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DESCRIPTION OF THE PROPOSAL AND ALTERNATIVES

This chapter of the Draft Environmental Impact Statement (Draft EIS) describes the Potala Village proposal and the No Action Alternative. This Chapter includes background information, an overview of the environmental review process, and a description of the proposal and no action alternative. Please see Chapter 1 for a summary of findings of the Draft EIS and Chapter 3 for a detailed discussion of the affected environment, potential significant impacts and mitigating measures for the Proposal and No Action Alternative.

2.1 OVERVIEW

Lobsang Dargey of Dargey Enterprises is proposing to develop a 52,600 square foot¹ site located at the southeast quadrant of the intersection of Lake Street South and 10th Avenue South (See Figure 2.1). The site consists of three parcels. One parcel, located in the northwest quarter of the site currently a 2114 sf² commercial building containing a dry cleaner and a restaurant. A second parcel fronts on 10th Avenue S, uphill from the first parcel, and is developed with a single family residence. The third parcel consists of the southern half of the site and is undeveloped. All structures would be removed in the site construction.

The proposed development would consist of a mixed use building containing approximately 6,200 sf of commercial use (general office and medical office) and 143 residential units. Two levels of underground parking would be provided and vehicular access would be from Lake Street South. Please see Figure 2.2 (Site Plan), 2.3 (Preliminary Landscape Plan), and 2.4 (Building Elevations).

¹ Acreage data from the King County Department of the Assessor has been assumed in this EIS. The SEPA Checklist for the project (dated February 16, 2011) indicates lot dimensions of 265' by 204', or a lot size of 54,060 square feet. Assessor's data shows a lot size of 52,600 sf, or a smaller lot by 1,460 sf.

² Building data from the King County Department of the Assessor has been assumed in this EIS.

Appendix 1 contains site sections and floor plans. The proposal is described in greater detail in Section 2.6, below.

The site is zoned Neighborhood Business (BN). The western portion of the site is within 200 feet of the designated Lake Washington shoreline and is subject to regulation through the City’s Shoreline Master Program (SMP). The affected shoreline area consists of approximately 10,370 sf along the western boundary of the site (see Figure 2.5). Within this area, the site is designated as Urban Mixed, defined in the SMP as “high intensity land uses, including residential, commercial, recreational, transportation and mixed-use development.”

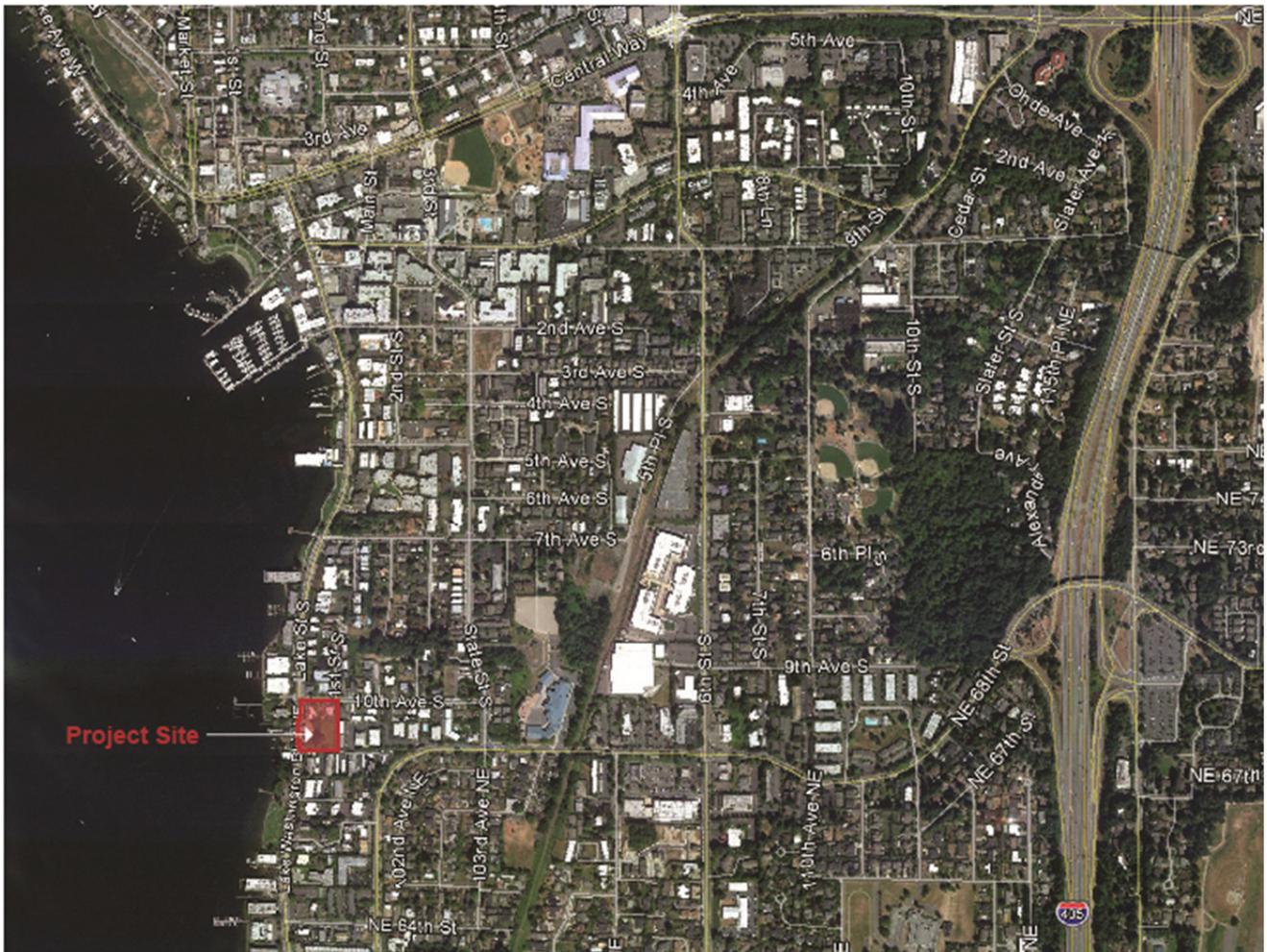


FIGURE 2.1 VICINITY MAP

Source: Google Maps

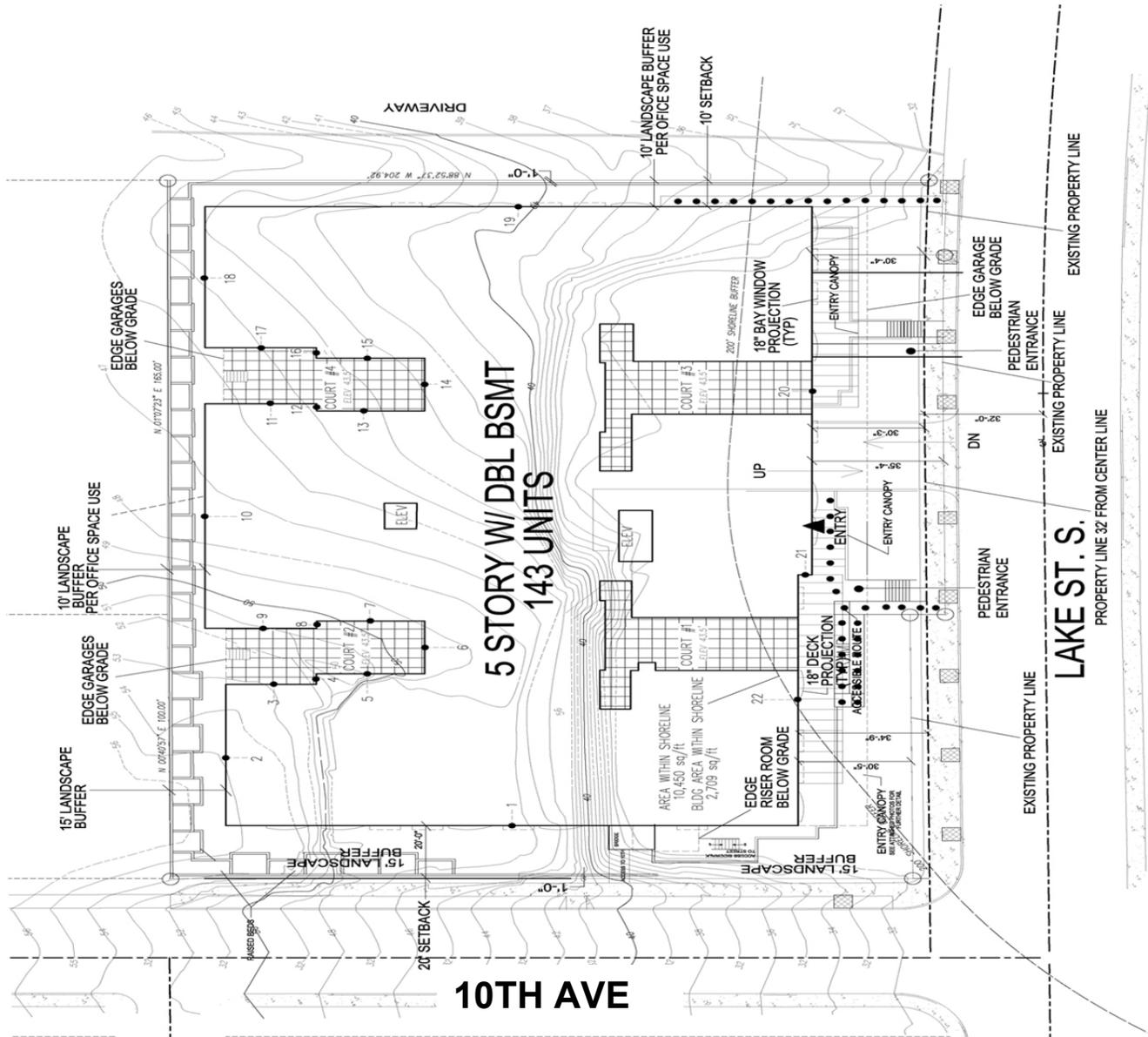


FIGURE 2.2 PROPOSED SITE PLAN

Source: Charles Morgan & Associates



FIGURE 2.4 BUILDING ELEVATIONS

Source: Studio 19 Architects, Charles Morgan & Associates

Note: North and east elevations appear to show landscape buffer plantings at adjacent site elevation. This does not match information in the preliminary landscape plan (Figure 2-3), which shows planting below adjacent site elevation.

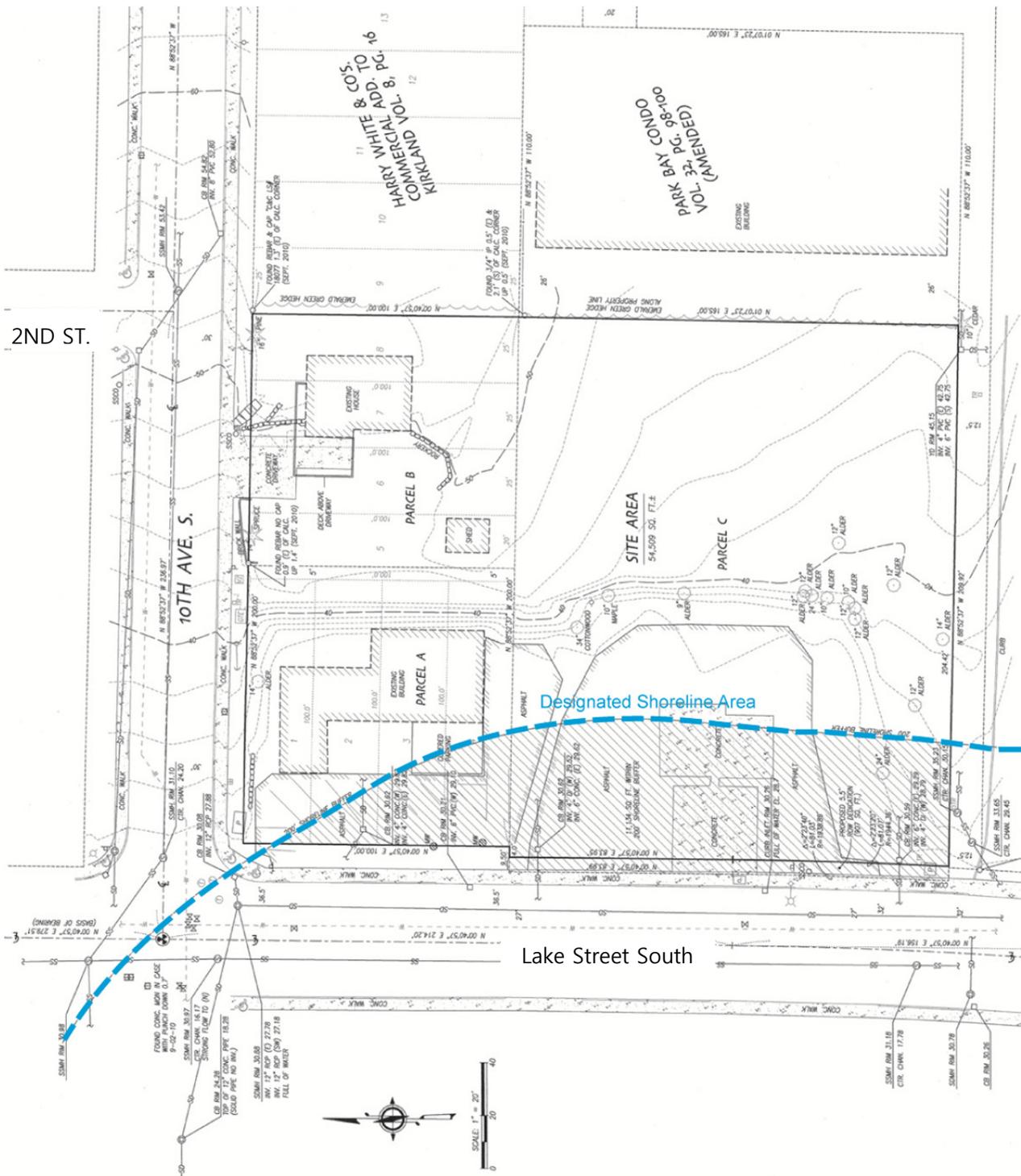


FIGURE 2.5 ON-SITE SHORELINE DESIGNATION AREA

Source: City of Kirkland, Pacific Coast Surveys, Inc.

2.1.1 Project History

On February 23, 2011, the City received a Shoreline Substantial Development Permit (SDP) application and State Environmental Policy Act (SEPA) documents for the Potala Village development. The SDP is applicable to the portion of the site within the designated shoreline jurisdiction. The SDP was placed on hold pending completion of the SEPA process.

On June 15, 2011, the City issued a SEPA Mitigated Determination of Non-Significance (MDNS). The City received three appeals to the MDNS and, on August 4, 2011, withdrew the MDNS and issued a Determination of Significance (DS), requiring an EIS. Prior to starting the EIS, the applicant delayed moving forward with the EIS because of pending parallel actions by the City to review the existing Neighborhood Business (BN) zone. These actions include the following:

- A moratorium on development in the BN zone passed by the City Council. This moratorium was originally set to expire on May 15, 2012, but was subsequently extended to November 15, 2012. The purpose of the moratorium is to provide the Planning Commission time to study potential changes to BN zoning.
- Planning Commission study of BN zoning and Comprehensive Plan designations. The City Council has directed the Planning Commission to review Comprehensive Plan text relating to residential markets and development standards for the BN zones. On May 14, 2012, the Planning Commission received further direction to consider a Commercial Center designation at the project site and to consider potential residential density limits. The Planning Commission continues to study whether revisions to existing policies and regulations pertaining to BN zones should be changed.

It should be noted that these legislative activities by the Council and Planning Commission are separate actions from the project proposal under consideration in this Draft EIS. The legislative activities are described only to provide context related to ongoing planning efforts related to the project site.

In April 2012, at the applicant's request, the City reinitiated the EIS process. As part of the EIS startup, the City, on May 8, 2012, held a public meeting to describe the EIS process to interested members of the public. On July 12, 2012, the Draft EIS was issued for a 43-day comment period. During the 43-day comment period, the City will hold a public hearing on August 14, 2012. Please see the Fact Sheet of this Draft EIS or the City's Potala Village website (<http://www.kirklandwa.gov/depart/Planning/Development/Potala.htm>) for specific hearing time and location information. Following the close of the public comment period, the City will prepare a Final EIS, which is scheduled to be issued in late 2012.

2.2 ENVIRONMENTAL REVIEW PROCESS

2.2.1 Determination of Significance and Scoping

On June 15, 2011, the City issued a SEPA Mitigated Determination of Non-Significance for the proposal. After review of comments received on the DNS and the three appeals to the DNS, the City withdrew the DNS and, on August 4, 2011, issued a Determination of Significance and Scoping Notice for the EIS (See Appendix 2). The Scoping Notice identified the following areas or elements for analysis in the EIS: height, bulk and scale of the building, residential density, traffic, parking, wildlife (threatened and endangered species), environmental remediation (contamination clean-up) and construction impacts. The Determination of Significance and Scoping Notice was issued on August 4, 2011 and established a 21-day comment period to receive comments on the EIS scope. Following an analysis of scoping comments and available information, the City made two changes to the initial EIS scope:

1. Wildlife (threatened and endangered species)

Following a review of available information from the Washington Department of Fish and Wildlife, the City determined because there is no evidence of nest or roost sites belonging to threatened or endangered species on or near the property, this topic would be removed from the EIS scope of analysis.

In order to confirm that the proposal would not be expected to result in a significant impact to bald eagle habitat, additional review of bald eagle habitat in the vicinity of the site was conducted. This information is summarized below; additional information is included in Appendix 3.

Bald eagles are frequently seen flying along the shoreline in the project area, particularly during the breeding season. Data from the Washington Department of Fish and Wildlife Priority Habitats and Species (PHS) program indicate the presence of three bald eagle nesting territories within approximately two miles of the subject site. The nearest of these, at Heritage Park in Kirkland, is approximately 0.8 mile from the project site. The others are more than 1.5 miles from the project site. Based on the distance from the known nest sites, it is unlikely that the Lake Washington shoreline near the proposed project site falls within the core foraging areas for any bald eagle breeding territories. PHS data do not indicate that any communal roosting sites have been documented within 5 miles of the project area.

Several large cottonwood trees in Marsh Park along the Lake Washington shoreline immediately south of the proposed development site may serve as perch sites for bald eagles. Because they are smaller, farther from the shoreline and separated from Lake Washington by Lake Street South, the trees at the project site are less likely to serve as perch sites than those in Marsh Park. None of the trees at the project site falls within the typical height or size range associated with bald eagle nests in western Washington. Based on this, combined with the current high level of human activity surrounding the project area, it is unlikely that bald eagles would use any of the trees at the project site for nesting. The project site also lacks the characteristics of forest stands that support communal winter night roosts.

Potential Effects of Project Activities

Project development is not likely to affect the availability of nesting, roosting, or foraging habitat for bald eagles. Based on the distance to known nest sites, as well as the existing levels of noise associated with traffic and other human activity, construction-related noise is not expected to be audible at any bald eagle nest sites. Notably, the nearest nest is 4,200 feet away from the project site, well beyond the 660-foot distance within which the U.S. Fish and Wildlife Service recommends activity restrictions to avoid disturbance to nesting bald eagles. Similarly, no communal roosting sites occur within the area where construction-related noise would be audible.

It is possible that bald eagles may perch in the cottonwood trees in Marsh Park or forage along the shoreline nearby while construction activities are underway. Birds that do so could respond to increased levels of noise and human activity by flying away or avoiding the area. If this occurs, the feeding activities of any such birds could be disrupted and the birds could be displaced to less preferred areas. Such effects would be temporary and limited to a small portion of the total foraging area available in the surrounding area. Any eagles that are displaced from the project area by construction-related activities would find ample foraging opportunities elsewhere along the shoreline of Lake Washington.

Construction-related disturbance would be limited to a single breeding season. It is unlikely that avoidance of the project area would have a negative effect on the productivity of any breeding pairs in the area.

The project site occurs in an urban area with relatively high levels of human activity. Traffic volumes on Lake Street S average approximately 13,800 vehicles per day (City of Kirkland 2008). Additional foot and vehicle traffic associated with the presence of the residential development at the Potala Village site would not constitute a substantial change in the area's character, and bald eagles would be unlikely to respond by avoiding the area over the long term.

2. Environmental Remediation

The process for environmental remediation (contamination clean-up) is established through state law and implementing regulations and any mitigating measures identified in the EIS would rely on these processes. Therefore, the discussion of environmental remediation will be addressed in the plans and policies section of the EIS. This section will describe available information on site contamination and the regulatory process for environmental site remediation.

There were no additional changes to the EIS scope or alternatives. A summary of scoping comments is included in Appendix 2.

2.3 OBJECTIVES OF THE PROPOSAL

For purposes of SEPA (WAC 197-11-440), the following are the primary objectives of the proposal:

- Maximize site development potential within the context of regulatory requirements and environmental and market conditions.

- Redevelop the site to create an attractive residential mixed use development.
- Ensure that site development is financially feasible and sustainable.
- Create a development that is an asset to Kirkland’s citizens and is compatible with the surrounding area.

2.4 SITE DESCRIPTION

The 52,600 sf (1.21 acres) site is located at the southeast quadrant of Lake Street South and 10th Avenue South, approximately ½ mile south of downtown Kirkland. The site slope falls to the west from the eastern boundary toward Lake Washington, falling about 14 feet along the south boundary and 22 feet along the north boundary. About 10 feet of this grade change is contained within a steep slope that roughly bisects the site into east and west portions. See Figure 2.6 for existing site image.



FIGURE 2.6 EXISTING SITE

The northeast portion of the site is developed with a private single family residence and shed (See Figure 2.7). This area is landscaped with lawn and ornamental landscaping. Access to this portion of the site is from 10th Avenue South. The southeast portion of the site is undeveloped and covered in brush.

The northwest portion of the site is developed with a 2,114 sf commercial building containing a dry cleaner and restaurant and paved parking area is located adjacent to 10th Avenue South (See Figure 2.8). In the remainder of the western portion of the site, there is

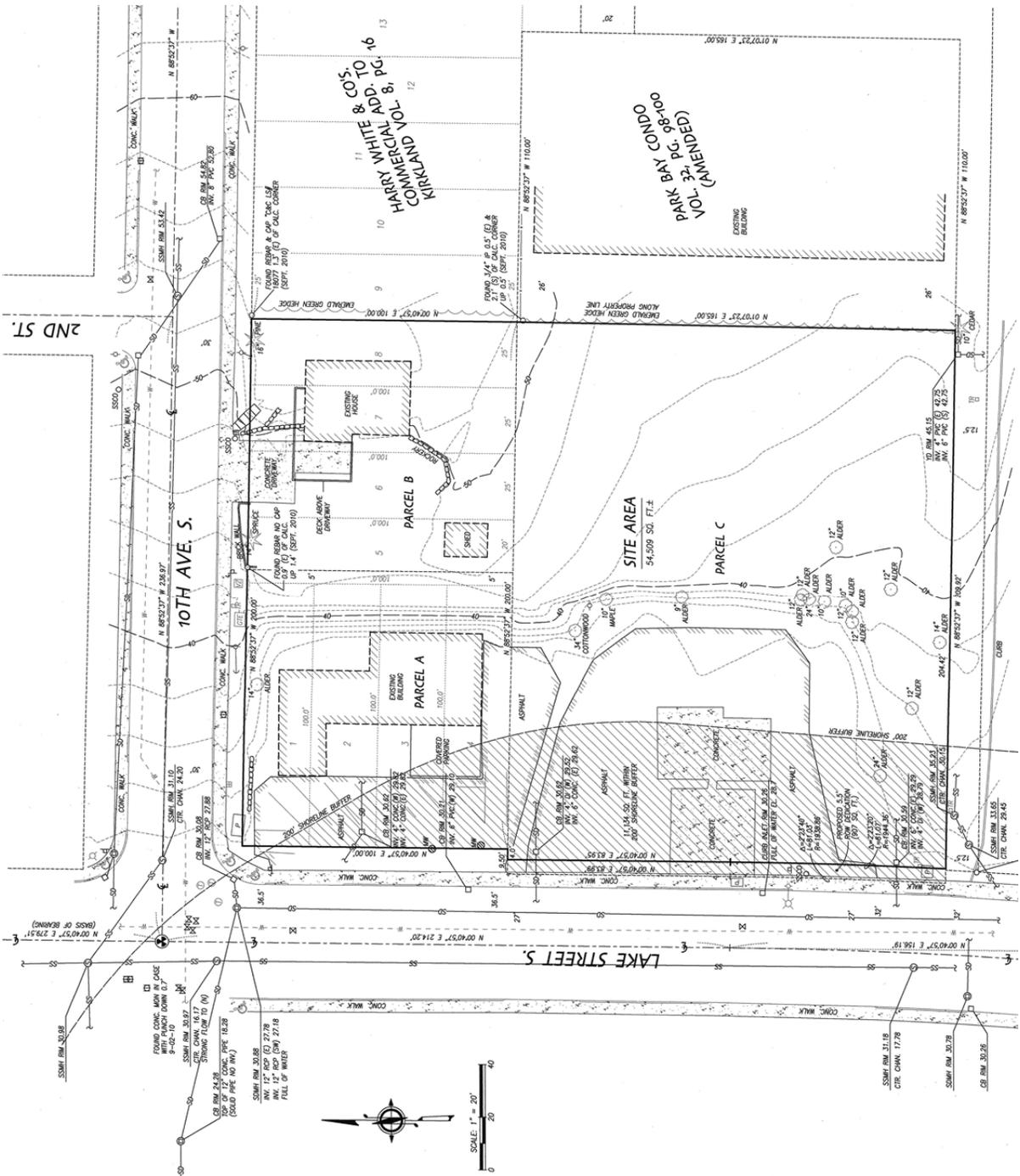
some remnant asphalt pavement and concrete slabs from a prior use. The western half of the site contains shrubs, deciduous trees (alder, cottonwood and maple), and brush primarily along the southern edge and in the steep slope area. Access to this portion the site is from Lake Street South. Pedestrian access is via a sidewalk on Lake Street South. See Figure 2.9 for an existing features site plan.



FIGURE 2.7 EXISTING SINGLE FAMILY STRUCTURE



FIGURE 2.8 EXISTING COMMERCIAL STRUCTURE



2.5 REGULATORY CONTEXT

2.5.1 Development Regulations

The site is located in the Neighborhood Business (BN) zone. Kirkland Zoning Code Section 40.10 establishes the use and development standards for the BN zone. Primary permitted uses include a range of retail uses, private club or lodge, office, stacked dwelling units, church, school/daycare center, assisted living facility and convalescent center/nursing home. Key special regulations for retail, office and stacked dwelling units include:

- In most cases, the gross square footage for retail uses may not exceed 10,000 gross square feet. A number of other regulations apply to specific retail and office activities
- Except for the lobby, stacked dwelling units may not be located on the ground floor of a structure.

Development standards for each of these uses in the BN zone are shown below.

Table 2-1. BN Development Standards

Uses	Lot Size	Required Yards	Lot coverage	Structure Height	Required Parking
Office/Service	No minimum	Front: 20' Rear: 10' Side: Minimum 5', but 2 sides must equal 15'	80%	30', Unless adjoining a low density zone, then 25'	1 space/300 sf of gross floor area or 1 space/200 sf of gross floor area for medical office
Residential	No minimum lot area per unit	Based on the ground floor use			1.7/unit
Retail	No minimum	Front: 20' Rear: 10' Side: 10'	80%	30', Unless adjoining a low density zone, then 25'	1 space/300 sf of gross floor area

Note: development standards are summarized, refer to Kirkland Zoning Code 40.10 for all details

2.5.2 Shoreline Master Program

An area near the western boundary of the site is within 200 feet of the designated Lake Washington shoreline and is subject to the City's Shoreline Master Program. The affected area is approximately 10,370 sf along the western boundary of the site (see Figure 2.5). Within this area, the site is designated as Urban Mixed, defined in the Shoreline Master

Program as “high intensity land uses, including residential, commercial, recreational, transportation and mixed-use development.”

Kirkland Zoning Code Chapter 83 establishes permitted uses and development standards for the designated shorelines. For the Urban Mixed zone, Chapter 83 establishes the following:

- Allowed uses: Stacked dwelling units, offices and retail uses are permitted with approval of an SDP
- Minimum lot size: 1,800 sf for multifamily residential; no minimum for commercial uses. Minimum lot size requirements apply only to the area within the shoreline jurisdiction.
- Structure height: 41 feet maximum for all uses
- Maximum lot coverage: 80% for all uses

2.6 DESCRIPTION OF THE PROPOSAL AND ALTERNATIVES

2.6.1 Alternative 1: No Action

Overview

The No Action Alternative would retain the site as it currently exists. There would be no new development or changes to access, parking or vegetation on the site. See Figures 2.6 through 2.9 for images of the site as it currently exists.

Development

The existing 2,114 sf commercial building would remain as it currently exists on the northwest corner of the property and the existing single family residence would remain as it currently exists on the eastern portion of the property. The remainder of the site would remain in its current vacant condition.

Access and Parking

Currently the commercial uses are accessed from Lake Street South, with a paved parking area for approximately 11 stalls. The single family residence has driveway access to 10th Avenue South, with on-site parking for residents and guests. Under Alternative 1, there would be no change to existing access and parking.

Landscaping

Existing site vegetation includes deciduous trees and shrubs in the western portion of the site and lawn, ornamental landscaping in the northeastern portion of the site, and shrub/brush in the southeastern portion of the site. Under Alternative 1, there would be no change to existing landscaping.

2.6.2 Alternative 2: Mixed Use Development

Overview

Alternative 2 consists of a mixed use development containing approximately 6,200 sf of commercial use (general office and medical office), 143 residential units and 316 parking stalls. The development would be contained in a single building with a total area of 227,961 gross sf. The site will be excavated below existing grade to achieve an additional floor of development and two levels of underground parking for a total of four floors above the final grade of the development. Total lot coverage would be approximately 35,385 sf, or approximately 70%³ of the total lot area. Please see Figures 2.2 through 2.4 and Appendix 1.

Development

The proposed mixed use building would consist of four stories with two underground parking levels. Retaining walls would be constructed along 10th Avenue South and along the eastern and southern boundaries of the site to accommodate the change in finished grade between the project site and adjoining properties. In general, excavation will range from 25 to 40 feet of vertical cuts. Greatest excavation would be in the eastern portion of the site. Near the northeast corner of the site, along 10th Avenue South, approximately 38 vertical feet would be excavated and two floors of residential units and residential parking would be below existing grade. In the southeast corner of the site, approximately 38 vertical feet would be also excavated and one floor of residential units and commercial and residential parking would be below existing grade.

Along Lake Street South, approximately 24 feet of vertical cut is planned to accommodate commercial and residential parking. The main entrance to the building would slope down from Lake Street South approximately six feet below existing street grade.

Building modulation in the proposal would be provided by four courtyards opening toward Lake Street S and the eastern site boundary. These courtyards, together with other open space areas, will provide a total of 13,035 sf of common open space in the development. In addition, proposed building elevations include balconies and color for modulation and relief.

The building would have a flat roof and is proposed to meet the maximum allowable height under the KZC of 30 feet above existing average grade.

Access and Parking

Vehicular access would be solely from Lake Street South. Parking will be underground, with a total of 316 parking stalls proposed, including 29 stalls for commercial use, 244 for residential use and 43 stalls for residential guest parking. Guest parking would be provided at a ratio of 0.31 stalls per unit. In addition, the applicant has proposed to use commercial parking stalls for residential guest use after business hours. The parking supply meets the

³ Based on lot coverage of 36,835 sf (data provided by applicant) and 52,600 sf lot size. As noted in Table 2-1, up to 80% lot coverage is allowed in the BN zone.

Kirkland Zoning Code parking standards for general office, medical office and residential uses.

Landscaping

All existing vegetation on the site would be removed. Landscape buffers are required around three sides of the building and street trees along Lake Street South and 10th Avenue South.

The proposal would provide landscape improvements as established by the City of Kirkland Zoning Code. New vegetation would be focused in the perimeter of the site and would include trees, shrubs and groundcover (See Figure 2.3 Preliminary Landscape Plan). Street trees along the Lake Street South and 10th Avenue South frontages would also be provided.

2.6.3 Alternative Development Scenarios

In addition to the two alternatives described above, Section 3.3 Aesthetics and Section 3.4 Transportation of this Draft EIS consider alternative development scenarios and/or development thresholds to address potential impacts. In Section 3.3, three alternative development scenarios are considered as potential mitigation to address building height and bulk and compatibility with the surrounding area. These scenarios are modeled and discussed in terms of their potential to mitigate identified impacts of the Proposed Action. In Section 3.4, development thresholds are discussed in terms of development levels that would reduce any identified transportation impacts. Please see Sections 3.3 and 3.4 for a complete discussion of these alternative scenarios.

2.7 BENEFITS AND DISADVANTAGES OF DEFERRING IMPLEMENTATION OF THE PROPOSAL

The benefits of deferring implementation of the proposal include:

- Potential impacts from development of the proposal on the transportation network, including increased congestion and delay on area streets, would not occur.
- Potential impacts from development of the proposal on community character would not occur.

The disadvantages of deferring implementation of the proposal include:

- Delay or loss of the opportunity to provide additional housing in the area.
- Delay or loss of the opportunity to locate neighborhood scale services and goods within walking distance of the surrounding area.
- Delay in environmental site clean-up
- Delay in improvements to the vacant site.