



CITY OF KIRKLAND
Planning and Community Development Department
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Jeremy McMahan, Deputy Director of Planning & Building
Adam Weinstein, AICP, Director of Planning & Building

Date: September 24, 2020

Subject: Ground Floor Retail Restrictions – Walk-in Urgent Care Discussion

RECOMMENDATION

Council review options to allow walk-in urgent care clinics in Central Business District (CBD) zones requiring ground floor retail.

BACKGROUND

The City Council received an inquiry from Carl Hossman, a property owner located in Downtown Kirkland's Central Business District 8 (CBD 8) zone asking about allowing Overlake Hospital to expand to the ground floor of his building by opening an urgent care clinic. Currently, as described in more detail below, office uses on the ground floor in the CBD 8 zone are not allowed unless they have a significant retail component. Overlake Hospital currently occupies a portion of the second story of the building. Opus Bank is the current tenant of the corner ground floor space and is vacating the space due to a merger (see Attachment 1). The City Council discussed the inquiry at their September 15 meeting and directed staff to report back with more information and options for consideration.

An urgent care clinic would be defined as an office use in the Kirkland Zoning Code (KZC). Similar to many pedestrian-oriented business district zones in Kirkland, the CBD 8 zone contains the following restriction on office uses:

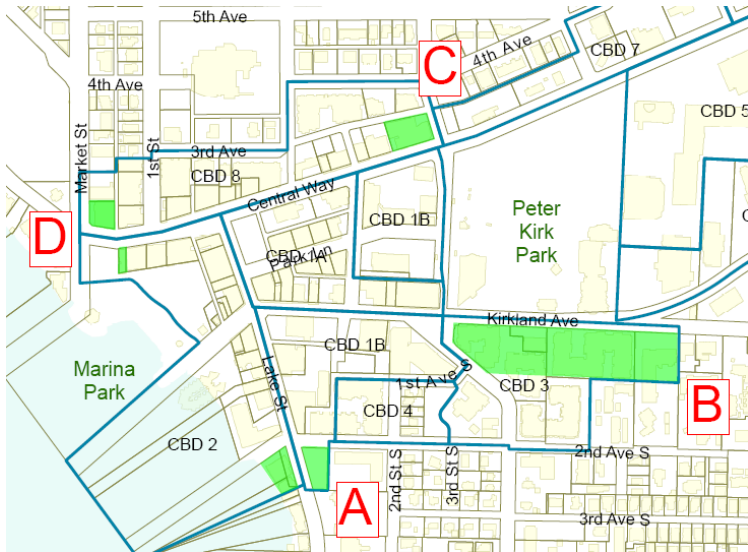
This use may be located on the street level floor of a building only if there is a retail space extending a minimum of 30 feet of the building depth between this use and the abutting right-of-way (see KZC 50.64 for limited exceptions).

The regulation does provide some flexibility for the Planning Director to reduce the depth requirement for the retail space if the applicant demonstrates that the proposed configuration 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. Reducing the depth requirement may not be a viable solution here because there is not a retail tenant proposed and the current space is not amenable to being partitioned to create a 30' deep retail space.

Many cities have similar ground floor retail requirements in their downtowns and similar areas in order to encourage pedestrian activity, add interest, and foster thriving and dynamic commercial districts.

Kirkland's ground floor use restrictions are based on long-time Comprehensive Plan policies that set the vision for the type of downtown envisioned by the community. Some form of ground floor retail restrictions have been in place in the downtown core for over 40 years. The vision and policy direction for the downtown area are found in the Downtown Plan section of the Moss Bay Neighborhood Plan.

In 2010-2011, the City conducted the most recent review of ground floor retail requirements. At that time, the City Council decided to retain all regulations, but scoped a specific review of "end of the block" study areas in CBD 2, CBD 3, and CBD 8 as illustrated in the map below. Study Area C on the map is the Hossman building, subject of the current inquiry.



Green highlighted areas indicate study areas from 2010 amendments

After consideration and recommendations by the Planning Commission, the City Council ultimately amended the KZC to allow office uses outright in Study Area A and to allow additional authority for the Planning Director to approve office uses (including medical) subject to new design standards (outlined below) in Study Areas B and D. The objective was to allow offices that generate higher customer traffic while continuing to preclude offices that generate low customer traffic. The decision at the time was to not allow the additional flexibility for Study Area C, finding that the then-future transit center project would create more pedestrian traffic to that area and that office uses in this area would be detrimental to retailers to the east and west. The new design standards for Study Areas B and D provide the following additional flexibility:

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.

POLICY DISCUSSION

There are recent changes in health care and public health that should be considered in deciding how to proceed on this request. First, health care delivery has evolved with providers developing a more retail-based approach to service delivery. This approach benefits the industry by expanding the customer base through ease of access and by virtue of placing services at highly visible retail locations. Second, the current pandemic highlights the need for convenient access to health care services in urban environments. Having health care providers like Overlake and Evergreen in Kirkland's urban centers may make the community more resilient. In addition to their hospitals, [Overlake](#) and [Evergreen](#) provide walk-in urgent care clinics around the region. A description of Overlake's business model and photos of clinics is included as Attachment 2.

Another policy consideration is the fact that COVID 19 is keeping us in a "period of uncertainty." Commerce in general has shifted dramatically since March to adapt to the rapid shift in how we work and how we shop. This shift has been catastrophic for traditional brick and mortar retail across the globe. No credible expert can predict how or when this will sort itself out. This uncertainty is challenging the community's desire to be nimble and responsive, while avoiding missteps that could be detrimental to economic recovery and the long-term viability of the fragile retail sector.

Options: Staff suggests Council consideration of the following Zoning Code amendment options in discussing this request. The options are presented in order of complexity in terms of timing, public involvement, and level of policy concern, starting with the least complex to more complex options.

Option 1: Consider application of the 2010 office/retail amendment discussed above to Study Areas C, which is a subarea of CBD 8. This would allow the Overlake Urgent Care clinic, subject to design standards. Staff is confident that this amendment could be included for consideration in the current package of low policy-level miscellaneous code amendments currently underway and tentatively slated for adoption in January, 2021.

Option 2: Review the entire CBD for applicability of the 2010 office/retail amendment.

Option 3: Review all zones in Kirkland with similar ground floor retail requirements for applicability of the 2010 office/retail amendment.

Staff Recommendation: Staff recommends Option 1. This would be a previously studied, surgical solution to a current issue. This option would allow new use changes, but only with Planning Director approval to ensure the proposal complements the CBD pedestrian-oriented uses. Staff has reviewed the design requirements with Overlake and their architects, and they have indicated that they can meet the standards. Options 2 or 3 (or broader options identified by Council) could be added to the Planning Work Program for future study, allowing time for a more robust process that is commensurate with the potential impact of the desired policy consideration.

Attachments:

1. QAlert Inquiry
2. Overlake Business Plan and Examples

Service Request Details

ID 9836**Date/Time** 9/15/2020 3:26 PM**Type** Contact City Council**Address** Kirkland

Comments Thank you for taking the time to talk to me today about the future of first floor retail. As I mentioned, Opus Bank was bought out and the new bank will be closing the branch. Hearing this, my upstairs tenant, Overlake Hospital inquired about the space. They called the City and were told that they were not considered "Retail" unless they used the first 30' to sell items. They can not do that. They had wanted to put an urgent care facility to go along with the Hospital aspect they provide upstairs. Since I guess this is their new model, if they can't get space in my building they said they will probably not renew the lease next year. This is a shame for me as a landlord BUT also for the City of Kirkland. first floor spaces will go dark with out a new zoning plan requiring first floor to be retail.

Thank you for your consideration to what I believe will become a every big problem for small towns like Kirkland.

Sincerely,
Carl Hossman Jr
206-660-5170



Overlake Medical Center and Clinics' overall strategic plan is to develop a robust primary / urgent care network within the primary service area ideally in highly visible retail locations. The 2018-2022 Strategic Plan specifically calls for Overlake to "expand primary/urgent care by adding locations and providers to OMC..." The continued expansion of primary care and urgent care throughout our primary service area, through acquisition and development of new clinics, has been an important part of Overlake's network development efforts since 2005.

Overlake currently has 9 traditional primary care clinics and six urgent care clinics, located in Bellevue, Lake Hills, Kirkland, Newcastle, Redmond, Sammamish, and Issaquah. In addition, Overlake operates a primary care clinic at Expedia headquarters, a Senior Health Clinic, and Overlake Concierge Care.

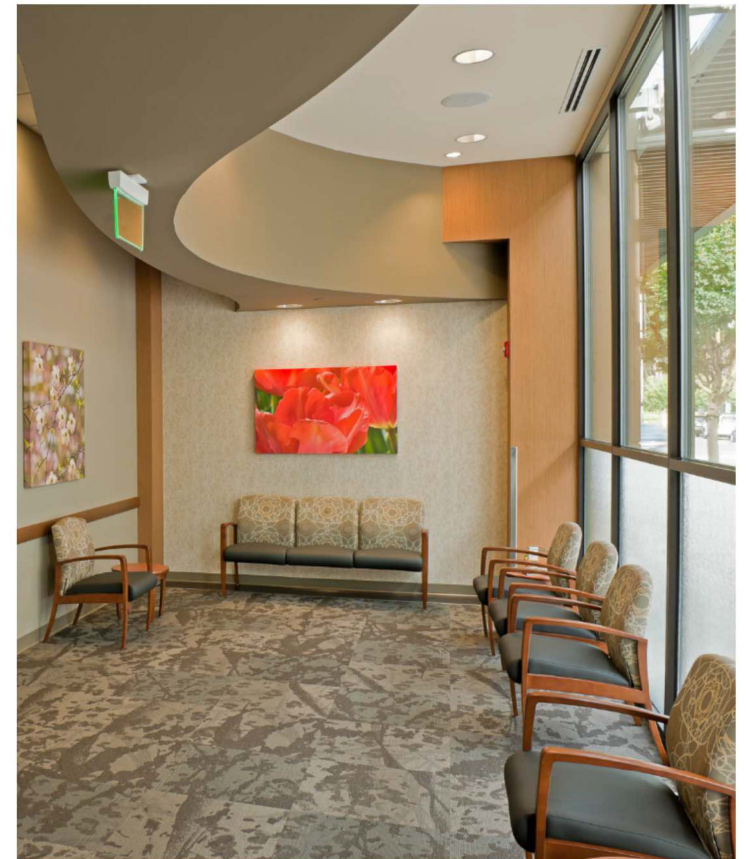
A strong primary care network is essential not only for improved health outcomes, but also for strategic geographic positioning to facilitate patient access to clinical services. Overlake has operated a primary care clinic in the Hossman Building since 2011. Overlake's model is to have primary care and urgent care clinics located in close proximity to each other to facilitate access and continuity of medical care. Currently, Overlake's closest urgent care clinic is the Redmond clinic – a 4.6-mile drive from Kirkland. Other options for urgent care medical services in Kirkland are limited. The growth in the Kirkland Downtown area is conducive to a robust urgent care practice. The location is highly visible and in a retail setting which is desirable for an urgent care practice. Overlake Medical Center and Clinics currently receives about 7% of its market share from residents of Kirkland or \$156K unique patient visits per year.

Overlake Urgent Care Clinics treat patients of all ages and work closely with all Overlake locations and providers facilitated by an integrated electronic health record. All of the clinics provide onsite labs and digital X-ray services. Most insurance plans are accepted, as are self-pay options. The Urgent Care locations treat common illnesses such as colds, the flu, earaches, sore throats, migraines, fever or rashes. The clinics also care for minor injuries such as sprains, back pain, minor cuts and burns, minor broken bones or minor eye injuries. The Overlake Urgent Care Clinics have direct access to Overlake Hospital, the emergency room and a network of specialists, allowing us to provide a higher level and coordination of care than most other immediate/urgent care locations. The clinics provide walk-in appointments and have an online system that allows patients to 'get in line' for care to avoid waiting in the clinic. The clinics transfer an average of 2-5 patients a day to the emergency room by either ambulance or patient's own vehicle.

Hours of operation of the Kirkland Urgent Care clinic will be Monday – Saturday from 12 pm – 10 pm. Hours may be adjusted based on market preferences. Staffing will consist of providers (physicians, nurse practitioners, and physician assistants), medical assistants, patient service representatives, registered nurses, and radiology technicians.

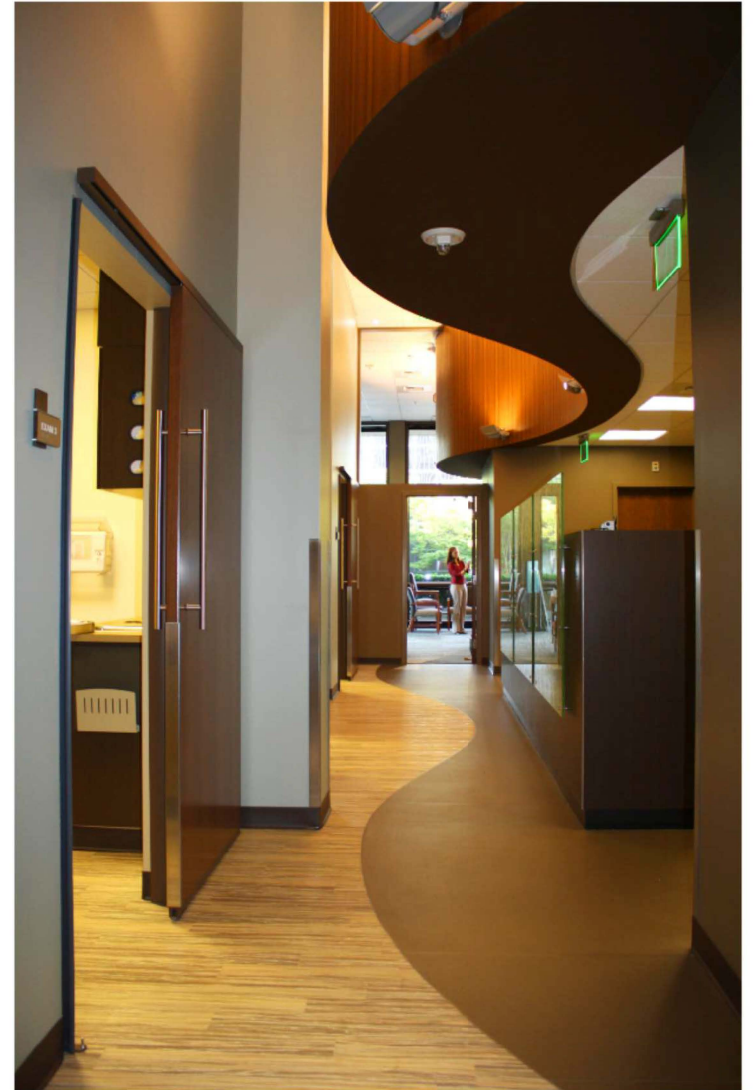


OVERLAKE MEDICAL CLINIC - REDMOND
Redmond, WA





OVERLAKE MEDICAL CLINIC - BELLEVUE
Bellevue, WA





OVERLAKE MEDICAL CLINIC - ISSAQUAH
Issaquah, WA

