



MEMORANDUM

Date: May 4, 2011

To: Kirkland Planning Commission

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

Subject: CONTINUED Public Hearing for CBD Ground Floor Storefront Uses Zoning Code Amendments (File ZON10-00027)

Recommendation

Continue the public hearing on potential amendments to the Kirkland Zoning Code and review the revised draft amendments provided by Staff at the Commission's direction. Following the hearing, the Planning Commission should recommend to City Council whether to:

- Allow a office uses or a subset of office uses in one or more of the identified subareas; or
- Retain current prohibition of office uses in these subareas.

Background

The Planning Commission held a public hearing on March 10, 2011 to consider amendments to the Zoning Code that would allow office uses in identified subareas of CBD 1B, 2, 3, and 8. If adopted, the draft amendments presented at the hearing would have allowed office uses outright in all four subareas. The initial draft and the complete packet from the March 10 hearing may be found at:

<http://www.kirklandwa.gov/Assets/Planning/Planning+PDFs/Planning+Commission/CBD+Amends+Public+Hearing+PC+03102011+sfs.pdf>

Following public testimony and deliberations at the March 10 hearing, the Commission asked staff to develop an alternative that would allow a limited spectrum of office uses. The objective was to allow offices that generate higher customer traffic while continuing to preclude offices that generate low customer traffic to the retail environment. The assumption inherent in this direction is that clients of these offices have the potential to become customers of downtown retail. In response to Planning Commission direction, a revised draft of the code amendments is included as Attachment 1.

Because it is not possible to list every possible use, the draft amendments:

- Require discretionary approval by the Planning Director
- Require a demonstration of customer traffic
- List examples of allowed and prohibited office uses

The Commission should review these examples and ensure that they provide clarity of the intent.

To help understand the range of potential uses, staff reviewed the classifications found in the NAICS (North American Industry Classification System) codes to find categories and subcategories of potentially acceptable and unacceptable uses (see summary in Attachment 3). For example, NAICS category 53 includes real estate while the subcategories include both real estate sales and real estate management. Using this example, the draft amendments would allow real estate sales (as a use that may draw customers into an office), but not allow real estate management (as a use that is primarily a place of employment).

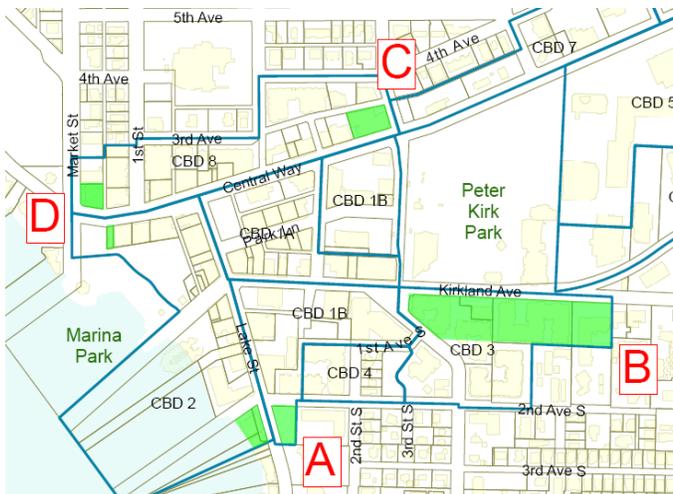
Relevant KZC Definitions

.795 Retail Establishment A commercial enterprise which provides goods and/or services directly to the consumer, whose goods are available for immediate purchase and removal from the premises by the purchaser and/or whose services are traditionally not permitted within an office use. The sale and consumption of food are included if: (a) the seating and associated circulation area does not exceed more than 10 percent of the gross floor area of the use, and (b) it can be demonstrated to the City that the floor plan is designed to preclude the seating area from being expanded.

.590 Office Use A place of employment providing services other than production, distribution or sale or repair of goods or commodities. The following is a nonexclusive list of office uses: medical, dental or other health care; veterinary; accounting; architectural, engineering, consulting or other similar professional services; management, administrative, secretarial, marketing, advertising, personnel or other similar personnel services; sales offices where no inventories or goods are available on the premises; real estate; insurance; travel agent; brokerage; computer programming or consulting; data processing; technical, specialty or professional schools; or other similar services. The following uses are specifically excluded from the definition of office: banks, loan companies and similar financial institutions.

Analysis

The four areas under consideration are illustrated on the following map, and are labeled A through D for discussion. The overview of each subarea from the March 10 public hearing is included in the analysis section below.



Area A

Zoning: CBD 1 east of Lake Street South; CBD 2 west of Lake Street South

Existing Conditions: There are three parcels under two separate ownerships in this area. The Chaffey Building (former home of Third Floor Fish Café) is located on the southwest corner of Second Avenue South and Lake Street South (CBD 2 zone). The building was constructed in 1984 as an office building. Although there has traditionally been a restaurant occupying the third floor (currently vacant), staff is not aware of any retail tenancy on the ground floor and it appears that it was not required when the building was built. The property owner also owns the parking lot on the east side of Lake Street South and uses the site to meet the parking obligations for the building.

The property to the south of the Chaffey Building was built in 2002, primarily as a single family home with storefront space on the ground floor to satisfy the code requirement. The storefront space has been used for office uses since it was constructed.



Staff Analysis:

- Pedestrian circulation and retail conditions: The primary shopping circulation on Lake Street ends with the crosswalk located on the north side of Second Avenue South. There is still pedestrian movement up and down the Boulevard, but traffic south of the crosswalk is likely more recreational than shopping in nature.

On the west side of Lake Street, retail storefronts end with the Anthony's Homeport building and it's blank concrete wall fronting the street. On the east side, retail storefronts continue all the way to Second Avenue South with the Waterfront Market Building.

- Parking/access constraints: There is adequate on-street and off street parking. Parking and access were significant issues during a former preliminary design review of a potential redevelopment of the Chaffey parking lot. Access to underground parking required two curb cuts on Lake Street South, displacing a significant percentage of any potential storefront space.

Area B

Zoning: CBD 3

Existing Conditions: This area consists of four parcels. From west to east, it includes Plaza on State Condominiums, Fox Cleaners, The Boulevard Condominiums, and a steep slope owned by Townhomes at Kirkland Condominiums (note – this parcel has split zoning with PLA 6J and is on the Planning

Department's list to consider a future rezone to a non-CBD zone). The Plaza on State was developed in 1995 with a commercial space on the west end and parking garage along the remainder of the Kirkland Avenue frontage. The commercial space was developed before Kirkland's minimum retail height requirements, resulting in a sub-par storefront presence on the corner. Fox Cleaners is setback approximately 40' from Kirkland Avenue with parking in front. The Boulevard Condominiums were developed in 2006 with retail storefronts per code. The spaces are currently occupied by a salon, a coffee shop, a Kumon center, and a karate studio.



Staff Analysis:

- Pedestrian circulation and retail conditions: This end of Kirkland Avenue is off the main shopping circulation flow. The storefront flaws of the Plaza on State project do not help draw shoppers from the west. The retail potential of the area may improve with redevelopment of the Fox Cleaners site and the redevelopment of Parkplace and the Bungee Studio sites to the north. However, these are long-term prospects (likely 10+ years) that would follow a period of intensive construction.

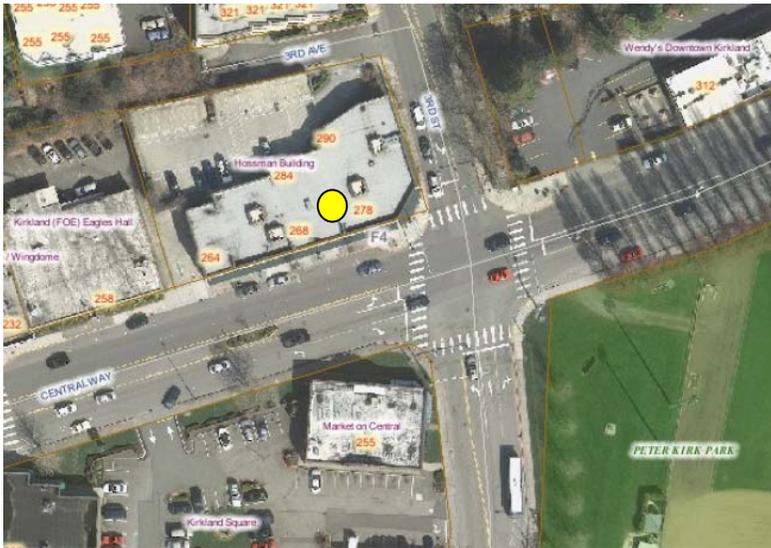
Although the Boulevard Condominium project was built with attractive storefronts and pedestrian-friendly streetscape, the absence of storefronts on the north side of Kirkland Avenue and the lack of retail to the west do not help convey the sense of a pedestrian streetscape. It should be noted that the CBD 5 zoning for the former hardware store/Bungee site to the north east does not have a ground floor retail requirement.

- Parking/access constraints: There is adequate on-street and off street parking.

Area C

Zoning: CBD 8

Existing Conditions: The area is on the far east end of CBD 8. The Hossman Building was built in 2005 and provided the required ground floor storefront space. The corner space on the east end is vacant with the departure of the bank, the central space contains a nail salon, and the west space has been vacant since 2005 with the exception of a brief tenancy by Amazon Fresh.



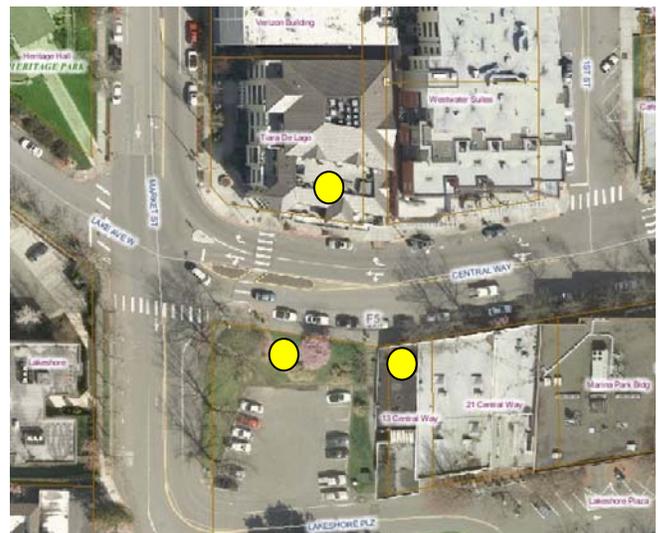
Staff Analysis:

- Pedestrian circulation and retail conditions: East of 3rd Street, the CBD transitions to more auto-oriented uses (fast food restaurant, gas station, etc.). West of this area, the pedestrian shopping flow is interrupted by the blank façade of the Eagles building. These will remain significant pedestrian constraints until the sites east and west are redeveloped with more pedestrian-oriented uses. Pedestrian crossings to the south and the CBD 1 core area are via signalized crosswalks at Third Street and Central Way.
- Parking/access constraints: There is adequate on-street and off street parking.

Area D

Zoning: CBD 2 and CBD 8

Existing Conditions: There are three parcels in this area. The Tiara de Lago Condominiums are located on the northeast corner of Central Way and Market Street. The building was constructed in 1998 and the ground floor condominium space is currently owned and occupied by a plastic surgeon with the surgery office oriented toward Market Street and a “medi-spa” use oriented toward Central Way. After initial construction, this space contained an art gallery, followed by a real estate office selling art. Previous owners and realtors have noted that the low ceiling height, end of block location and southwesterly building orientation have made it difficult to attract retail tenants in this space. This building predates current requirements for minimum retail heights.



The property at the southeast corner of the intersection is owned by the City of Kirkland and is currently used as a surface parking lot. The narrow parcel to the east of the parking lot was significantly remodeled in 2010 with the Foster Foundation (office use) located behind a retail space that has permits for a clothing store.

Staff Analysis:

- Pedestrian circulation and retail conditions: The pedestrian shopping flow from the east is good. Buildings to the east generally have attractive retail storefronts and attractive streetscapes. There have been more vacancy issues recently on the south side of Central Way with the closure of the 21 Central Restaurant and the seasonal closure of H&R Block. The City's vacant lot has been considered a cornerstone of any future development of the Lakeshore Plaza project. The pedestrian connection across Central is easy with a pedestrian-activated flashing crosswalk at the intersection and a pedestrian refuge in the median. A retail expert retained by the City in the past had noted that, absent the development of a retail draw on the City parking lot, the visibility of the two private properties in this area is compromised by the alignment of Central Way.
- Parking/access constraints: There is adequate on-street and off street parking.

Summary Recommendation: Although staff is recommending allowing additional flexibility in these areas, it should be noted that the market for will ultimately determine tenancies. Existing spaces have generally been configured to accommodate retail tenants. The recommended design guideline (Attachment 2) and proposed amendment to the height requirements for ground floor uses (Attachment 1) would ensure that future buildings will also accommodate retail tenants. This would help ensure that development would not preclude pedestrian-oriented retail tenants as the market and pedestrian patterns shift over time.

Correspondence

One additional related item of correspondence was received since the March public hearing (see Attachment 4).

Attachments:

1. Draft Code Amendments
2. Recommended Design Guideline Edits
3. NAICS Code Summary
4. Correspondence

Cc: ZON10-00027

CHAPTER 50 - CENTRAL BUSINESS DISTRICT (CBD) ZONES

50.05 User Guide.

The charts in KZC [50.12](#) contain the basic zoning regulations that apply in the CBD 1 zones of the City. Use these charts by reading down the left hand column entitled Use. Once you locate the use in which you are interested, read across to find the regulations that apply to that use.

Section 50.10

Zone
CBD-1A,
1B

Section 50.10 – GENERAL REGULATIONS

The following regulations apply to all uses in this zone unless otherwise noted:

1. Refer to Chapter [1](#) KZC to determine what other provisions of this code may apply to the subject property.
2. The maximum height of structure shall be measured at the midpoint of the frontage of the subject property on the abutting right-of-way, excluding First Avenue South. See KZC [50.62](#) for additional building height provisions.
3. The street level floor of all buildings shall be limited to one or more of the following uses: Retail; Restaurant or Tavern; Banking and Related Financial Services; and Entertainment, Cultural and/or Recreational Facility; Parks; Government Facility; or Community Facility use. 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 abutting right-of-way, not including alleys and similar service access streets). Buildings proposed and built after April 1, 2009, and buildings that existed prior to April 1, 2009, which are at least 10 feet below the maximum height of structure, shall have a minimum depth of 10 feet and an average depth of at least 20 feet containing the required uses listed above.
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, hotel, and office uses may be allowed within this space subject to applicable design guidelines.
4. Where public improvements are required by Chapter [110](#) KZC, sidewalks on pedestrian-oriented streets within CBD 1A and 1B shall be as follows:
Sidewalks shall be a minimum of 6 feet wide. Sidewalk configuration shall be approved through D.R. of the sidewalk along the entire frontage of the subject property abutting each street. (see KZC 50.64 for limited office exceptions in CBD 1B)
5. Upper story setback requirements are listed below. For purposes of the following regulations, the term “setback” shall refer to the horizontal distance between the property line and any exterior wall of the building. The measurements shall be taken from the property line abutting the street prior to any potential right-of-way dedication.
 - a. **Lake Street:** No portion of a building within 30 feet of Lake Street may exceed a height of 28 feet above Lake Street except as provided in KZC [50.62](#).
 - b. **Central Way:** No portion of a building within 30 feet of Central Way may exceed a height of 41 feet above Central Way except as provided in KZC [50.62](#).
 - c. **Third Street and Main Street:** Within 40 feet of Third Street and Main Street, all stories above the second story shall maintain an average setback of at least 10 feet from the front property line.
 - d. **All other streets:** Within 40 feet of any front property line, other than Lake Street, Central Way, Third Street, or Main Street, all stories above the second story shall maintain an average setback of at least 20 feet from the front property line.

(GENERAL REGULATIONS CONTINUED ON NEXT PAGE)

Section 50.17

Zone
CBD-2

USE ZONE CHART

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS													
Section 50.17	USE ↓ REGULATIONS ↓	Required Review Process	MINIMUMS			MAXIMUMS		Lot Coverage	Height of Structure	Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
			Lot Size	REQUIRED YARDS (See Ch. 115)									
				Front	Side	Rear							
.070	Private Club or Lodge	D.R., Chapter 142 KZC.	None	0'	0'	0'	100%	28' above the abutting right-of-way measured at the midpoint of the frontage of the subject property on each right-of-way.	D	B	See KZC 50.60 and 105.25.	<ol style="list-style-type: none"> The following provisions, which supersede any conflicting provisions of this Chapter, apply only if the subject property abuts or includes a portion of Lake Washington: <ol style="list-style-type: none"> A high waterline yard equal in depth to the greater of 15 feet or 15 percent of the average parcel depth is hereby established on the subject property. Balconies that are at least 15 feet above finished grade may extend up to four feet into the high waterline yard. No structure, other than moorage structures, may be waterward of the high waterline. For regulations regarding moorages, see the moorage listings in this Zone. Must provide public pedestrian access from an adjoining right-of-way to and along the entire waterfront of the subject property within the high waterline yard. In addition, the City may require that part or all of the high waterline yard be developed as a public use area. The City shall require signs designating public pedestrian access and public use areas. 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. This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension. Veterinary offices are not permitted in this zone. 	
.080	Office Use									D	One per 350 sq. ft. of gross floor area. See KZC 50.60.		

See Special Regulation 3

(see KZC 50.64 for limited exceptions)

Section 50.27

Zone
CBD-3

USE ZONE CHART

DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS												
Section 50.27	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						
.060	Office Use See Spec. Reg. 5.	D.R., Chapter 142 KZC.	None	20' See Spec. Reg. 6. 5 &	0'	0'	80%	41' above average building elevation.	D See Spec. Reg. 4.	D	One per each 350 sq. ft. of gross floor area.	<ol style="list-style-type: none"> 1. Primary vehicular access to the subject property may not be directly from Second Avenue South between Second Street South and State Street unless no other alternative exists. 2. The following regulations apply to veterinary offices only: <ol style="list-style-type: none"> a. May only treat small animals on the subject property. b. Outside runs and other outside facilities for the animals are not permitted. c. 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. d. A veterinary office is not permitted if the subject property contains dwelling units. 3. Ancillary assembly and manufacture of goods on the premises of this use are permitted only if: <ol style="list-style-type: none"> 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 C is required if the subject property is adjacent to Planned Areas 6C, 6D, or 6J. 5. This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension. This special regulation shall not apply along portions of State Street and Second Avenue South not designated as pedestrian-oriented streets. 6. Ground floor porches and similar entry features may encroach into the required front yard, provided the total horizontal dimensions of such elements may not exceed 25 percent of the length of the facade of the structure.

(see KZC 50.64 for limited exceptions)

Section 50.52		DIRECTIONS: FIRST, read down to find use...THEN, across for REGULATIONS									
		Required Review Process	MINIMUMS			MAXIMUMS		Landscape Category (See Ch. 95)	Sign Category (See Ch. 100)	Required Parking Spaces (See Ch. 105)	Special Regulations (See also General Regulations)
			Lot Size	REQUIRED YARDS (See Ch. 115)			Lot Coverage				
USE ↓	REGULATIONS ↑		Front	Side	Rear						
.060	Private Club or Lodge (continued)										REGULATIONS CONTINUED FROM PREVIOUS PAGE 4. Ground floor porches and similar entry features may encroach into the front yard, provided the total horizontal dimension of such elements may not exceed 25 percent of the length of the facade of the structure.
.070	Office Use See Special Regulation 6.	D.R., Chapter 142 KZC.	None	10' 0' 0'	100%	30 feet above the elevation of 3rd Avenue or 4th Avenue as measured at the projected midpoint of the frontage of the subject property on the nearest applicable right-of-way.	D See Spec. Reg. 4.	D	1 per each 350 sq. ft. of gross floor area. See KZC 50.60.	1. The following regulations apply to veterinary offices 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 certificate to this effect signed by an Acoustical Engineer must be submitted with the D.R. and building permit application. A veterinary office is not permitted if the subject property contains dwelling units. 2. 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 the 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. 3. If the subject property abuts Third Avenue between First Street and Second Street, or Fourth Avenue, the site and buildings must be designed to provide residential character and scale adjacent to Third Avenue and Fourth Avenue. 4. Landscape Category C is required if the subject property is adjacent to Planned Areas 7A or 7B, or PR 3.6 zones. 5. Ground floor porches and similar entry features may encroach into the front yard, provided the total horizontal dimension of such elements may not exceed 25 percent of the length of the facade of the structure. 6. This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way. The Planning Director may approve a reduction to the depth requirement for the retail space if the applicant demonstrates that the proposed configuration of the retail use provides an adequate dimension for a viable retail tenant and provides equivalent or superior visual interest and potential foot traffic as would compliance with the required dimension. This special regulation shall not apply along portions of Third Avenue not designated as pedestrian-oriented streets.	

See Special Regulation 5.
↑
& 6

(see KZC 50.64 for limited exceptions)

50.62 Building Height Provisions in the CBD

1. Height shall be measured above the point of measurement (e.g, above average building elevation, or above right-of-way) as specified in the particular use zone charts. For purposes of measuring building height above the abutting right(s)-of-way, alleys shall be excluded.
2. Where retail frontage is required along an abutting street and along Pedestrian-Oriented Streets (see Plate 34 H), the minimum ground floor story height for retail; restaurant and tavern; entertainment, cultural, and/or recreational facility uses shall be 15 feet; provided, however, that in CBD 1A and CBD 1B, any buildings proposed and built after April 1, 2009, or buildings that existed prior to April 1, 2009, which are 10 feet or more below the permitted maximum height of structure, shall be required to provide a minimum 13-foot ground floor story height.

50.64 Limited Ground Floor Office Use Exceptions for CBD 1B, 2, 3, and 8

1. This section provides limited exceptions to ground floor office use restrictions in the following subareas of the CBD:
 - a. CBD 1B: South of Second Avenue South.
 - b. CBD 2: South of Second Avenue South or within 150' of Market Street.
 - c. All of CBD 3.
 - d. CBD 8: Within 110' of Market Street or 175' of Third Street.
2. On the street level floor of buildings in these subareas, the Planning Director may approve certain Office Uses determined to complement existing pedestrian-oriented uses in the CBD. The applicant must demonstrate that the proposed type of Office Use is primarily oriented to serving visiting customers and that the design of the street frontage will maximize visual interest. Examples of such uses may include offices for medical, dental, veterinarian, travel agency, and real estate sales but not include offices for administrative, management, medical labs, attorneys, and accountants. The interior space shall orient to the storefront by placing lobby, reception, or accessory sales uses to the front and avoiding uses in the storefront area that would require window coverings.

In the CBD 3 or CBD 8 zones, if an Office Use is approved pursuant to this section the required front yard for this use shall be zero feet for one story at street level. No parking may encroach into the required front yard. If this use provides a zero-foot front yard, the lot coverage for the entire property shall be 100 percent.

Design Guidelines for Pedestrian-Oriented Business Districts - Amendment

“Pedestrian-Friendly” Building Fronts

Special Consideration for Downtown Kirkland - Glazing

Retail Building frontages along pedestrian-oriented streets in the Central Business District should be configured have a 15' story height to ensure suitability for diverse retail tenants and enhance the pedestrian experience. Where these taller retail stories are required, special attention to storefront detailing is necessary to provide a visual connection between pedestrian and retail activity.

Guideline

Storefronts along pedestrian-oriented streets should be highly transparent with windows of clear vision glass beginning no higher than 2' above grade to at least 10' above grade. Windows should extend across, at a minimum, 75% of the façade length. Continuous window walls should be avoided by providing architectural building treatments, mullions, building modulation, entry doors, and/or columns at appropriate intervals.

NAICS CODES

<u>21</u>	Mining, Quarrying, and Oil and Gas Extraction
<u>22</u>	Utilities
<u>23</u>	Construction
<u>31-33</u>	Manufacturing (accessory to retail already ok – bakery, brewery...)
<u>42</u>	Wholesale Trade
<u>44-45</u>	Retail Trade
<u>48-49</u>	Transportation and Warehousing
<u>51</u>	Information
<u>52</u>	Finance and Insurance
	<ul style="list-style-type: none"> • Banking and related financial • Consumer lending • Mortgage brokers • Securities brokers • Investment advice • Insurance agencies
<u>53</u>	Real Estate and Rental and Leasing
	<ul style="list-style-type: none"> • Real estate offices of agents and brokers • Property management...
<u>54</u>	Professional, Scientific, and Technical Services (this is the catch-all for most professional offices)
	<ul style="list-style-type: none"> • Veterinary services
<u>55</u>	Management of Companies and Enterprises
<u>56</u>	Administrative and Support and Waste Management and Remediation Services (administrative offices, call centers...)
	<ul style="list-style-type: none"> • Travel agencies
<u>61</u>	Educational Services
<u>62</u>	Health Care and Social Assistance
	<ul style="list-style-type: none"> • Offices of physicians, dentists, other health practitioners • Medical & surgical hospitals • Day care services • Medical labs
<u>71</u>	Arts, Entertainment, and Recreation
<u>72</u>	Accommodation and Food Services
<u>81</u>	Other Services - except Public Administration (repair, salons, cleaners, private clubs)
<u>92</u>	Public Administration

ZONING CODE COMPARISON

<p>Already allow all or a subset</p> <p>Not allowed & should not allow</p> <p>Consider allowing</p>

Jeremy McMahan

From: Andy Loos [andy@srmdevelopment.com]
Sent: Thursday, April 28, 2011 10:42 AM
To: Jeremy McMahan; Eric Shields; Ellen Miller-Wolfe
Cc: Bob Sternoff; Penny Sweet; Joan McBride; Amy Walen; Doreen Marchione; Dave Asher; Jessica Greenway
Subject: Retail Uses in Downtown

Jeremy, Eric and Ellan: I am writing to ask the status of the process you were undertaking to relax the retail use requirements in parts of downtown Kirkland?

I also want to let you know that we are having a very difficult time leasing our retail spaces at 101 Kirkland (and soon to be 201 Kirkland as the BofA relocates). We have had inquiries from users that would not meet the criteria of "retail" established by the City. In fact, we have tried to offer the spaces with "net" leases where our rental income would be dependent upon the gross sales of the business and we still can't find tenants. Bank of America is moving into the corner space next week and we have Tully's relocating to our "café" space but have been unable to entice anyone into our other spaces despite a year of marketing by Cushman-Wakefield.

Do you think there is any way that the City would relax the requirements in the core given the process you have just gone through? Empty storefronts are terrible for the downtown and we aren't seeing the situation changing unless we can offer the spaces to others beyond strict retail uses. Although the physical therapist is probably a "marginal" retail use we have found that the use has created activity, enlivened the street, provided service to the community and has promoted other businesses in Kirkland through the owner's civic involvement.

I know we have all gone around and around on the issue of retail uses but it is apparent to me that downtown Kirkland is not attracting retailers even with new spaces, plenty of parking and favorable lease terms. Being able to accommodate a mix of goods and services that will boost economic activity would seem to me to be a logical solution. Bringing workers, clients and customers into the downtown during the daytime is a good thing as we seem to have our share of evening dining patrons.

I have copied the City Council in order to get any comments they may have.

Let me know your thoughts.

Thanks.

Andy

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