policy attempts intends to further strengthen the relationship between urban neighborhoods and commercial development areas.

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

Incorporating R residential development ~~which is incorporated~~ into commercial areas ~~can~~ provides benefits for businesses and residents alike. Housing within commercial areas provides the opportunity for people to live close to shops, services, and places of employment. Conversely, residents living within commercial areas create a localized market for nearby goods and services, provide increased security, **and help to create a "sense of community" for those districts.**

Residential development within commercial areas should be compatible with and complementary to business activity. ~~Residential use should not displace existing or potential commercial use.~~

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

Park and ride facilities provide a potential location for offices, shops, and services serving two sets of customers: nearby residents and transit riders. In addition, housing at these facilities supports transit ~~use. However, these. The~~ design of these facilities ~~would have to~~ should be carefully considered to ensure protection of the surrounding neighborhood. The City should work with ~~Metropolitan~~ King County Metro to develop standards for housing, offices, shops and services at these facilities.

Policy LU-3.4: Locate higher density land uses in areas served by frequent transit service.

As decisions are made about locating future growth in Kirkland, the availability of viable transportation choices should be taken directly into account in relation to the location and intensity of that growth.

Policy LU-3.5: Provide easy vehicular access for ~~industrial-commercial~~ development from arterials or freeways and avoid. ~~Avoid industrial vehicular~~ access ~~through~~ from residential streets ~~areas~~.

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

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

Urban Design

- Create lively and attractive districts with a human scale.
- ~~Create attractive, pedestrian-oriented streets through building placement and design and by minimizing the obtrusive nature of parking lots.~~
- Support a mix of retail, office, and residential uses in multistory structures.
- Create effective transitions between commercial areas and surrounding residential neighborhoods.
- ~~Protect residential areas from excessive noise, exterior lighting, glare, visual nuisances, and other conditions which detract from the quality of the living environment.~~

Access

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

Although ~~Each~~ commercial and mixed use area has its own unique attributes, ~~although these~~ generalized development guidelines ~~which~~ work to preserve community character and support a multimodal complete transportation system ~~are described in the above policies~~. Particular emphasis is placed on improving pedestrian accessibility in commercial areas.

These policies recognize that urban design is important, and that well-designed commercial and mixed use areas, in partnership with Kirkland's residential neighborhoods, will project a positive community image.

Good urban ~~commercial~~ design complements and enhances adjacent residential areas.

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

The intent of this policy is that future economic development be concentrated in existing commercial and mixed use areas. This concentration can help to maintain and strengthen these areas and also promote orderly and efficient growth that minimizes impacts and service expansion costs. Concentration also allows businesses to benefit from proximity to each other.

Intensification, rather than expansion of the boundaries of existing commercial areas into surrounding residential neighborhoods, is desirable. Infilling is preferred, particularly when it would create a denser pattern of development that is focused less on the ~~private~~ automobile and more on the opportunity for multiple transportation modes. Redevelopment may also provide new opportunities, especially in commercial areas where the community vision has changed over time.

Policy LU-5.3: Enhance and strengthen Kirkland's commercial and mixed use areas consistent with the neighborhood plan for each area.

Each of Kirkland's commercial and mixed use areas has unique characteristics based on its role in the community and/or region. Totem Lake is designated as an Urban Center and the Totem Lake neighborhood plan will guide its redevelopment. Downtown Kirkland is the community's historic commercial center and the Moss Bay neighborhood plan establishes the policy guidance for its future. Similarly, policies for each area will be found in the applicable neighborhood plan.

Policy LU-5.4: Provide opportunities for a variety of employment.

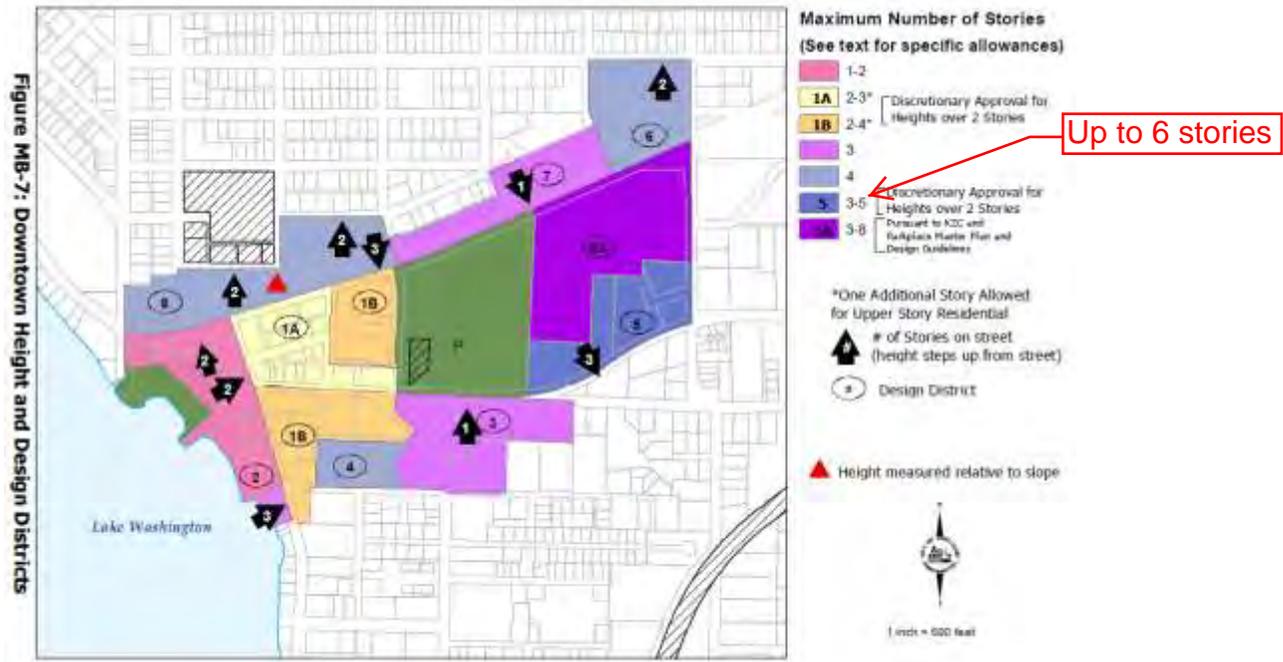
Kirkland's commercial areas provide a diversity of jobs: from primary jobs that that bring new revenue into the community, to high-tech jobs that attract creative industry leaders, to service jobs that provide necessary goods and services to the community. All of these employment types are important to a balanced community and plans for each of Kirkland's commercial areas should strengthen appropriate employment opportunities.

Policy LU-5.5: Evaluate the potential of designating the area in and around Downtown Kirkland as an Urban Center.

The existing planned density for housing and planned intensity of employment in or near Downtown Kirkland may meet the requirements for an Urban Center designation. The primary advantage of an Urban Center designation would be opening up potential funding sources for Downtown infrastructure to support existing and planned growth. Essential to the evaluation would be ensuring that such designation is consistent with existing plans for Downtown Kirkland.

Policy LU-5.6: Maintain and enhance Kirkland's diverse Neighborhood Centers to serve as business centers and as walkable focal points for the local community. Reflect the following principles in development standards and land use plans for these areas:

- Preserve and enhance neighborhood-serving retail, especially grocery stores.
- Promote a mix of complementary uses.
- Support redevelopment at an intensity that helps meet Kirkland's required growth targets in walkable neighborhoods with good transit service.
- Create gathering places and opportunities for social interaction.



Draft

Design District 1

Maximum building height in Design District 1 is between two and five stories, depending on location and use.

This district is bordered by Lake Street, Central Way, 3rd Street, and generally 1st Avenue South. When combined with District 2, this area corresponds to the eCore aArea as shown in Figure MB-35.

The maximum building height in this area should be between two and five stories with no minimum setback from property lines. Stories above the second story should be set back from the street. ~~To preserve the existing human scale of this area, development over two stories requires review and approval by the Design Review Board based on the priorities set forth in this plan.~~

Buildings should be limited to two stories along all of Lake Street South to reflect the scale of development in Design District 2. Along Park Lane west of Main Street, Third Street, and along Kirkland Avenue, a maximum height of two stories along street frontages will protect the existing human scale and pedestrian orientation. Buildings up to three stories in height may be appropriate along Central Way to reflect the scale of development in Design District 8 and as an intermediate height where adequately set back from the street. A continuous three-story street wall should be avoided by incorporating vertical and horizontal modulations into the design of buildings.

The portions of Design District 1 designated as 1A in Figure MB-57 should be limited to a maximum height of three stories. As an incentive to encourage residential use of upper floors and to strengthen the retail fabric of the Core Area, a fourth story of height may be allowed. This

Vehicular circulation will be an important consideration in project design in this area. The restriction of access points to nonresidential streets in order to prevent a negative impact of development in this area on the single-family enclave which exists to the south may be necessary.

Design District 5

Building heights of two to ~~five~~ stories are appropriate in Design District 5.

This district lies at the east side of Downtown between Design District 5A and Kirkland Way. Maximum building height should be between three and ~~five~~ stories. The existing mix of building heights and arrangement of structures within the district preserves a sense of openness within the district and around the perimeter. Placement, size, and orientation of new structures in this district should be carefully considered to preserve this sense of openness. Buildings over two stories in height should be reviewed by the Design Review Board for consistency with applicable policies and criteria. Within the district, massing should generally be lower toward the perimeter and step up toward the center. Portions of buildings facing Kirkland Way and Peter Kirk Park should be limited to between two and three stories, with taller portions of the building stepped back significantly. Buildings over three stories in height should generally reduce building mass above the third story.

Buildings fronting Peter Kirk Park and the Performance Center should be well modulated, both vertically and horizontally, to ease the transition to this important public space. Buildings should not turn their backs ~~on~~ the park with service access or blank walls. Landscaping and pedestrian linkages should be used to create an effective transition.

Design considerations related to vehicular and pedestrian access, landscaping, and open space are particularly important in this area. Within the district, a north-south vehicular access between Central Way and Kirkland Way should be preserved and enhanced with pedestrian improvements.

Design District 5A

Building heights of three to eight stories are appropriate in Design District 5A.

This district lies at the east side of Downtown between Central Way and Design District 5 and is commonly known as Parkplace. This property is distinguished from the remainder of Design District 5 by the following factors: it is a large parcel under common ownership; it is topographically distinct based on previous excavation to a level that is generally lower than Central Way and abutting properties to the south and east; it has frontage on Central Way; and it contains a mix of uses not found on other office or residential only properties in District 5. Design considerations related to vehicular and pedestrian access, landscaping, and open space are particularly important in this area. Within the district a north-south vehicular access between Central Way and Kirkland Way should be preserved and enhanced with pedestrian improvements.

Redevelopment of this area should be governed by the Kirkland Parkplace Master Plan and Design Guidelines as set forth in the Kirkland Municipal Code. Heights of up to eight stories are

Angela Ruggeri

From: Alvin Loh <alvin@jobvention.com>
Sent: Thursday, June 18, 2015 1:08 AM
To: Angela Ruggeri
Subject: Support for 434 Kirkland Way

Hi Angela,

I was recently featured as a guest speaker at the Moss Bay Neighborhood association meeting a couple of weeks ago. I was asked to speak about Jobvention, my startup, which is helping small and medium sized businesses hire employees better, and why we decided to locate our startup here in Kirkland. We chose Kirkland because the city is eminently walkable, has some wonderful green space, still has a nice mom and pop feel and there's a vibrant tech community here. At the meeting I saw MRM Capital's presentation for their plans for 434 Kirkland Way and was quite impressed with it. I think it is an aspirational symbol for what the future of Kirkland could be. I think the idea of having apartments on top of retail by the Kirkland Performance center is awesome and could really further increase Kirkland's popularity and downtown economy. I'm writing to you to voice my support for the project and if there's anything I could do to help you, please let me know.

I've lived in Kirkland for 10 years now and my wife and I often feel that Parkplace while great, could further be rejuvenated in such a way that we would never have to get onto I405 if we wanted to see a movie or other to find other interesting things to do. If you have any questions, please don't hesitate to contact me.

Sincerely,

Alvin Loh
Founder/CEO of Jobvention
www.jobvention.com
425-442-8249