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MEMORANDUM

To: Transportation Commission

From: Joel Pfundt, Transportation Manager
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Subject: NE 85th St Station Area Plan
File No. CAM20-00153

STAFF RECOMMENDATION

Receive a briefing on the current status of the Station Area planning process, including the ongoing Fiscal Impacts and Community Benefits Analysis. Discuss the supplemental transportation analyses included within the additional scope for the Station Area Plan.

BACKGROUND

Transportation Commission last discussed the Station Area Plan at their [January 27, 2021 meeting](#), where staff reported out the [Draft Supplemental Environmental Impact Statement \(DSEIS\)](#) alternatives analysis and the received public comments on the DSEIS.

Staff discussed the above items with City Council at January and April 2021 study sessions, where Council requested that the project team complete work to analyze the fiscal components of infrastructure and public service provision, and the potential for community benefits to be realized through potential growth. The Council also provided comments to consider for additional transportation network analysis, including a desire for a more robust analysis of transit and multi-modal transportation networks.

In the first quarter of 2021, the project team spent considerable time considering how to best address input from the community, the Planning and Transportation Commissions, and the Council comments received after reviewing the DSEIS and public comments. This entailed working with the lead consultant, Mithun, and subconsultants to assess the project scope and consider what additional analysis would be necessary to provide the information requested prior to Council making any decisions about a "preferred alternative" for the final Station Area Plan. This period of planning was not in the original project scope and has resulted in an additional process "step" for project scope reassessment. This has resulted in a scope of work for supplemental tasks described in the below section.

ADDITIONAL COMMUNITY INPUT - CITY COUNCIL LISTENING SESSION

In addition to community input provided during the Draft SEIS public comment period, a special meeting of the City Council was held on May 26, 2021. The special meeting was a virtual Council Listening Session on the Station Area Plan to provide an opportunity for community members to share their thoughts about the Station Area Plan directly with City Councilmembers. The session was recorded and is available for viewing at the [City Council video archive webpage](#).

FISCAL IMPACT AND BENEFIT ANALYSIS & SUPPORTIVE MODELING - FINAL SCOPE

Based on community input, Planning and Transportation Commission feedback, and City Council direction, the project team has determined additional analysis is required to advance project decisions towards designating a preferred alternative and final Station Area Plan. This additional analysis falls into the interrelated categories described in the following subsections. Each component informs the Fiscal Impacts and Community Benefits Analysis, which, in turn, informs the overall Station Area Plan. The summary below of the supplemental scope was finalized based on Council feedback at their April 6, 2021 study session; see Attachment 1 for the detailed scope and schedule.

Task 1: Station Area Plan Integration

Includes tasks necessary to develop inputs for the Fiscal Impacts and Benefits Analysis. Includes work to establish narrowed and revised low and high project alternative “bookends,” identified hereinafter as “June Alternatives,” and evaluation measures for the fiscal analysis, conduct additional transportation analysis as requested by Council, and conduct additional project management and community engagement tasks necessitated by the expanded scope and project schedule. Additionally, this task will supplement previous transportation modeling with a more refined approach to help understand impacts on specific intersections and how existing travel patterns may change with additional growth around the Station Area. *Note: the project team has recently completed work to arrive at a staff recommendation for the June Alternatives as part of this task.*

Task 2: Community Benefits and Tradeoffs

Includes fiscal impact and benefits analysis to evaluate the outcomes of various policy decisions such as bonus or incentive zoning, commercial linkage fees (to offset affordable housing impacts) or other fees, on-site community amenities or fee in-lieu programs, and special district designations (e.g., Transportation Benefit District). This task includes additional transportation analysis for non-vehicular modes of travel with supplemental transit capacity, bikeshed, and walkshed analyses.

The final scope in Attachment 2 includes transportation network-related additions to the core scope of work, which were presented as optional in the draft scope. The additions to the final scope include an interchange analysis for I-405/NE 85th St (responsive to DSEIS comments from WSDOT), study of transit improvements that may be necessary in the future to accommodate growth, and analysis of additional intersections not currently included in the project model if deemed necessary as work progresses.

Task 3: Fiscal Impacts and Benefits Analysis

Assesses the City’s revenues and cost of service, including operations and capital investments required to serve the anticipated level of growth. Key questions to be answered in this analysis include:

- What revenues can the City expect associated with the proposed redevelopment of the area?
- What will it cost the City and its partners to most efficiently serve this area with infrastructure and municipal services?
- How would changes in the magnitude, location, and mix of residential and commercial uses affect net fiscal impacts and non-fiscal policy goals?
- What is the relationship between levels of growth among the alternatives and the types and amounts of public benefits provided?

The tasks listed above add a number of complex elements to the previously-established scope for the Station Area Plan and extend the planning process timeline. The tasks have been incorporated at this point in recognition of the large scale of the project, in order to respond to community and Council feedback related to forthcoming decisions for the final plan, and to provide the best information possible to make decisions that promote the project values of livability, sustainability, and equity. A summary schedule for the supplemental tasks is included in Attachment 1.

“JUNE ALTERNATIVES” FOR FISCAL IMPACTS AND COMMUNITY BENEFITS ANALYSIS

The project team utilized several resources to provide a recommendation to City Council for the June Alternatives to be utilized in the Fiscal Impacts and Community Benefits Analysis (referred to in previous packets and presentations as “narrowed bookends”). These resources include:

- Community and Council input as detailed above;
- Analysis previously completed and published in the Station Area Plan [Opportunities and Challenges Report](#), [Market Analysis Report](#), and [DSEIS](#); and
- City Staff Charette held on May 24, 2021, which included staff representatives from the Planning & Building, Public Works, Finance and Administration, and Parks and Community Services Departments.
- City Council direction on June 15 to move forward with the Fiscal Impacts and Community Benefits Analysis, utilizing June Alternatives A and B as described in the following section, with the specific feedback outlined in the ‘Council Direction’ section below.

Evaluation Criteria and Goals for June Alternatives Development

To guide staff’s work towards a recommendation for June Alternatives A and B (a range of options narrowed from the DSEIS alternatives), the project team utilized the below evaluation criteria and goals. These criteria and goals were informed by the above-mentioned sources of information.

- Maximize the regional Sound Transit investment in BRT and the 85th Station Area Plan by prioritizing changes that create a transit-connected district that provides real value to the community.
- Optimize affordable housing and economic development potential to support community benefits.
- Growth assumptions should take into account phasing considerations for land use types, infrastructure needs, and schools.
- Maximum allowable zoning heights should include height transitions to existing residential areas.
- The June Alternatives should preserve the functionality of NE 85th St, while enhancing and expanding its new role as an urban, multimodal street.
- Transportation improvements should preserve community character, including minimizing significant changes such as road widening in areas outside of where proposed growth is occurring.
- Transit should be able to operate effectively along NE 85th and other streets in the study area.
- Establish a low-stress priority bike and pedestrian network that serves the full study area.
- Growth assumptions should remove critical areas from the total developable area.

June Alternatives for Study in the Fiscal Impacts and Community Benefits Analysis

Details of the June Alternatives for study are provided in Attachment 2 (the same document was presented to City Council in June). The June Alternatives being utilized in the Fiscal Impacts and Community Benefits Analysis are: June Alternative A (Current Trends) and June Alternative B (Transit Connected Growth). The June Alternatives present a narrower range of bookends than the alternatives analyzed in the DSEIS. These June Alternatives narrow the range of alternatives for study in the following ways:

- Remove the level of growth shown in DSEIS Alternative 3 from further consideration
- Use a revised version of DSEIS Alternative 1 as the lower limit of growth to be studied (June Alternative A: Current Trends)
- Use a reduced version of DSEIS Alternative 2 as the upper limit of growth to be studied (June Alternative B: Transit Connected Growth)

The Mithun memorandum includes an explanation of the contributing factors to the June Alternative recommendations, including a summary of additional transportation analysis completed as part of Task 1 of the Station Area Plan supplemental scope, growth projections for the June Alternatives by study area quadrant, and exhibits showing revised recommended development typologies and maximum building heights. Table A, below, compares the projected household and employment growth under the studied DSEIS alternatives and the June Alternatives currently being studied in the supplemental scope.

Table A: Comparison of DSEIS and Recommended June Alternatives 2044 Growth Projections

Alternative	Total Projected Households	Total Projected Employment
DSEIS No-Action Alternative	2,782	10,859
June Alternative A: Current Trends	3,669	11,821
June Alternative B: Transit Connected Growth	8,003	20,151
DSEIS Alternative 2	8,509	28,688
DSEIS Alternative 3	10,909	34,988

June Alternative A (Current Trends) is based on the DSEIS No-Action Alternative, but reflects an upward adjustment of growth targets more in line with current growth trends in Kirkland (e.g. pipeline projects under construction or in permit review) that have already outpaced the growth assumptions made for the area in the 2015 Comprehensive Plan. In general, June Alternative B (Transit Connected Growth) represents a reduced-growth version of DSEIS Alternative 2, to respond to community feedback requesting a more balanced approach to growth while still leveraging the significant Bus Rapid Transit investment and promoting the City’s sustainability goals. Table B, below, describes some of the key adjustments made to DSEIS Alternative 2 to arrive at recommended June Alternative B. The memo in Attachment 2 provides additional details for each recommended Alternative for study.

Table B: Summary Comparison of DSEIS Alternative 2 and Recommended June Alternative B

Please note the below numbered descriptions correspond with the exhibit seen in Attachment 2, page 12.

Description	DSEIS Alt 2 Maximum Allowed Height*	June Alt B Maximum Allowed Height*
2. Lower allowable height in SW Quadrant	65'	60'
3. Reduce development capacity in NE Quadrant	85'-150', see note**	85'-150', see note**
4. Increase allowable height SE Quadrant	150'	250'**
5. Reduce development capacity along NE 85 th St between 122 nd Ave NE and 128 th Ave NE	85', see note**	85', see note**

*All heights shown are maximum heights, and do not include additional potential restrictions on height through transitions to existing residential areas, setback requirements, etc.

**Note: reduced development capacity reflects changes to development assumptions that affect overall development potential, including additional transitions to existing residential areas, reduced allowed lot coverage, and increased on-site parking requirements.

The June Alternatives described in Attachment 2 will be analyzed to provide Council and Commissions with more information on the fiscal impacts and community benefits of potential rezoning and planning changes within the Station Area.

Council Direction for June Alternatives

Council largely moved forward the above-described June Alternatives for study, and provided the below additional direction for the June Alternatives in response to specific staff questions and Planning Commission input.

- For June Alternative B, in the following two sub-areas (see Attachment 2), Council requested that the supplemental study examine a range of maximum allowed height from 85' to 150'.
 - Sub-area A. Block bounded by I-405, NE 90th St, 120th Ave NE, and NE 85th St.
 - Sub-Area B. Commercial lots fronting onto NE 85th St between 122nd Ave NE and 126th Ave NE.
- Council directed staff to continue analysis of the Norkirk LIT area in June Alternative B as an Urban Flex Industrial area, with a possibility of allowing upper floor residential uses and a maximum allowed height of 45'.
- Council maintained that the long-term goal to incorporate the excess WSDOT ROW into the Station Area Plan remain, but that because of the near-term regulatory hurdles to acquire these parcels, the excess WSDOT ROW should be shown as potential parks or open space and therefore be excluded from the housing unit and jobs growth analysis at this stage.

CURRENT WORK, NEXT STEPS, & TRANSPORTATION COMMISSION ROLE

The project team is currently working on the Fiscal Impacts and Community Benefits Analysis, including the supplemental transportation-related items described in Attachment 1. Staff anticipates some initial results from the supplemental transportation tasks may be available to share with Transportation Commission at the July 28 meeting.

The Fiscal Impacts and Community Benefits Analysis is anticipated to be completed in October 2021. That analysis is intended to be utilized in City Council's decisions in directing staff to draft a Preferred Plan direction to include in the Final SEIS, which is anticipated to be issued by the end of this year. The project team will use the Preferred Plan direction to begin drafting a Final Station Area plan which will establish a 20-year plan capacity for households and jobs growth in the Station Area, and will include the Form-based Code and Planned Action Ordinance.

The bulk of process to draft a Final Plan and associated zoning code amendments will occur through the Planning Commission, within the bounds of the Preferred Plan direction established by the City Council. The Transportation Commission is expected to discuss the aspects of the analysis and plan drafts that relate specifically to Transportation and indicate areas of focus and opportunities for prioritization among those elements to the Council. The final adoption of the Station Area Plan will be by City Council, anticipated in Late Spring or Early Summer 2021.

ATTACHMENTS:

1. Final Fiscal Impact Analysis Scope & Draft Revised Project Schedule, prepared by Mithun
2. Station Area Plan June Alternatives for Study Memorandum, prepared by Mithun

cc: File Number CAM20-00153