



CITY OF KIRKLAND
Department of Parks & Community Services
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Lynn Zwaagstra, Director of Parks and Community Services
John Lloyd, Deputy Director of Parks and Community Services

Date: March 19, 2024

Subject: Houghton Park and Ride Interim Use Options

RECOMMENDATION

That City Council provide direction on potential interim uses of the Houghton Park and Ride while long term plans are developed.

BACKGROUND DISCUSSION

Staff presented several preliminary concepts for interim uses of the Houghton Park and Ride (HPR) at the January 16, 2024 City Council Meeting¹. Concepts included, but were not limited to pickleball courts, a skate park, a pump track, and storage/lay-down space for various construction projects. As discussed at the January 16 meeting, these amenities were recommended based on goals in the 2023 Parks, Recreation and Open Space (PROS) Plan. City Council requested staff continue developing these options and return with more details. To gather feedback on the proposed usage of the site, staff met with Youth Council February 26, 2024, and neighboring community members on site on Saturday February 17th.

Pickleball Courts

At the January 16th City Council meeting, staff presented three different options for pickleball courts, with semi-permanent asphalt courts being the preferred/recommended option. Since the January meeting staff further evaluated HPR to determine the best location for the courts. Rather than install the courts in the western two parking aisles, the middle parking aisles were determined to be the better location based on the existing slope onsite. A level playing surface can be more easily achieved by paving in between the existing islands in the parking lot, as shown in **Attachment 1**. A price breakdown for the pickleball courts is shown in Table 1 below.

¹ https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2024/january-16-2024/3b_study-session.pdf

Table 1: Pickleball Court Costs

Description	Cost
Prep, grade, and pave 4 pickleball courts	\$60,000
Court striping	\$5,000
Acrylic court coating (optional in place of court striping)	\$15,000
Net and posts (4 courts)	\$5,000
TOTAL	\$70,000 - 85,000

Skate Park, Pump Track, and Traffic Garden

Working with the vendor, staff continued to develop the proposal to use the northern portion of the site for a skate park, pump track, and bicycle playground/traffic garden. As proposed in January, staff continue to recommend a modular system which can be relocated in the future once long-term plans for the HPR are determined. The modular design proposed provides a variety of elements and is suitable for beginner and more advanced skaters. Staff are still working to refine the proposal to reduce the cost to the \$350,000 proposed in January. The cost breakdown of the layout shown in Attachment 1 is shown in Table 2 below. Pricing includes equipment, shipping, and prevailing wage installation costs. Staff sought feedback from Youth Council on the proposed design. The overwhelming feedback provided by Youth Council members was positive.

Table 2: Skate Park, Pump Track, and Bicycle Playground/Traffic Garden Costs

Description	Cost
Skate Park Elements	\$203,286.87
Pump Track	\$102,000.92
Bicycle Playground/Traffic Garden*	\$45,429.77
Sourcwell Cooperative Purchasing Discount – 7%	(\$24,550.23)
Sales Tax	\$33,269.07
TOTAL	\$359,463.40**

*Price does not include road painting as shown. This would be done in-house.

**Staff are working with the vendor to reduce overall cost to \$350,000 as presented in January

Community Gardens and Other Considerations

As discussed in January, the southern half of the HPR could be used for various recreation programs. Adding a few programs can be accomplished with current staffing levels. Staff recommend offering a few community flea markets and pop-up summer markets per year. Additionally, staff could schedule a few drive-in movies at the site. Additionally, the site could be used for small community building events like a chalk art festival, trunk-or-treating, or a winter/holiday market. Finally, the skate park and pickleball courts could be utilized for camps and lessons.

Community Gardens were not included in the January proposal. However, this has been one of the more consistent items requested for the site, which was again articulated at the onsite meeting with the neighborhood in February. They were also featured prominently in the 2023 PROS Plan and the Sustainability Strategic Plan. The current Pea Patch program consistently sells out and has a long waiting list. Staff propose installing 22 Community Garden plots on the western edge of the site, as shown in Attachment 1 for approximately \$15,000. By locating the pickleball courts to the center of the site, the existing irrigation system around the perimeter of the HPR can be modified to provide water access for gardeners. Staff will work with Public Works to remove the asphalt at the same time as the pickleball court installation. Individual plots

will be constructed on site and will be made available to the community. Currently, Pea Patches are rented for \$60 per year.

As outlined in January, once the HPR is activated for park use, there will be an ongoing expense to manage the site, including picking up trash, routine inspections, and maintaining the restroom. Staff recommend opening the existing restroom on site for public use rather than placing a portable restroom on site. Providing routine maintenance for the site, including labor, supplies, and utilities, will cost approximately \$35,000 per year.

Finally, to ensure the safety of participants, fencing and other security should be included in the project. Staff recommend installing three- to four-foot-tall chain link fences between each of the pickleball courts as well as along the southern end of the skate park. Fencing or large concrete ecology blocks would be placed to prevent vehicles from accessing the recreational areas of the site and to prevent balls from the pickleball courts from rolling into other activity areas. Staff anticipate this to cost \$20,000 - \$25,000 depending on the amount and height of fencing installed and the number of ecology blocks required.

Summary of Parks and Community Services Use

- Pickleball Courts: \$70,000 - \$85,000 (one-time)
- Skate Park and Bike amenities: \$350,000 (one-time)
- Community Gardens: \$15,000 (one-time)
- Fencing/Ecology Blocks: \$25,000 (one-time)
- Site Amenities: \$25,000 (one-time)
 - benches, tables, signage, etc.
- Construction Contingency: \$25,000 (one-time)
- Maintenance: \$35,000 (ongoing)

Total One-Time Expense: \$510,000 - \$525,000

Total Ongoing Expense: \$35,000

Staff identified a funding source of Park Impact Fees held in the Neighborhood Park Land Acquisition project (PKC13330) that could be used for this project. Each of these interim investments qualify for impact fees because they expand parks and recreation programs and capacity.

Other Potential Use

The Public Works Property Analyst has developed a systematic approach for determining lease rates based on several factors, including land value, area leased, rate of return desired, and other impact factors. Following this methodology, staff recommend setting a lease rate of \$4.03 per square foot per year for construction staging/laydown usage with a 3% annual escalation factor for multi-year leases. Table 3 shows the potential rental revenue for a three-year lease of 10,000 – 30,000 square feet of the HPR. In addition to the lease rate, staff recommend requiring a surety bond priced at \$10 per square foot as a deposit to cover the cost to restore the site following heavy commercial use. The images included as **Attachment 2** shows the approximate space that would be utilized ranging from 10,000 – 30,000 square feet. Staff have not begun negotiations with any interested contractors, pending direction from Council about the interim plan for the property.

NOTE: If the Council pursues the potential public/private partnership with the Seattle Kraken described later in this memo, any lease would need to be of limited duration such as one year.

Table 3: Potential Rental Revenue with 3% annual escalation

	30,000 Square Feet	20,000 Square Feet	10,000 Square Feet
2024	\$120,987	\$80,652	\$40,326
2025	\$124,607	\$83,071	\$41,535
2026	\$128,345	\$85,563	\$42,781
TOTAL	\$373,939	\$249,286	\$124,642

Any remaining portion of the southern parking lot not leased for construction activity would be made available for additional programming or general use when not programmed. General use includes overflow parking for the northern half of the site as well as for day-time parking. This space would also be made available for the recreation programming mentioned above, as well as the Fire Department trainings discussed in January. Other programming was mentioned and could be offered by other departments, or PCS staff could add programming with the 2025-2026 budget cycle.

Staff received other requests for the site that were not considered because they were not suitable for short term temporary use being considered. Examples of requested elements include sand volleyball courts, a playground, and electric vehicle charging stations. Overnight parking was also requested. Staff recommend establishing standard operating hours and to close/lock the gates daily, like other parks. Staff recommend against allowing overnight parking.

Seattle Kraken Public/Private Partnership Proposal

The long-term use of HPR has not yet been determined. However, the City Manager shared with City Council at the March 5, 2024 meeting that the Seattle Kraken have expressed interest in a public/private partnership for the construction of an ice arena at HPR. The Council authorized the City Manager to explore the Kraken proposal and identify City interests and benefits of such a potential public/private partnership. Subsequently, City Council received a letter from Lance Lopes, Executive Vice President/General Counsel, stating the Seattle Kraken's interest in building two regulation NHL ice rinks with ancillary support facilities at the site (**Attachment 3**). One element proposed was to build a third floor on the ancillary support building that could be operated by the City of Kirkland for recreation and community programming and services. It should be noted that this is a concept only and no discussions have yet occurred about how the City might use this potential space.

Staff will be reaching out to Council to schedule groups of two or three Councilmembers to tour of the Northgate facility with Kraken leadership and key City staff. The City Manager is also assembling an interdepartmental team to review the proposal and identify city interests. That team will include representatives from the City Manager's Office, the City Attorney's Office, Finance, Parks, and Planning & Building. The staff team will meet weekly to identify issues, actions, and next steps.

Next Steps

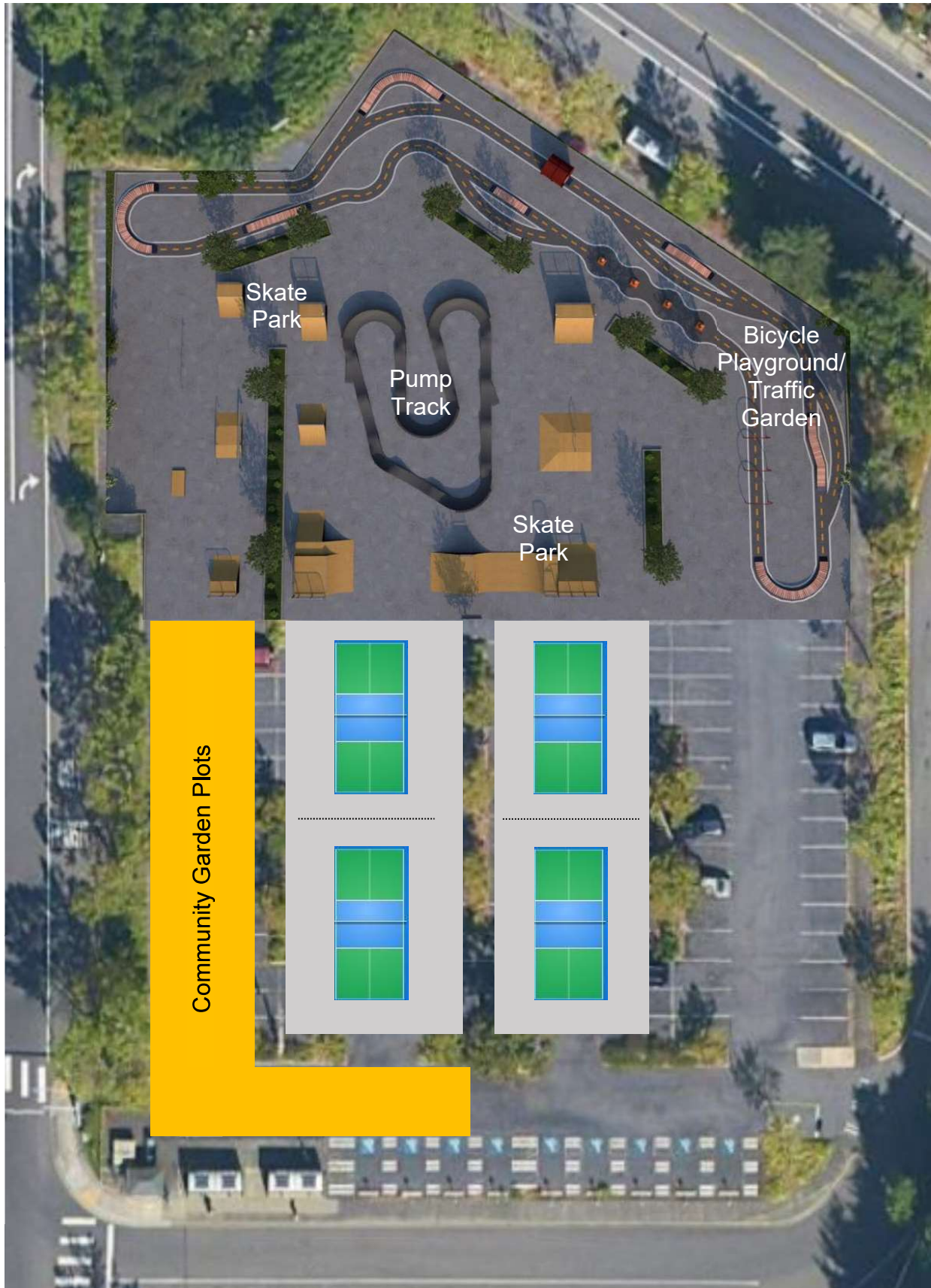
Staff is seeking direction from City Council on how many of the proposed amenities should be included should the Houghton Park and Ride proceed with this type of interim use. Based on City Council direction, a fiscal note will be brought back at the next meeting.

Attachment 1 – Site Layout Overview

Attachment 2 – Potential Construction Staging Area

Attachment 3 – Seattle Kraken Letter

Attachment 1: Site Layout Overview



Attachment 2: Potential Construction Staging Area



Attachment 3: Seattle Kraken Letter

Proposal Kraken Community Iceplex and Community Center- Kirkland

Project Description

By September 2026, the Kraken propose building two regulation NHL ice rinks and ancillary support facilities, including ice plant, locker rooms, skate shop, concession stand, lobby, fitness/training, offices and viewing areas on the parcel identified in Exhibit A. We will also include 22 on- site parking spaces and a covered child drop off area.

The facility will utilize the parking located on the adjacent parcel to the north with reserved parking for a portion of the spaces.

The Kraken will build and operate a 75,000 square foot first floor and a 15,000 square feet second floor for its hockey programming and viewing areas to rinks.

The City of Kirkland will retain 15,000 square feet on the third floor that the Kraken will build as warm shell and demised for Kirkland to program with FF&E as it desires at its' cost. The cost to build this "Kirkland Space" shall be borne by Kirkland as a proposed fixed cost of \$7,500,000, which represents a burdened cost of \$500 per sq. ft. Kirkland will have use of the covered drop off area and a vertical access to the space.

Kraken benefits received from Kirkland:

1. 35-year lease with a 5-year option at \$1 per year.
2. Waiver of development and permit fees and Kirkland portion of construction sales tax.
3. Building set back variance to allow for zero lot line on E/W sides to allow rinks to fit.
4. Kirkland would cooperate with Kraken effort to serve as conduit to borrow \$40M in short term (2 yrs) construction loan financing from King County with interest expense and loan guarantee paid by the Kraken and paid off 6 months after completion of construction.
5. Kirkland will ensure at least 210 parking spaces are available in the north parcel during the term of the lease and that a minimum of 160 are reserved for Kraken facility use.
6. Kraken will retain ability to sell naming rights to the facility for the lease term

Kirkland public benefits received from Kraken:

1. Kirkland residents will get convenient paid access to state-of-the-art ice rinks operated at the sole risk and expense of the Kraken.
2. Kirkland residents will have a 15,000 square foot community center to be programmed and operated by Kirkland, but built by the Kraken.
3. Kraken take risk for financing, design, construction, completion and long term maintenance of the facility and we would sign a lease for a 35 +5 year term. We would lease back the Kirkland Space for \$1 plus expenses (utilities, etc.) and Kirkland gets full control of that space.
4. Kirkland could offset the entire cost of the community center and land acquisition cost from the Kraken tax payments we estimate at \$600k per year. (Property \$400k, B & O \$45k, Sales \$110k, Admissions \$45k)
5. Kirkland business community and Kirkland gets additional activity and sales tax revenue generated from Kraken Community Iceplex visitors and tournament attendees.
6. Kirkland gets Seattle Kraken players and NHL brand presence in its community.
7. Kirkland's underserved communities and schools would receive Kraken resources and attention.
8. Kirkland would own the entire facility and expiration of lease.





SECTION PERSPECTIVE
Kraken Ice Center



PERSPECTIVE
Kraken Ice Center



Level 1



Level 2



Level 3

