



**CITY OF KIRKLAND**

Planning and Community Development Department  
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**MEMORANDUM**

**To:** David Ramsay, City Manager

**From:** Eric Shields, Planning Director  
Angela Ruggeri, Senior Planner

**Date:** July 23, 2008

**Subject:** Status Report on Touchstone (Parkplace), Orni and Altom Private Amendment Requests (PARs): File ZON07-00016, ZON07-00012 and ZON07-00019

**RECOMMENDATION**

Receive and discuss status report on Touchstone (Parkplace), Orni and Altom PARs.

**BACKGROUND DISCUSSION**

- I. PRIVATE AMENDMENT REQUESTS** (see Attachment 1)
- A. Touchstone Corporation (Parkplace)** submitted a private amendment request for the redevelopment of the existing Kirkland Parkplace Center. The request included a building height increase from 3-5 stories to 4-8 stories as measured from the grade of 6<sup>th</sup> Street and Central Way and the allowance of taller buildings next to Central Way and 6<sup>th</sup> Street. It included a building setback reduction from 20 feet to 0 feet on Central Way and 6<sup>th</sup> Street, and potentially from 10 feet to 0 feet next to Peter Kirk Park. The request also included possible flexibility in other regulations such as lot coverage. The requested amendments would be reflected in changes to the Comprehensive Plan and Zoning for the site.
  
  - B. Katherine Orni** submitted a private amendment request for the properties located at 825, 903 and 911 5<sup>th</sup> Avenue, east of the Post Office in the Moss Bay Neighborhood. The request is to change the zoning to PLA 5C which allows office use and has a maximum height of 60 feet above average building elevation or 6 stories whichever is less. The existing zoning is PLA5D which does not allow office and has a maximum height of 40' above average building elevation or 4 stories whichever is less. The site presently contains office uses and has for nearly 30 years. The three existing legally nonconforming office buildings were allowed to be built because of a legal action that was taken when the property was rezoned from office to residential.

- C. Rhoda Altom** submitted a private amendment request for the property located at 220 6<sup>th</sup> Street in the Moss Bay Neighborhood. She requested a change in zoning from PLA 5B to PLA 5C to allow additional height up to 60 feet above average building elevation or 6 stories whichever is less. The existing PLA 5B zoning has a maximum height allowance of 30 feet above average building elevation. She also asked that the minimum lot size requirement of one acre for this additional height in PLA 5C be removed. The study area for this PAR has been expanded to include the site to the north of the Altom property. This site is between the Altom property and PLA 5C. The property to the south of the Altom property contains a relatively new office building and is just north of a single family development. It has a topography change and so provides an appropriate transition piece between PLA5C and the single family development to the south. It is not included in the study area.

## **II. PROCESS**

The Private Amendment Request (PAR) process has two steps: 1) the threshold determination by the City Council to decide whether to further consider the request; and 2) the study process when the requests that are selected are considered further. The study process involves public hearings by the Planning Commission, a recommendation from the Planning Commission to the City Council, and a final decision by the City Council.

The City Council made the Phase 1 decision to further consider these three private amendment requests in July of 2007. At that time, the Council also passed a resolution which directed the Design Review Board (DRB) to play a role in advising the Planning Commission on the Parkplace PAR.

The role of the DRB during the annual amendment process was to help staff and the Planning Commission develop appropriate Comprehensive Plan policies, development regulations and design guidelines for the portion of CBD 5 where Parkplace is located. The primary issues that the Board focused on were site layout and building massing. The DRB's recommendation has been used by the Planning Commission to help in the development of their preferred alternative that will be studied in the Final Environmental Impact Statement (FEIS).

## **III. ENVIRONMENTAL IMPACT STATEMENT (PLANNED ACTION)**

The environmental review process for the Touchstone (Park Place), Orni and Altom proposals began last fall. This process has been different than the one used for other amendments to the Comprehensive Plan. The environmental review process for the 3 PARs includes a Planned Action Environmental Impact Statement (EIS) which considers the potential impacts associated with land use, aesthetics, transportation, public services and water and sewer utilities. An extensive traffic study and a massing analysis have also

been used to evaluate the largest potential impacts. The statute and rules for planned actions (RCW 43.32C.031 and WAC 197-11-164) establish a process to address site-specific environmental impacts of planned projects and mitigation measures early in the planning stage of the projects. This early review is intended to provide greater certainty and efficiency in project level environmental review. The Planned Action EIS process has occurred concurrently with the DRB and Planning Commission study process.

The Draft Planned Action EIS has evaluated two alternatives for each site: (1) a “no action” alternative that describes development of sites under the existing Comprehensive Plan, and (2) the applicants’ proposals. The existing conditions were also taken into account. The draft EIS was issued on April 4, 2008. The Planning Commission has used the draft EIS as a tool to analyze the alternatives studied for the Park Place, Orni and Altom proposals. The PC has now determined their preferred alternative to be studied in the Final Environmental Impact Statement (FEIS). The FEIS will be used by the Planning Commission to produce a recommended development level for each site that will ultimately be proposed to the City Council. This recommendation will include the Comprehensive Plan policies, development regulations, design guidelines and a Planned Action Ordinance that the City Council will consider adopting for the area.

The applicants’ proposals that were studied in the DEIS are as follows.

- A. Touchstone (Parkplace):** The proposal includes up to 1.8 million square feet of office, retail and hotel floor area and approximately 3,500 parking stalls. The 11.7 acre site currently contains 250,700 square feet of office and retail uses along with 742 parking stalls.
- B. Orni:** The proposal includes a 4 to 5 story office complex (up to 60 feet above average building elevation in height) with approximately 145,000 square feet of floor area and underground parking. The site currently contains three legally nonconforming office buildings.
- C. Altom:** The applicant is proposing an office up to 60 feet above average building elevation in height. A similar proposal will be analyzed for the adjacent parcel to the north. Both parcels contain office buildings at the present time.

#### **IV. WHERE WE ARE IN THE PROCESS**

Planning Commission study sessions to develop recommended Comprehensive Plan policies, Zoning regulations, Design Guidelines, and the Planned Action Ordinance will continue through September 2008. The Final Planned Action EIS is tentatively scheduled to be issued in early October. Three public hearings have already been held by the Planning Commission. Another public hearing will be held after the EIS is issued to take comment on the preferred alternative and the related Comprehensive Plan, the Zoning

regulations, Design Guidelines and Planned Action Ordinance developed by the Planning Commission. The Planning Commission's final recommendation will go to the City Council after the Planning Commission holds this hearing and completes their recommendation. The Council study session is tentatively scheduled for November 18 and the Planning Commission recommendation will be presented at the Council meeting on December 2.

## **V. PUBLIC COMMENTS**

On April 24, the Planning Commission held its first public hearing to take comment on the PARs. The SEPA Responsible Official was also there to hear comments on the Planned Action DEIS. The Planning Commission then had a number of study sessions to develop the preferred alternative to be studied in the FEIS. On June 12 and June 26, public hearings were held to take more comment on the PARs and the Planning Commission's preferred alternative for the FEIS. The public has also been involved in the study sessions for both the DRB and the PC.

To date we have received approximately **255 letters and e-mails** on the PARs. The vast majority of comments received are related to the Parkplace proposal. Staff is in the process of putting together a spread sheet outlining the concerns and ideas expressed in this correspondence. Our present tally indicates approximately **86 in favor of the Parkplace PAR** and **169 against it**. If more than one letter or e-mail was received from the same person, it was only counted once.

There have also been 3 separate petitions signed relating to the proposal.

- The petition **supporting** the 8 story mixed use redevelopment of Parkplace includes **413 signatures** to date.
- The petition to **reject** the proposed PARs for Parkplace, Orni and Altom includes **227 signatures** to date.
- The petition to require any rezone or redevelopment of Parkplace to include maintenance and enhancement of the pedestrian corridor that runs from 2<sup>nd</sup> Avenue through the office projects at 550 and 520 Kirkland Way and through Park Place and Peter Kirk Park to Park Lane includes **164 signatures**. This petition expressed concern about the proposed plans that include a building placed on top of the existing pedestrian pathway.

Comments taken at the public hearings have also been tallied below. In many cases, these comments came from people who had already written letters and e-mails, or signed petitions. Some people also spoke at more than one of the hearings.

At the public hearing on April 24: **4 spoke in favor of the Parkplace PAR** and **17 spoke against it**.

At the public hearing on June 12: **28 spoke in favor of the Parkplace PAR and 14 spoke against it.**

At the public hearing on June 26: **20 spoke in favor of the Parkplace PAR and 14 spoke against it.**

## **VI. ALTERNATE TOUCHSTONE PROPOSALS**

In addition to their original PAR, Touchstone Corporation has been refining their 8 story mixed use proposal. Their latest site plan submittal including proposed building heights is included as Attachment 2, Plan B.

Touchstone has also submitted for design review a redevelopment proposal for Parkplace Center with the intention of meeting the current CBD-5 Zoning Code regulations and Comprehensive Plan policies. The current CBD-5 Zone provides for a range of heights from 3-5 stories above average building elevation.

The applicant has decided to pursue design review approval of this current zoning proposal while the City considers the request to amend Kirkland's Zoning Code regulations and Comprehensive Plan policies to achieve additional height and reduced building setbacks. The applicant wants to be sure that they vest under the current rules in case their PAR proposal is not approved.

This new proposal is to redevelop the existing Parkplace Center in two phases. Phase I consists of 6 or 7 office buildings at five-stories in height located in the north and northeast portion of the site (see Attachment 2, Plan A). All existing buildings, except those retained until Phase II, would be removed. The plans include between 895,000 and 935,000 square feet of office space.

The proposal would contain very little retail. The QFC store and the existing retail building directly east of the grocery store would be retained and redeveloped at a later date in Phase II. The building southeast of QFC that contains the two restaurants (Pancake House and prior Thai Restaurant) will also be retained and redeveloped in Phase II.

## **VII. PLANNING COMMISSION DIRECTION ON PREFERRED ALTERNATIVES FOR THREE PRIVATE AMENDMENT REQUESTS**

The Planning Commission has defined the basic parameters of the preferred alternatives for the 3 PARs sufficiently to allow the final EIS to be prepared. Staff has also begun work on the amendments to the Comprehensive Plan, Municipal Code and zoning that will be developed over the summer. The following will be studied in the FEIS.

**A. Touchstone (Parkplace) Preliminary Preferred Alternative**

The Planning Commission has taken the following into account in the development of their preferred alternative for Parkplace. The developer seeks to build 1.2 million square feet of office which he believes he can accomplish under existing regulations. He would like to include retail, a hotel and an athletic club in the development, but has stated that this will be economically feasible only if it is in addition to the 1.2 million square feet of office. Touchstone has proposed a mixed use project with a total of 1.8 million square feet.

The Planning Commission has expressed a desire to provide a strong retail component within the project. They have also discussed maintaining a pedestrian oriented design along Central Way by lowering heights along the street. In response to their concerns about the applicant's alternative concept (Attachment 2, Plan A), the Planning Commission discussed increasing the height up to 11 stories in some areas of the site while reducing it in other areas to 3 to 7 stories. The Commission decided not to pursue this option, however, after receiving public comment at the hearings. The Planning Commission's preferred alternative is explained below and is shown as Plan C of Attachment 2.

1. Uses: The Planning Commission indicated that office and mixed use are appropriate for the site. The Commission also believes that retail is an essential component for redevelopment of the Parkplace site and that at least 300,000 square feet of retail should be required.
2. Square footage: The Planning Commission has decided to retain the overall square footage requested by Touchstone for the analysis of the preferred alternative in the FEIS.
3. Height Allowances: (see Attachment 2, Plan C). The Planning Commission's preferred alternative includes the following heights:

Low Height Areas

- 3 stories within 20 feet of Central Way before stepping up to the next height zone.
- 4 stories east of Peter Kirk Park before stepping up to the next height zone.
- The building(s) to the south of the central open space must be low enough to allow for sun to reach 50% of the open space plaza at 2:00 pm on March 21<sup>st</sup> and September 21<sup>st</sup>.

Medium Height Areas

- 7 stories stepped back 20 feet from Central Way.

- 6 stories stepped back 20 feet from the 4 story zone to the east of Peter Kirk Park.

Maximum Height Areas

- Up to 8 stores along 6<sup>th</sup> Street.
- Up to 8 stories in the southeast portion of the site

4. Setbacks/Step backs: The Planning Commission agreed with the Design Review Board's recommendation (see Attachment 3):

- Central Way: No setbacks along Central Way and 6<sup>th</sup> Street if there is a relationship between the building and the pedestrian (retail uses for example), otherwise some setback from the property line should be required. Buildings along Central are limited to three stories and then are to be stepped back 20 feet to 7 stories.
- Park: A medium setback was recommended adjacent to the park. The buildings adjacent to the park are to be 4 stories with 20 foot step backs to 6 stories and then 8 stories.
- South/Southeast boundary: The widest setback (25' to 40') is recommended along the south portion of the site adjacent to the existing office and residential uses.

5. Open Space Requirements: The Planning Commission agreed with the Design Review Board's recommendation that a large central open space should be required in exchange for the additional height proposed. It was also decided that the site should be designed so that there is ample sunlight in the plaza. As a benchmark, the Planning Commission directed that the FEIS model a scenario in which not more than half of the open space should be in shade at 2:00 pm on March 21<sup>st</sup> and September 21<sup>st</sup>. The result is that buildings to the south of the open space must be kept at a height that will prevent this from happening.

6. Gateway Feature: The Planning Commission concluded that there should be some flexibility to allow for creative treatment of the entry way corner at 6<sup>th</sup> Street and Central Way. A 7 story building would be allowed on that corner with a building step back from Central Way equal to an 80% incline plane above the 3<sup>rd</sup> story of the building. The building step back line will be measured from the top of the 3<sup>rd</sup> story at the face of the building. This step back will be used to protect the view corridor down Central Way.

7. Lot Coverage: The Planning Commission is suggesting 100% lot coverage (impervious surface) as is allowed in many areas of the downtown. This will allow for the underground parking proposed throughout the site.

**B. Orni Preliminary Preferred Alternative**

1. Uses: The Planning Commission's allowed uses for the preferred alternative are: residential and mixed use (office 50% and residential 50%). An office only development as proposed by the applicant would not be allowed.
2. Height Allowances: The existing office buildings on the site are two stories high. The code presently allows multifamily buildings up to 4 stories or 40 feet above average building elevation, whichever is less. The Planning Commission is proposing that the maximum 40' height limit currently allowed be maintained.
3. Setback Requirements: The existing code requires an additional setback from single family uses in PLA5A for buildings over 30' above average building elevation (ABE). This regulation was originally put in place to protect the single family homes in the area as the area transitioned to office and multifamily uses. Since that time, most have been rebuilt into multifamily developments. There is only one remaining single family home to the south of the project that would require this additional setback. This home is presently for sale and so it is assumed that the site will be redeveloped with multifamily residential. The Planning Commission is proposing that this requirement be removed.
4. Design review: The Planning Commission is proposing that administrative design review be a requirement of mixed use development, but not for residential only development.

**C. Altom Preliminary Preferred Alternative**

1. Uses: Both the existing Comprehensive Plan designation and the proposed designation are for office/multifamily uses and so a change in use is not being considered.
2. Height Allowances: The Planning Commission is proposing up to 52' above average building elevation (ABE) for this area.
3. Lot size requirements: The Planning Commission expressed concern about allowing the additional height on lots smaller than 1 acre. The proposed zoning presently allows up to 6 stories or 60' above ABE if the site is at least 1 acre, otherwise, 30' above ABE. The Commission has suggested that if only the site at 220 6<sup>th</sup> Street (approximately .4 acres) is developed, 40' above ABE or 3 stories whichever is less should be allowed. If both sites

(approximately .83 acres) are developed together then 52' above ABE or 4 stories whichever is less should be allowed.

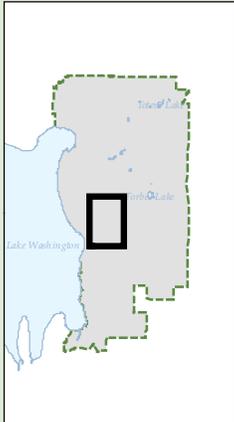
4. Design review: The Planning Commission proposes that administrative design review will be a requirement for buildings over 30'. The Planning Commission also stated that if design review is required for the site, it should be a requirement for the entire PLA5C zone (not just the specific PAR location).

ATTACHMENTS:

1. Location map for three PARs
2. Comparison of Park Place Proposals
3. DRB Recommendation on Park Place proposal setbacks.

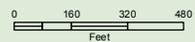
Cc: Douglas Howe, 2025 1<sup>st</sup> Avenue, Suite 790, Seattle, WA 98121  
Katherine Orni, 825 5<sup>th</sup> Avenue, Suite 202, Kirkland, WA 98033  
Rhoda Altom, P.O. Box 22926, Seattle, WA 98122  
File ZON07-00012  
File ZON07-00016  
File ZON07-00019

# Vicinity Map

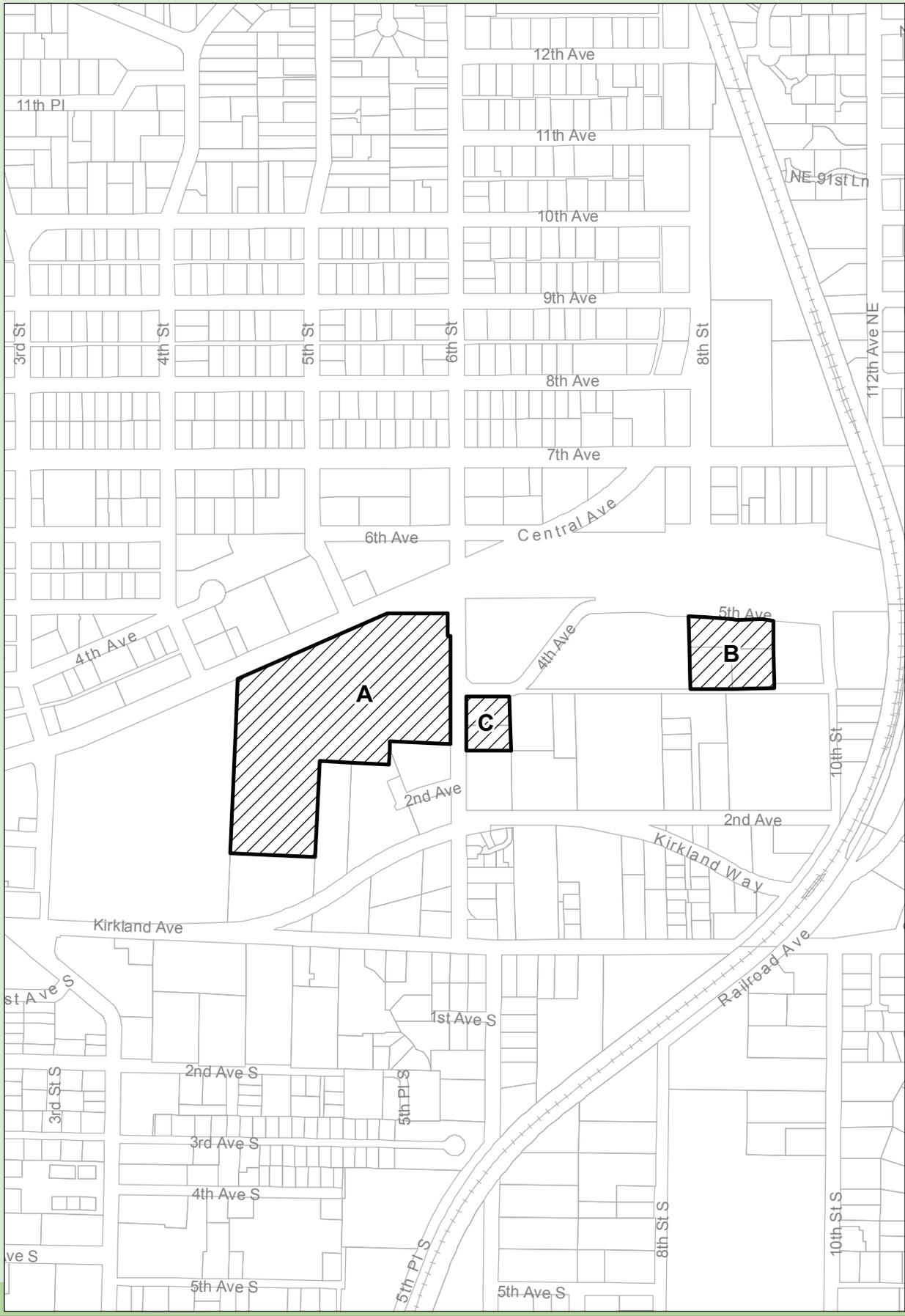


**Map Legend**

-  Planned Action Areas
- A = Touchstone (Park Place)
- B = Orni
- C = Altom



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### CURRENT KIRKLAND PARKPLACE

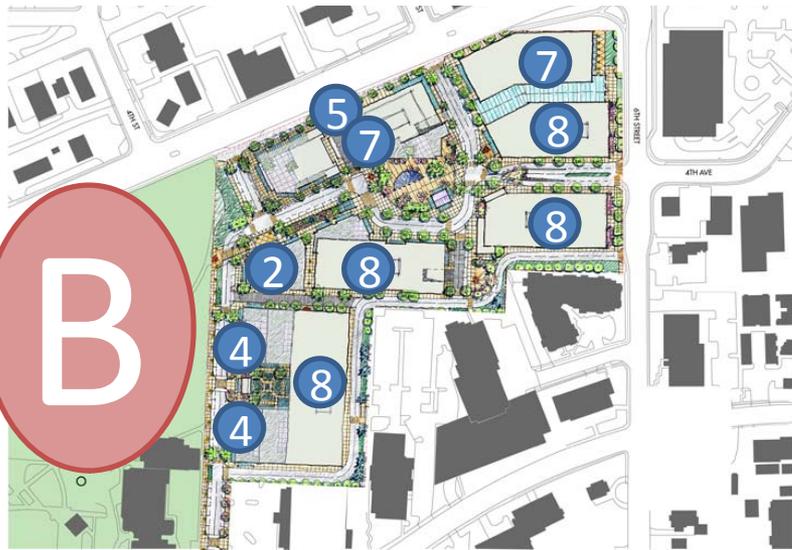
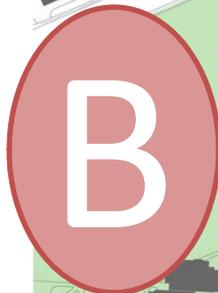


### TOUCHSTONE OFFICE ALTERNATIVE

(5-STORIES, SUBMITTED TO CONFORM TO CURRENT ZONING)



### TOUCHSTONE MIXED-USE ALTERNATIVE (8-STORIES, PAR AND GUIDELINES REQUIRED)



### PLANNING COMMISSION MIXED-USE ALTERN. (8-STORIES, PAR AND GUIDELINES REQUIRED)



\*height depends on less than 50% of open space in shade at 2pm Sept 21st and March 21st

