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MEMORANDUM

To: Planning Commission

From: Adam Weinstein, AICP, Planning & Building Director
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Date: September 12, 2022

Subject: NE 85TH ST STATION AREA PLAN – PHASE 2 – FILE NO. CAM20-00153

STAFF RECOMMENDATION

Receive a briefing on the remaining Station Area Plan planning process, including a summary of the decisions made and work completed in Phase 1, and an overview of Phase 2 deliverables and schedule. Discuss Planning Commission’s role in Phase 2 of the Station Area planning process.

BACKGROUND & PHASE 1 ADOPTION REVIEW

The City began the planning process on the Station Area Plan in 2019. With input from the community, and elected and appointed officials, several planning phases of the project have been completed. The City completed work in the first half of 2022 that focused on the legislative process to adopt the first phase Station Area Plan deliverables (Phase 1). This legislative work was originally scheduled to occur in 2021, with adoption projected by June 2021. That planned adoption was extended by over a year to allow for additional due diligence requested by Council, including supplemental transportation analysis, a Fiscal Impacts and Community Benefits Analysis, and more community feedback. Legislative work in 2022 has been divided into two phases to ensure adequate time for the community and appointed/elected officials to consider important community benefits and urban design components for each phase.

Phase 1 Adoption

Following a June 9, 2022 Planning Commission (PC) public hearing, City Council considered community input and the Planning Commission’s recommendation, deliberated, and adopted a plan for the NE 85th Street Station Area at a special meeting on June 28, 2022. The adoption of the plan, along with related Comprehensive Plan and Municipal Code amendments, paves the way for a thriving, transit-oriented, new walkable district with high tech and family wage jobs, plentiful affordable housing, sustainable buildings, park amenities, and commercial and retail services. At the June 28 meeting, Council also adopted the first phase of Station Area Zoning Code amendments which implement a FBC for the Commercial Mixed-use District: the district within the Station Area that is nearest to the future Sound Transit Stride Bus Rapid Transit

(BRT) station in the I-405 interchange that will allow for the densest commercial and/or institutional development.

A summary of the resolution and ordinances that adopted Phase 1 deliverables and legislative amendments, and catalyst project implementation, are shown below. The final versions of the adopted documents are available on the [Station Area Plan project webpage](#), and the adopted ordinances are hyperlinked.

- [*Resolution R-5547: Station Area Plan*](#)
The final plan document includes Vision and Goals for: Land Use and Urban Design, Open Space, Transportation and Mobility, and Sustainability. The document includes a summary of the entire planning process, including an executive summary, overview of the planning process, and plan recommendations.
- [*Ordinance O-4800: Comprehensive Plan Amendments*](#)
The Comprehensive Plan amendments encompassed the entire Station Area Plan, which includes a new subarea chapter (XV.G) for the district that establishes the vision, goals, and policies for future growth. This new chapter overlays portions of the six neighborhoods that comprise the geography of the Station Area but does not alter any existing neighborhood boundaries.
- [*Ordinance O-4801: Zoning Map Amendments*](#)
The Phase 1 Zoning Map amendments included legislative rezones of 15 parcels from North Rose Hill Business District (RH 1A, 2A, and 2C) to Commercial Mixed Use (CMU), one parcel from Professional Office (PO) to CMU, and one parcel from Professional Office/Residential 3.6 (PR 3.6) to CMU.
- [*Ordinance O-4802: Kirkland Zoning Code \(KZC\) Amendments*](#)
The Zoning Code amendments included a new chapter for the Station Area FBC (KZC 57), and a number of consistency edits in various chapters to apply the parcel rezones, incorporate references to the new Station Area zone, and remove references to the zones being repealed. The amendments for Phase 1 of Station Area adoption were for implementation of the Commercial Mixed-use zone only; the remainder of the Station Area zones will be considered in Phase 2.
- [*Ordinance O-4803: Kirkland Municipal Code \(KMC\) Amendments*](#)
The amendments were made to KMC 3.30, which is the section of the Municipal Code that houses the City’s Design Guidelines. The Station Area Design Guidelines replaced the existing Rose Hill Business District Guidelines. While the FBC established standards for streets, the relationship of buildings to streets, and specific massing limitations for development, the design guidelines will be used to provide general guidance for massing, articulation, and materials of buildings.
- [*Catalyst Development Implementation*](#)
Council adopted a development agreement with Google through [Ordinance O-4807](#) on July 19, 2022. The development agreement process, as established by RCW 36.70B.170, required a public hearing before the agreement was approved by ordinance. The agreement contains terms negotiated by the City and Google that give Google the certainty it needs to make a purchase decision while ensuring that development of a catalyst project by Google would meet or exceed

the outcomes intended by the requirements in the adopted Form Based Code for the Station Area. Additionally, Council adopted a Planned Action Ordinance for the Google campus development through [Ordinance O-4809](#) on September 6, 2022.

The decisions made for the Station Area Plan, and the Comprehensive Plan and Municipal Code amendments encompassed the policy direction necessary to guide both phases of Zoning Code and Map amendments in the Station Area. As this policy direction has already been considered and discussed in context of the entire Station Area Plan, it will not be a direct subject of discussions with the community, or the PC and Council, in Phase 2; this phase will not include any amendments to the adopted Station Area Plan, Comprehensive Plan, or Municipal Code.

PHASE 2 OVERVIEW

Phase 2 of the Station Area adoption process will include specific parcel rezones and Zoning Code amendments to implement the FBC for the Neighborhood Mixed-use, Civic Mixed-use, Neighborhood Residential, and Urban Flex districts.

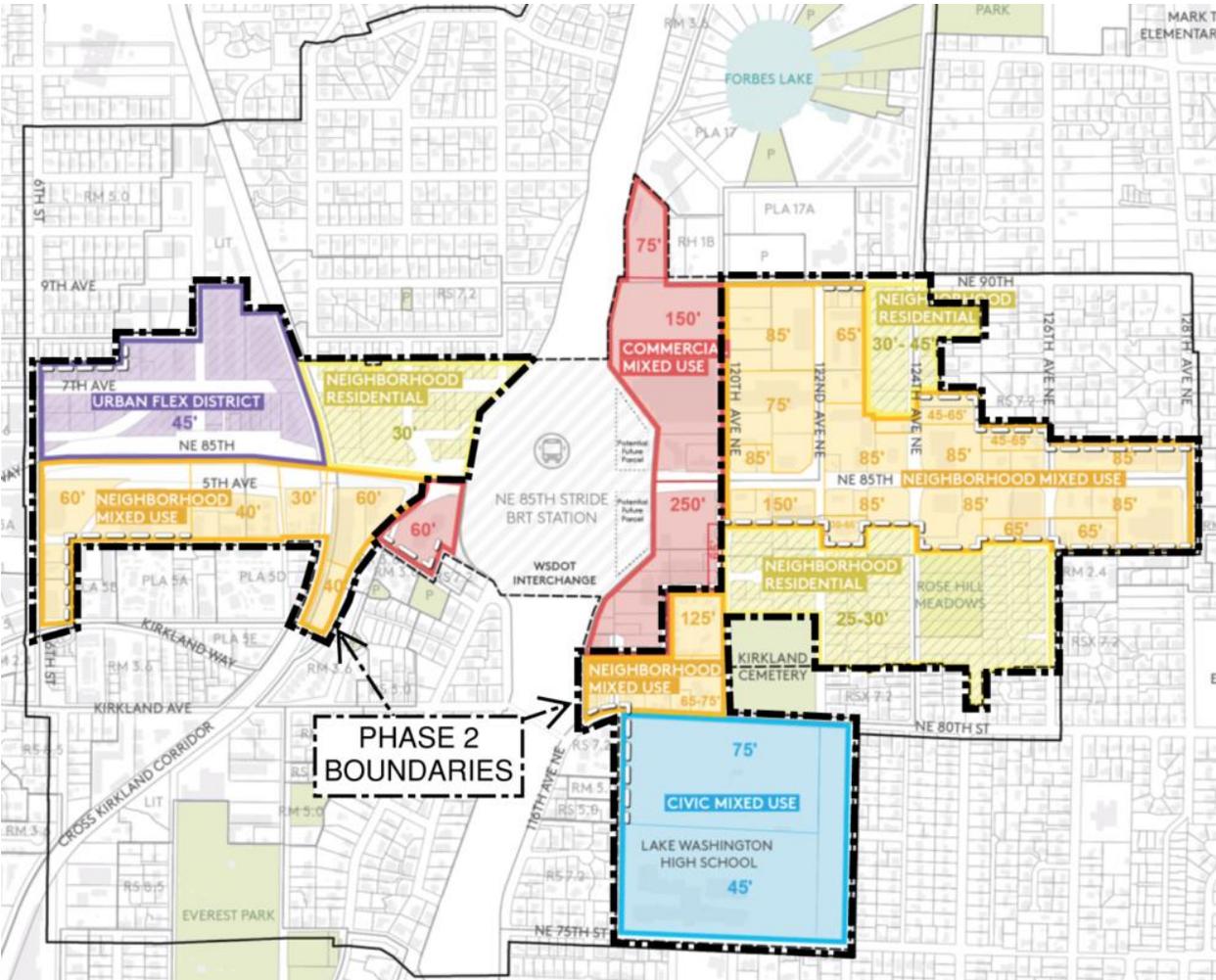


Figure 1: Station Area Zones, with maximum building heights shown

Phase 2: New FBC Standards (to be drafted in Phase 2)

The Phase 2 Zoning Code amendments will add the following FBC sections to the adopted Station Area chapter (KZC 57) for each individual regulating district:

Regulating Plan

The regulating plan shows the application of the zone to specific parcels, and the allowed base height and maximum bonus height (where applicable) that can be achieved by providing community benefits.

Permitted Uses

The FBC employs general use categories to regulate permitted uses in the district. These use categories are intended to be more flexible than in conventional zoning districts in order to encourage the creation of a vibrant, mixed-use neighborhood where housing, shops, and services can be accessed without a car.

Regulating District Standards

The regulating district (i.e., Station Area zones, see Figure 1) will set forth standards for the following:

- Lot coverage
- Required yards
- Base maximum allowed height
- Bonus maximum allowed height
- Maximum floor plate(s) per building
- Upper story street setbacks
- Tower separation
- Maximum façade widths and modulation minimums



Figure 2: FBC exhibit, prepared by Mithun

Parking

The FBC will establish vehicle and bike parking standards for the uses that were not included in Phase 1 amendments.

Phase 2: Adopted FBC Standards Applicable to Phase 2 Districts (adopted in Phase 1)

Portions of the Station Area FBC (KZC 57) that apply to all regulating districts were adopted with Phase 1 in order to fully implement zoning for the Commercial Mixed-use district. The following is an outline of FBC sections that were already adopted in Phase 1 and will also apply to the Phase 2 regulating districts. Note that Phase 2 legislative amendments are likely to include minor amendments to adopted district-wide standards for clarity and ease of use.

Frontage Types and Standards

The frontage types establish a foundation for how the FBC regulates how building types interact with the public realm (i.e., streets, pedestrian ways, plazas, and other public spaces). For each frontage type, the FBC sets forth standards for the following:

- Ground floor design (minimum height, façade transparency, façade widths and entry standards)
- Minimum and maximum front setbacks
- Amenity zone allowances
- Corner design requirements
- Ground floor parking setbacks

Street Types and Standards

Street types in the FBC are informed by the specific transportation network improvement concepts developed through the transportation analysis for the district. The FBC establishes typical minimum (unless noted) widths for the following components of the street:

- Pedestrian clear zone
- Bikeway
- Furnishing zone (i.e., area for street furniture)
- Maximum travel lane width
- Number of travel lanes (typical)

Transitions

The FBC establishes required transitions that are intended to ensure that new development is consistent with the vision of the NE 85th Street Station Area Plan to provide appropriate transitions of development intensity, height, and bulk across zones of varying height. These transition standards may be evaluated with the Phase 2 work to ensure they apply appropriately to the Phase 2 regulating districts.

Incentive Zoning Program

Phase 1 adoption of KZC 57 created an incentive zoning program that was specific to the Commercial Mixed-use District, which is unique in the Station Area as the only district anticipated to prohibit residential uses. The Commercial Mixed-use district regulating map established allowed base heights (allowed by-right) and required performance standards for all development at or below the base height. The new base heights reflect an adjustment above current zoning (pre-Station Area) as a way to offset the cost of new base requirements (i.e., high performance buildings, green factor, and transportation and other infrastructure improvement requirements). The incentive zoning program, where applicable, allows additional

development capacity above the new base height, up to the maximum allowed heights identified for the regulating district, if development provides additional community benefits. The benefits required to utilize the incentivized development capacity are beyond the new established baseline development requirements in the Zoning Code.

The incentive zoning section in the FBC includes a table of the available amenity categories an applicant may choose to provide to access incentive capacity, organized by key community benefit topics. The section also sets forth an “exchange rate” for each amenity that will regulate how much incentive capacity may be awarded to the applicant for each unit of community benefit amenity provided. Because the incentive zoning program can be structured to prioritize achieving certain community benefits through the program over others, Council had a robust discussion in Phase 1 about the desired structure for the Commercial Mixed-use District.

City staff is presenting policy-level questions to Council at their September 20, 2022 meeting to affirm their direction to build the program structure for the Phase 2 districts. Those questions and additional background on the economic analysis for the incentive zoning program is included in the September 20 Council meeting packet available on the [Council webpage](#) (that packet is not available to hyperlink ahead of this packet publication deadline for Planning Commission).

Station Area Planned Action Ordinance

Phase 2 of the Station Area planning process will also include adoption of the final Planned Action Ordinance (PAO) for the full Station Area, minus the sub-area covered by the PAO recently adopted for the Google catalyst project at the Lee Johnson site. The PAO is the culmination of the environmental review process under the State Environmental Policy Act (SEPA) and will include specific mitigation measures for future development and submittal requirements for development applications to be reviewed as planned actions. Planned actions will be those projects that do not exceed thresholds established in the PAO (e.g., activity units, vehicle trips), and are therefore not required to perform environmental review beyond that in the Final SEIS for the Station Area. The purpose of the PAO is to streamline the environmental review of future public and private development projects that help promote the vision of the Station Area Plan.

One benefit of a PAO is that it can provide certainty for future development applicants about the specific infrastructure projects they are required to build with their project, and/or how they may be required to contribute to infrastructure projects that provide system-wide capacity. The project team is currently coordinating with the Finance and Public Works Departments to incorporate the infrastructure projects associated with the Station Area Plan into the City’s Capital Improvement Program (CIP). Later this year, the City’s Capital Facilities Plan Chapter of the Comprehensive Plan will be updated to ensure the CFP includes SAP system improvements and projects in the CIP. In an adjustment to the Phase 1 deliverables earlier this year, staff recommended that the adoption of the PAO be delayed until the CIP reconciliation is complete to be sure that the PAO and impact fees are aligned in establishing appropriate development fees and project mitigations (expected to occur before the end of this year) and aligned with adoption of the other Phase 2 deliverables.

PLANNING COMMISSION ROLE FOR STATION AREA PLAN – PHASE 2

Planning Commission’s Role in the Legislative Process - General

In general, PC advises the City Council on all matters relating to the Kirkland Comprehensive Plan and land use regulations (zoning); and most commonly, proposals to amend those documents, which can include adding, editing, or repealing sections of either document. The City’s legislative process to amend the Zoning Code is set forth in KZC Chapter 160. That process requires that the Planning Commission:

- Hold a public hearing on the proposal(s) (KZC 160.55);
- Receive testimony at the public hearing (KZC 160.70); and,
- Take action by considering the proposal and making a recommendation to City Council (KZC 160.80).

It is the standard practice in Kirkland that City staff will provide one or more study sessions to the PC prior to a public hearing on a proposal in order to familiarize Commissioners with the content and impact of a proposed code amendment, and/or to receive direction from Commissioners to form the content of the amendment.

Station Area Plan Phase 2 – Planning Commission Draft Work Plan

The process to adopt Phase 2 of the Station Area Plan will be a legislative exercise to amend the adopted Station Area FBC (KZC Chapter 57) to add code language for Phase 2 districts described in the previous section, and to complete legislative rezones of the subject parcels. Prior to holding a public hearing on the Phase 2 work, staff expects to discuss the draft proposal in two separate study sessions with the Commission: one at each Commission meeting in October 2022. Staff anticipates that a full draft of the complete FBC (KZC 57) will be included in the meeting materials for the first October meeting, in order for the Commission and community members to have access to the complete proposal well in advance of a public hearing. In order to allow the Commission to focus on specific elements in the proposal, each October study session will cover only a portion of the draft FBC for the Phase 2 amendments. Ideally, topics covered in the first October meeting will not need to be discussed again in the second October meeting, to ensure that the Commission has a thorough understanding of the entire FBC prior to the public hearing. Staff may provide focused questions about specific standards to aid the Commission’s discussion of the proposal. In reviewing the Phase 2 amendments, Planning Commission should take into account the policy direction on the incentive zoning program provided by Council on September 20.

Portions of the FBC adopted in Phase 1 will only be discussed as they might relate, or be amended to apply specifically, to the Phase 2 regulating districts. Otherwise, the scope of the planning process with the Commission will be limited to the topics described in the Phase 2 Overview section above.

NEXT STEPS

Following this briefing with the Commission, and with the Council policy direction for the Phase 2 incentive zoning program provided, staff will complete a draft of the Phase 2 FBC and the Planned Action Ordinance. The following is the tentative Phase 2 schedule:

- September 22, 2022: PC meeting – Phase 2 overview

- October 13 and 27, 2022: PC study sessions – draft FBC
- October 2022 (specific date TBD): Community workshop to familiarize the public with the draft FBC, and receive input for the PC and Council
- November 2022 (tentative): PC public hearing on Zoning Code amendments (Phase 2 FBC)
- November 2022 (tentative): City Council public hearing – Planned Action Ordinance
- December 2022 (tentative): City Council consideration of Phase 2 adoption (FBC and PAO)

The tentative schedule will be flexible to allow for PC and/or Council to request additional meetings to study or consider the Phase 2 deliverables.

