City of Kenmore

City of Kenmore - 18120 68th Avenue NE - PO Box 82607, Kenmore WA 98028
Phone: 425-398-8900 - Fax: 425-481-3236 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
City Council Special Meeting Agenda
5:30 p.m., Monday, July 30, 2012
Kenmore City Hall
18120 68th Avenue NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at (425) 398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are available for viewing on our website at: www.kenmorewa.com.

I. CALL TO ORDER

II. EXECUTIVE SESSION - POTENTIAL LITIGATION PURSUANT TO RCW 42.30.110(1)(i) and PROPERTY ACQUISITION PURSUANT TO RCW 42.30.110 (1)(b)

Action may be taken upon reconvening.

III. SPECIAL MEETING

A. New Cingular Utility Tax Refund Claim Settlement Agreement - Rob Karlinsey, City Manager

IV. STUDY SESSION (7:00 p.m.)

A. Kenmore Village Positioning Statement Discussion

V. ADJOURNMENT

City Of Kenmore, Washington

MEMO:

To: Mayor and Councilmembers

From: Rob Karlinsey, City Manager

Date: July 26, 2010

Subject: Kenmore Village Action Plan

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Kenmore Village Action Plan: July 30, 2012 Council Meeting: At the July 30, 2012 Council meeting, Council will be developing a positioning statement for the Kenmore Village site which will identify what existing assets position the site to successfully compete for investment and the role the site will play in Kenmore's future. The positioning statement is part of the third step of the Kenmore Village Action Plan strategy. Rod Stevens, of Spinnaker Strategies is preparing a draft positioning statement which will be provided to you by separate transmittal. Rod Stevens has also prepared a memo (see attachment #1) summarizing the development outlook for the Kenmore Village properties and how the City's investments in Kenmore Village will leverage investment and development throughout downtown. On 7/20/12 City staff, two councilmembers, and two members of the community met with Erika Schmidt of Frause (a marketing and communication company) to informally discuss development of key messages about Kenmore. Summary notes from this meeting will be provided in a separate transmittal.

Status of the Kenmore Village Action Plan to Date: There are three steps in the action plan (see attachment #10). There are five parts (A through E) to step three.

1. **Step 1**: The first step of the action plan was completion of a purchase and sale agreement with Kenmore Camera for a portion of the Kenmore Village property. Agreement was reached on June 11, 2012 and Kenmore Camera is currently within a 90 day due diligence period.

2. **Step 2:** The second step of the action plan is contracting with a property management company for the Kenmore Village properties to take over the daily management and operations of the site until the property is sold. Staff received interest from five companies in response to a request for proposal, interviewed three companies 7/23/12 and is now working on preparing a contract.

3. **Step 3:** The third step in the Kenmore Village Action plan is placing the property on the market for sale that leads to closing which involves five parts (Part A through E).

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A. On June 14, 2012 Council completed Part A of the third step and confirmed the downtown goals (see attachment #10) with the objective to bring the Kenmore Village properties to market in a way that advances these goals.

B. Part B of the third step is developing a positioning statement. As a precursor to development of the positioning statement, a developer forum was held July 10, 2012 (see attachment #11) and public forum July 24, 2012 (see attachment #12) to obtain perspectives on current market conditions, and the Kenmore Village site. We have also received several public comments and ideas about the Kenmore Village site and downtown (see attachments #2 through #8).

C. Part C is development of a positioning statement scheduled for discussion at the 7/30/12 Council meeting.

D. Part D is determining specific actions the City should take or commit to before putting the property on the market. A Council meeting is scheduled 9/6/12 followed by a Town Hall Meeting 9/24/12 to obtain further public input.

E. Part E is the fifth and final step in the process which is taking the properties to market following Council direction.

Attachments:

1. Development outlook for the Kenmore Village properties, dated 7/13/12 prepared by Rod Stevens of Spinnaker Strategies.
2. Letter prepared by Dennis Mendrey, submitted at the 7/9/12 Council meeting.
3. E-mail prepared by Jennifer Jones, received 7/21/12.
4. Letter dated 7/23/12 from High Wiese, Don Williams, John Hendrickson and Wayne Fu, submitted at the 7/23/12 Council meeting.
5. Kenmore's Hwy 522 Pedestrian Bridge & Park booklet prepared by Dennis Mendrey, and additional documents submitted at the 7/23/12 Council meeting.
6. Letter dated 7/24/12 submitted by Karen Jan at the 7/24/12 public forum.
7. Conceptual plans prepared by Wayne Fu submitted at the 7/24/12 public forum.
8. Summary notes from meetings with citizens and former Downtown Task Force members prepared by City staff.
9. Summary of Kenmore Village Facts dated June 2012.
10. Kenmore Village Update, dated 6/18/12.
11. Summary notes from the 7/10/12 developer forum prepared by City staff.
12. Summary notes from the 7/24/12 public forum prepared by City staff.

SPINNAKER
STRATEGIES

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To: Rob Karlinsey, City Manager, City of Kenmore
From: Rod Stevens
Date: Friday, July 13, 2012

RE: Development Outlook, Kenmore Village Properties

At the developer forum held onsite at Kenmore Village, broker Maria Royer seemed to capture the sentiment of the audience when she said, "There needs to be a there there". This was the sentiment echoed by many real estate professionals speaking about both commercial and residential development today, not only in Kenmore but elsewhere if a place is going to attract investment. People are looking for a sense of place not only for convenience but to feel centered in a region that is increasingly spread out, one where they may drive ten miles one direction for work and ten miles the other for a night out.

I spoke with a number of developers and brokers in both commercial (office, medical office and industrial space) and residential real estate, and they painted a consistent picture, of a real estate world very much in topsy, one in which the development levels are much lower than five years ago; in which lenders, developers and users are far more cautious; in which there is a "flight to quality" in location and design; and one in which people are much more conscious of value, of not paying too much. We are moving from real estate as commodity, sprawl, to real estate as "place", in which people increasingly want the activities of daily life- working, shopping, going out to dinner, going for a walk- all close at hand.

Besides creating a "there there", an identifiable sense of place, what emerges from these discussions is the need to make a local place, a place that pulls the patronage of local residents by meeting their everyday needs. Many of these needs are already met locally, in the supermarkets and bank branches and fast food restaurants, but these are spread out along the highway like pulled taffy. There are unmet needs for other services, like casual sit-down dining, as well medical services, and there are needs for non-commercial face-to-face places, parks and other civic spaces where people can see other people without having to buy a cup of coffee to sit down. The more social we can make these places, the more face-to-face they are, the more successful they will be. The demand for these places will come not so much from commuters or new kinds of people moving into the city as from existing residents themselves.

8700 ODDFELLOWS ROAD | BAINBRIDGE ISLAND, WA | 98110

The Commercial World

There has been a profound shake-out in the retail world the last five years. Some chains like Linens and Things and Circuit City have gone out of business, while others like Best Buy are downsizing[1]. Even Wal-Mart is creating smaller stores that they can locate closer to the consumer. The U.S. is over-retailed, and the result is not only that most new retail development has stopped, but that the remaining stores are trading up to locations they could not afford before. This is particularly true for budget stores like TJ Maxx, Ross Dress for Less, Marshalls and the dollar stores. There is also an increasing differentiation between upscale urban and regional locations, where developers and retail chains are investing, and more suburban and tertiary locations like Kenmore, where much of the vacant space is located, especially in unanchored strip centers. In going urban, the chain stores are simply following the money. The walkable, center-city neighborhoods like Queen Anne, Capitol Hill, Wallingford, Green Lake and even West Seattle continue to attract young tech workers with high disposable income, and many of the chain stores have not had a presence in these older locations.

There is an established market for walkable retail in these places and the national credit tenants are "bankable" with lenders. Some of these are mixed use projects, but they are essentially apartment buildings with some retail on the ground floor, on established shopping streets where investors can count on filling the space. Five years ago people were in a frenzy to build, almost anywhere, and were worried about simply getting their projects up and open. Today investors and lenders are far more risk averse and are thinking more about the long-term safety of their investments.

Some have discussed the possibility of creating a movie theater complex at Kenmore Village. This does not appear likely. With Netflix and more on-demand cable offerings, more and more people are staying home to watch movies. Overall attendance at movie theaters has declined the last 15 years. Theater chains have responded by increasing prices with a more deluxe "going out" experience that may include 3D movies, better sound systems, refreshments delivered to the seat and even "D Box" seats that shake and move in coordination with the picture.[2] John Hogan, developer of the Gig Harbor Uptown shopping center, built one of these new theaters and says that the theaters

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[1] Maria Royer notes that Best Buy is not only closing stores but replacing them with smaller ones, such as their new "essentials" store of only 3,000 square feet that is less than one-tenth the size of their ordinary stores. Stores like Talbots that used to be located in stand-alone specialty centers are now retreating to the regional malls, where they can be assured a higher level of traffic.

[2] For more on these trends, see "The Trend of Decreasing Attendance with Higher Prices", April-June 2011, White-Hutchinson, http://www.whitehutchinson.com/news/lenews/2011_june/article109.shtml

themselves are a loss leader for the business they bring to the restaurants around them.[3] Such theaters are most likely to locate where there are already clusters of restaurants.

Maria Royer and other brokers say that there is already plenty of retail space and land in Kenmore. Royer notes that there are eight supermarkets within three miles of Kenmore Village.[4] There are also "spacing" issues for most retail chains: they do not want to put their stores too close to one another or they will cannibalize sales. Susan Zimmerman of Kidder Mathews, who handled the leasing of Kenmore Square, where Grocery Outlet store is now located, says that the space now occupied by the dollar store took a year to lease, at asking rents of $12 per square foot (triple net). Dennis Rattie of Tarragon, who developed Kent Station, says that he needed rents of $30 to $32 per square foot (triple net) to justify new construction.[5] Brokers said that even at the top of the market in 2007 and 2008 the Urban Partners project was having problems leasing its retail because of an absence of anchors and the extra cost of structured parking.[6]

Yet there are opportunities for commercial development at Kenmore Village today. A health care institution wants to open a medical clinic in the area.[7] Rick Brunhaven, of Beta Development says that Kenmore might attract more recreational offerings. He has pioneered climbing centers and the like in his centers in the Kent Valley. Educational uses are also possible. One of the anchors at Kent Station is Green River Community College. These educational tenants might include day care centers or math and reading tutoring centers like Kumon and Princeton. Since they serve a local market, they may be able to get by with a more sheltered location if that location is a known destination for local residents.

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[3] Hogan also notes that the theaters have onerous parking needs.

[4] This is enough to serve a population of about 100,000 people. Randy Lee, CEO of Puget Sound Consumers Coop ("PCC") says that Kenmore is not on their "A List" of expansion cities. Natural food chains like his locate their stores based not just on the total number of people living in an area, but on more refined measures like the number of people with college degrees, as well as lifestyles. Fremont and Phinney Ridge are golden territory for them.

[5] The City of Kent wrote down the cost of the land from $20 to $5 per square foot price and subsidized part of the parking garage, in addition to a $10 million garage subsidy from the federal government. The garage subsidies helped make the theater feasible.

[6] Most big box stores require a population of 100,000 to 150,000 people and are generally located within a five-minute drive of a four-way freeway exit. They tend to cluster because shoppers visit these areas once, twice or three times a month, compared to once, twice or three times a week for "daily needs" purchases at -anchored centers.

[7] John Hogan, a participant in the July 10 forum, noted that Tacoma's Multicare is a major tenant in his Uptown Gig Harbor Center. Evergreen Hospital now has a clinic with emergency care and two floors of medical office space in Redmond's Bella Bottega center.

There is certainly need for more casual, sit-down restaurants in Kenmore, but these are hard to attract. Customers say they want the service that goes with sit-down restaurants, but the pattern is that they spend most of their dining-out dollars at low-service, fast-food chains. For this reason, mid-priced sit-down chain restaurants like Appleby's and Outback Steakhouse tend to cluster near malls and freeway exits. For a sit-down restaurant to succeed here, it probably needs to be locally owned and a diner or other theme at a similarly low price point, one in which distinctive food or the personality of the owners are a major draw.

There are examples of such pioneering restaurants elsewhere. In Suisun Bay, California, near Vacaville, Bab's Diner became one of the anchor tenants in a destination downtown redevelopment. Bab's offered customers affordable prices, a kind of "Cheers" atmosphere and a hook to hang their own coffee cups that drew them back on a regular basis. Bab's is still open today and more popular than ever. In Berkeley, Bette's Ocean View Diner became one of the first places to open on Fourth Street, a redevelopment of existing buildings that is now one of the best retail streets in the entire Bay Area.[8] Both of these diners are in places that are nice to walk around or sit outside while waiting for a table.

Residential Development: Also A Quest for "Complete" Places

Today the strongest sector of real estate is urban apartments. Nationally, investors are rushing to put money in income-producing properties in places like Capitol Hill, Queen Anne, South Lake Union, downtown Bellevue and even Pioneer Square. Why? Because these places are close to the job centers, and the tech talent in software and bio tech wants to live near their work in walkable places. The attraction is not merely one of convenience, however, for these neighborhoods also have parks and a critical mass of people on the street that ensures they see other people when they walk out of their apartment. Richard Leiter of Trinity Development says that the "not-hot" places are Des Moines and other dormitory cities. Kenmore is not as remote as Des Moines, but multi-family developers would consider it to be down the list for preferred types of locations, with center city places like Queen Anne first; then downtown Bellevue or Kirkland; then areas that are slightly less walkable or more remote from jobs centers, like Redmond, Northgate or West Seattle; and then emerging places like Bothell and Mountlake Terrace,

[8] The strength of most walkable retail areas comes from their combination of historic, cheap space and their proximity to moderately dense neighborhoods with large numbers of residents. The housing within a mixed-use project does not come close to generating enough demand to support the stores and restaurants. Nor is most of this walkable retail on wide or busy streets. The most popular shopping street in Portland, Northwest 23rd Avenue, has just two travel lanes. In Puget Sound, Ballard Avenue, at right angles to N.W. Market Street, is becoming one of the most popular and eclectic destinations, especially for night-time dining.

where there is some momentum and critical mass of projects in planning. Beyond these kinds of places, there is very little development.

Interestingly, there is also a flood of new money into senior housing, thanks to a change in the tax laws allowing real estate investment trusts (REITS) to become actively involved in the management of on-site services like food, housekeeping and health care. The result is that chains like Merrill Gardens are rapidly expanding and moving away, at least slightly, from traditional high-care products like assisted living and more towards "independent living", in which residents are more agile and go outside the building more. With money to expand, major chains like Merrill Gardens are going where the money is, regionally and nationally. Scott Schneider of Merrill says his company has targeted the most affluent communities in the Bay Area and Southern California or, if sites are not available in them, then in the town next door. In the Bay Area, Merrill Gardens is developing new senior housing in Lafayette, next to Moraga, and Campbell, next to Los Gatos.

And yet there are also smaller senior housing developers building in locations like Kenmore. One of these is Urban Innovations Group, which has projects underway in Mountlake Terrace, Enumclaw and Marysville. The company partners with local, independent companies to provide housekeeping, meal and other services on an a la carte basis, and is interested in the park-and-ride site.

According to Suzanne Britsch of New Home Trends, seniors want basically the same things that young people want- security and convenience. Britsch thinks more developers will jump into seniors housing as they themselves get closer to retirement and realize the need for new product that appeals to younger and more independent seniors.

Both Britsch and Joe Borden of Lorig note that to be successful, new multi-family projects need to pull 50 percent or more of their residents from surrounding neighborhoods. In Lorig's Thornton Creek project at Northgate, the local share was 75 percent. For many seniors there is still a stigma in moving into a rental project, but the burden of maintaining a single-family house drives many out, and they move locally to maintain their friendships.[9]

Seniors will move out of their single-family homes sooner the better their options. It is not just the amenities inside the units that count, but the services and connections around the housing. Tory Laughlin Taylor of Bellwether, who partnered with Urban Partners in proposing senior housing on the park-and-ride site, says that her firm was only interested

[9] Seniors-oriented condominium projects will eventually come back, but probably not until five years from now when single-family prices have first risen sharply.

in building there because of the promise of an active community around the seniors, one that would provide a sense of community connection. Part of this is a sense of security as well, that if seniors step outside their door, there will be other people around, eyes on the street to watch out for them. This is one of the major challenges for Kenmore, to make this feel like an active place where there is a full mix of people from different backgrounds and incomes. A park would help establish this.

There are not many "complete" places in the suburbs, and there is an opportunity in this for Kenmore to compete and win by being better at this. The mistake that many American cities have made is to leave everything to the private sector, with a kind of "if we zone it, they will come" attitude. This is what has happened in downtown Redmond and Bellevue, which both have a mix of uses but are still not great places to live. They have jobs, stores, restaurants, housing, hotels, transit and even libraries, but other than near the high-rise office buildings at lunch, there are few people out walking. Belatedly, both cities are creating large parks downtown, but Bellevue's is so far from the center of things that it will not really be an active place, at least day to day. Nor, in either downtown, is there a network of public places that adds up to a pleasurable evening walk. This is in sharp contrast to downtown Portland and the Vancouver, BC downtown peninsula, where new residential development is accompanied by a network of parks and walks, and, in Vancouver, community centers as well.

Significantly, Kenmore already has a base of senior and family multi-family housing in the flat areas at the base of the hills between Kenmore Village and the heron rookery east of 73rd Avenue. Much of this housing is affordable or low-income, turned inwards, and has few amenities or much open space. Nor are there trails or nearby places to walk to. There are some very large residential sites yet to be developed downtown, and for these to develop well and with higher value the city will have to create this network of places and connections. The challenge and the opportunity at Kenmore Village site is leveraging public investment over this larger area.

These investments will affect not only the area north of Highway 522 but the quadrants to the south as well, notably Lakepointe. As long as values north of the highway remain low, they will remain low south as well, even if the area there stays predominantly in office or industrial use. Thirty years ago business parks were separate places, and developments like Bellefield, built on a swamp south of downtown Bellevue, could exist as a place apart, a destination that people went and parked for the day. Today the modern workplace demands connection. People want to be able to walk out to coffee. For Lakepointe to succeed, it needs a good downtown.[10]

Besides Lakepointe, there are other commercial properties that will benefit from a stronger downtown, such as the former fire station, the former sheriff's office, and the mill buildings now occupied by St. Vincent DePaul. The City needs a jobs strategy to help these fill and attract new investment. Rather than focusing on office, however, the city should look to a hybrid of uses, one that may include more value-added manufacturing.[11] Industrial firms are being pushed out of the Willows Road and Bel-Red areas and could bring good jobs here. Modern industrial operations make increasing use of computers, and these jobs can be high-skill and high-paying. The workers in these industries want and need good work places and good work settings, just like the workers in software, so place-making has a role in this jobs strategy. The strategy will need to include other economic gardening measures, including partnerships with training institutions.

This brings up the question of programming and the City's partnership with social service providers and non-profit agencies like the YMCA, the Boys and Girls Club, the library or a community center operator. The City needs partners who can operate programs for the children living in nearby apartments and mobile home parks. Without this programming and more places to go and things to do, the concentration of low-income housing could become a challenge over the long run. Simply creating public space indoors or out will not be enough. It needs to be programmed with activity throughout the year.[12]

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[10] Like many waterfront developments, Lakepointe has a number of geotechnical issues, which, to solve, will probably require a relatively dense level of development. Overall land values probably have to be much higher to make the carry on the front-end investment financially feasible.

[11] Nationally, demand for office space has fallen from an industry standard of about 225 square feet per employee at the beginning of 2000 to about 125 to 150 square feet today, creating a surplus of space in all but the strongest of locations.

[12] Dan Biederman, the director of the Bryant Park partnership in mid-town Manhattan, speaks of programming activity not "24/ 7" but "12/7/16", or twelve months a year, seven days a week, 16 hours a day. Obviously such a level of activity is nearly impossible outside the densest settings, but the overall goal is the same, of creating activity throughout the week and throughout the day. One of the other challenges to programming here is the fact that the Seattle area has close to 300 rainy days a year. For any outdoor space to work, especially in the shoulder seasons, it must be programmed with activity, something that goes beyond festivals and events held in the three sunny months each year. It was this off-season and off-hour programming that turned around both Crossroads Mall and the Lake Forest shopping center.

Next Steps

The goal of this effort is determining how best to dispose of the Kenmore Village properties in a way that achieves the City's overall goals for downtown development. It is important that this strategy recognizes market realities and is not wedded to pretty pictures. The next steps in this process are:

Late July:	Create a positioning statement of how the properties will compete for investment and the role they will play in the life of the town.
September:	Determine what changes the City needs to make before disposing of the properties. This may include retaining a portion of the properties for a park. This should include a review of density and configuration standards and provide more flexibility in meeting affordable housing requirements.[13]
October:	Identify the disposition method, such as a request-for-proposal from developers, open sale through brokerage, or negotiated sale of individual parcels.

Kenmore has good possibilities for realizing its goals and making this project a success, but it will take time and a demonstration of public commitment to truly creating a walkable place. The key word here is "priorities": how best to spend time and money in a way that produces both immediate and high returns. The city needs to zoom out of a narrow focus on Kenmore Village and think about how its investments here will leverage investment and development throughout the downtown. As in any form of investment, there is a time value of money in redevelopment that requires careful attention to what kinds of returns this investment will make and how soon. Those investments and returns will be the subject of the next phase of this work.

[13] This includes changing city laws to allow for a higher income definition of "affordable housing", at the 85% to 115% percent level, as opposed to the 50% or below level now in force.

Interviewees

Joe Borden	Lorig Associates
Suzanne Britsch	New Home Trends
Richard Brunhaver	Beta Development
John Caulfield	City of Mountlake Terrace
Dan Durr	First Western Properties
John Hogan	Uptown Gig Harbor
Dori Johnson	Redfield Development
Richard Leider	Trinity Development
Pat Lindsay	Kidder Mathews
Gary Merlino	Merlino Development
Dennis Rattie	Tarragon Development
Maria Royer	Real Retail
Chris Scalzo	Radovitch Development
Scott Schneider	Merrill Gardens
Cory Shelbest	Gramor Development
Bob Stowe	City of Bothell
Tory Laughlin Taylor	Bellwether
Bob Wallace	Wallace Properties
Michael Weinstein	Urban Innovations Group
Susan Zimmerman	Kidder Mathews

Attachment #2

7/9/12 Council Mtg.
Dennis Hendrey

Dear Chris, Terry, Dennis and others,

First I want to thank Chris, Terry and Dennis, for your assistance in this preliminary conceptual vision of our city's original Comprehensive Plan's Pedestrian Bridge across 522 connecting Lake Washington, Burke Gilman Trail and future development of Lakepointe to the continued development of our Kenmore Village site and downtown. It still has a long way to go but it is a start and may be the time to look seriously at this project. Since many developers, citizens and others have suggested Kenmore needs something to direct the HWY 522 traffic to the continued development of Kenmore Village site and our downtown that is a safe and aesthetically pleasing connector between Lake Washington, Burke Gilman Trail and future site of Lakepointe to our downtown, thus the possible pedestrian bridge and park. We presently have the 520 floating bridge manufacture, KGM Construction and Cal Portland, concrete manufacture, Evergreen Soil, Pioneer Towing right by the site and future developers of Kenmore Village may all be willing to help in this vision, making it a reality.

In my initial design I was pleased to see that an ADA ramping can fit into the two vacant lots, presently for sale, at the corner of 67th Ave NE and Bothell Way. Plus allow for a small park with recreation like a *skateboard park and possibly a sand volleyball court with still plenty of room for gathering. It will also make a people friendly and hour glass view of the future development of Kenmore Village and downtown. It could also be a pedestrian friendly connect to our new King County Library. Sixty seventh Avenue Northeast is already lined with a coffee shop, bank and **Kenmore Camera building and not a quick lube, bar, fast food restaurant and strip mall like 68th Ave NE is. The bridge's width design is intended to be approximately 15 foot and may use similar road way construction used on the 520 Floating Bridge project. This will allows wide plenty of width to stop sit and enjoy the lake view, planes of Kenmore Air take off and land and future development of Lakepointe and Kenmore Village plus graciously and safely connect north and south sides of HWY 522.

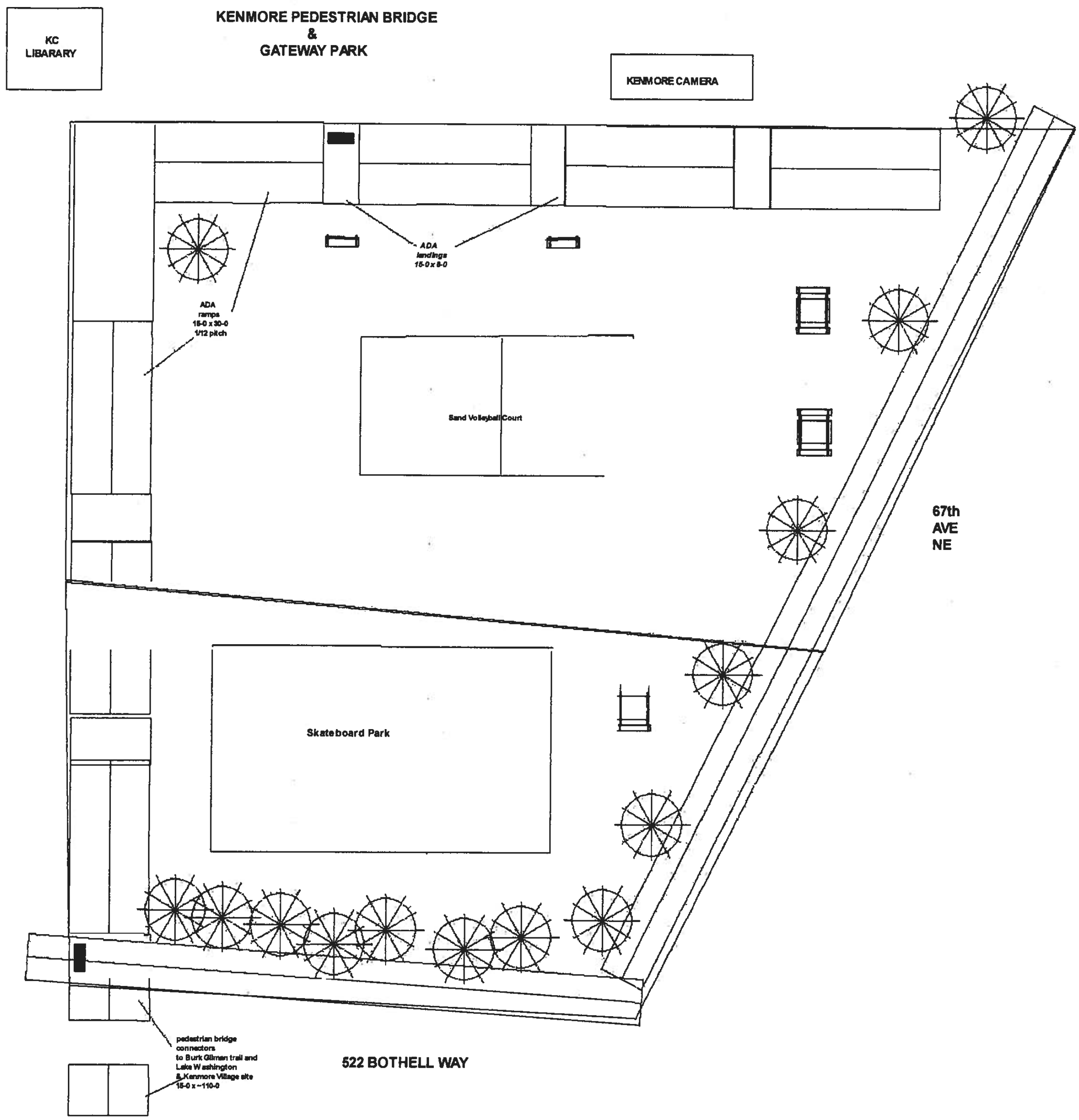
* There are not many activities for our youth in Kenmore and with the future development of the Old Park and Ride the skate park will need a new location with good visibility of the park's activities.

** With the future potential of Kenmore Camera moving to its new location in Kenmore Village and the quality and design of its present structure it will possibly continue to house people friendly business(s), like the ones that are presently found along 67th Ave NE..

As I said there is a long way to go. It will take citizens, council, staff, engineering, designers, contractors and of course financing and or donations to make this vision a reality.

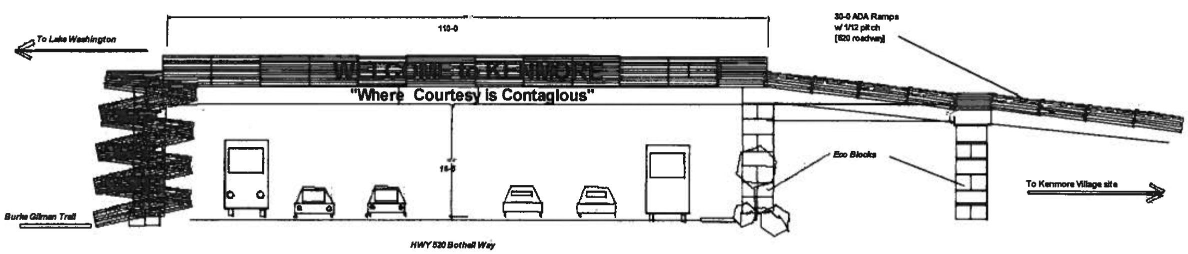
This Tuesday July 10th the City is hosting an outdoor BBQ town hall meeting with developers for the Kenmore Village site at the Village site, see details below. It should be a great opportunity to see how we can help in the City's development of the Kenmore Village site. It will also be an opportunity to ask developers their thoughts concerning the profitability of a future pedestrian bridge across 522, connecting the lake to their development.

I look forward to seeing you there as well as hearing your thoughts on this vision. Please pass this on to others who may have this vision.



IVA. Kenmore Village Positioning Statement Discussion

PEDESTRIAN BRIDGE
&
GATEWAY PARK

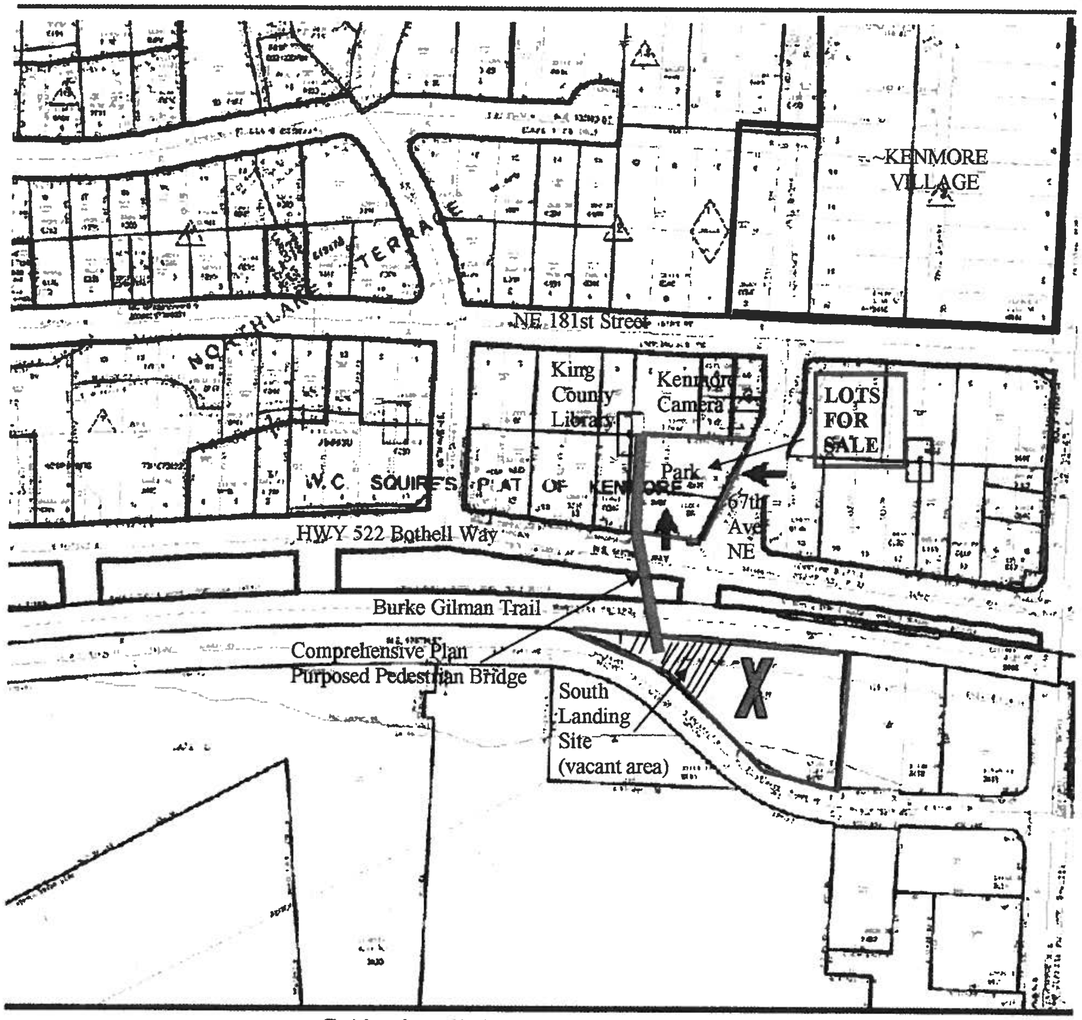


IVA. Kenmore Village Positioning Statement Discussion

Rainier Title

Assessor's Parcel Map

Parcel ID:	794630 0195	**Map & Grid:**	475 H6 Vol: 20 Pg: 62
Owner:	Strieck Eloise;Reasoner Daniel M	**QSTR:**	NE 11 26N 04E
Site Address:	*no Site Address*	**Jurisdiction:**	Kenmore



The information provided is deemed reliable but is not guaranteed

IVA. Kenmore Village Positioning Statement Discussion

Attachment #3

Debbie Bent

From: Rob Karlinsey
Sent: Thursday, July 26, 2012 12:14 AM
To: City Hall
Cc: Debbie Bent
Subject: Re: Comment re: Kenmore Village

Please include this email in the 7/30 packet

Sent from my iPad

On Jul 23, 2012, at 9:35 AM, "City Hall" <CityHall@kenmorewa.gov> wrote:

> FYI
>
> Leslie Harris
> PIO/Special Events Coordinator | City of Kenmore, WA
> 18120 68th Ave NE | Kenmore, WA 98028
> Tel: 425.398.8900 | Fax: 425-481-3236
> lharris@kenmorewa.gov | www.kenmorewa.gov
>
>
>
> -----Original Message-----
> From: cityofkenmore@bisc.com [mailto:cityofkenmore@bisc.com]
> Sent: Saturday, July 21, 2012 6:58 AM
> To: Car
> Subject: City of Kenmore - Contact Us Form Submission
>
> Specific Location Information: Kenmore Village
>
> Comment:
> Please consider PCC or Whole Foods for Kenmore Village. I read the article about Kenmore Village and saw that someone commented on it needing a Whole Foods or Trader Joes to make it unique and draw people in. I think we should embrace that Kenmore is a healthy community and would LOVE it if a PCC or Whole Foods came into our area (I love Trader Joes too but we have one not too far away in Totem Lake). Right now, I have to drive 25 minutes to get to one of these specialty health stores and I think the market for something like that would be HUGE. Just wanted to voice my opinion as a citizen of Kenmore. I know many of my neighbors would agree. Thanks for your consideration.
>
> Name: Jennifer Jones
>
> Address: 15124 81st Ave NE
>
> City: Kenmore
>
> Zip: 98028
>
> Phone Number: 425-908-7721
>
> Email Address: jenh_jones@yahoo.com
>

Attachment #4

RECEIVED
JUL 23 2012
CITY OF KENMORE

July 23, 2012

To: Mayer Baker, Council Members and City Manager

Re: Considering a New Master Plan for the Kenmore Village Instead of Piece Meal Sale.

Dear Mayor, Council Members and City Manager,

We have couple suggestions regarding the Kenmore Village development after hearing the consultants in the Forum on July 10, 2012.

1. To start this project with a clean slate and be flexible in considering all master plan proposals.
2. To embrace the Kenmore Camera plan as part of the New Master Plan.
3. To include a progressive green building with a vertical farm green space interspersed throughout the commercial development; similar to Molbak's in Woodinville. This is a good opportunity to joint venture with Bastyr University.
4. To focus on affordable retail space to promote business friendly development and exclude the residential development to increase commercial space on the park and ride parcel. We suggest clinics and professional services tenancies in this parcel.
5. To include the existing Kenmore Camera parcel and the old Shell Gas Station parcel to give the project a presence on SR 522 commercial corridor.
6. To reassign the affordable housing to old Fire Department site next to park and ride on SR 522, or to the old Library site on Swamp Creek.

We disagree with the piece meal sale of the site. Private developers do not care about the prosperity and the welfare of Kenmore. They care about fast return. They will focus on the development and sale of the residential units and make enough profit despite the retail spaces being vacant for years due to the lack of exposure to the commercial corridor and the unaffordable rent.

Truly,

Kenmore Citizens:

Hugh Wiese	(425)-486-2836
Don Williams	(425)-486-8485
John Hendrickson	(425)-488-0686
Wayne Fu	(206)-972-7405

Attachment #5

Submitted
7/23/12

Kenmore's

HWY 522

Pedestrian Bridge & Park

(WORKING BOOKLET)

Prepared Especially For:
City of Kenmore

Prepared By:

DENNIS MENDREY

206-686-8727
[OFFICE / FAX / DIRECT]

dennism@riserealtyllc.com
www.riserealtyllc.com

6410 NE 182nd Street
Kenmore, WA 98028

CONTENTS

INTRODUCTION

Dear Chris, Terry, Dennis and others,

First I want to thank Chris, Terry and Dennis, for your assistance in this preliminary conceptual vision of our city's original Comprehensive Plan's Pedestrian Bridge across 522 connecting Lake Washington, Burke Gilman Trail and future development of Lakepointe to the continued development of our Kenmore Village site and downtown. It still has a long way to go but it is a start and may be the time to look seriously at this project. Since many developers, citizens and others have suggested Kenmore needs something to direct the HWY 522 traffic to the continued development of Kenmore Village site and our downtown that is a safe and aesthetically pleasing connector between Lake Washington, Burke Gilman Trail and future site of Lakepointe to our downtown, thus the possible pedestrian bridge and park. We presently have the 520 floating bridge manufacture, KGM Construction and Cal Portland, concrete manufacture, Evergreen Soil, Pioneer Towing right by the site and future developers of Kenmore Village may all be willing to help in this vision, making it a reality.

In this design I was pleased to see that an ADA ramping can fit into the two vacant lots, presently for sale, at the corner of 67th Ave NE and Bothell Way. Plus allow for a small park with recreation like a *skateboard park and possibly a sand volleyball court with still plenty of room for gathering. It will also make a people friendly and hour glass view of the future development of Kenmore Village and downtown and a pedestrian friendly connector to our new King County Library. Sixty seventh Avenue Northeast is already lined with a coffee shop, bank and **Kenmore Camera building and not a quick lube, bar, fast food restaurant and strip mall like 68th Ave NE is. The bridge's width design is intended to be approximately 15 foot and may use similar road way construction used on the 520 Floating Bridge project. This allows plenty of width to stop sit and enjoy the lake view, planes of Kenmore Air take off and land, future development of Lakepointe and Kenmore Village plus graciously and safely connect north and south sides of HWY 522.

* There are not many activities for our youth in Kenmore and with the future development of the Old Park and Ride the skate park will need a new location with good visibility of the park's activities.

** With the future potential of Kenmore Camera moving to its new location in Kenmore Village and the quality and design of its present structure it will possibly continue to house people friendly business(s), like the ones that are presently found along 67th Ave NE..

As I said there is a long way to go. It will take citizens, council, staff, engineering, designers, contractors and of course financing and or donations to make this vision a reality.

Working together for a better Kenmore.

Dennis Mendrey
RISE REALTY LLC
6410 NE 182 St
Kenmore, WA 98028
O = 206-686-8727
C = 425-681-8727
Fax = 206-686-8727
dennism@riserealtyllc.com

KENMORE COMPREHENSIVE PLAN
VISION STATEMENT
City Council Approval: March 13, 2000

As we look into the future, twenty years from now, we see Kenmore as a place that residents, businesses and visitors find special with welcoming, courteous people, offering a high quality of life as a place to live, raise children, shop, work, recreate, and socialize. In 2020, we see Kenmore as...

- A community that is family friendly with a small town feeling, that recognizes its history, and is open to and values diversity
- A community that fosters a sense of belonging and pride, makes use of the vast skills of its citizens, and promotes volunteerism
- A community that has preserved the character of its single family residential neighborhoods, which offers a range of housing types and prices to ensure an adequate choice of attractive living accommodations, and promotes compatible housing
- A community that actively protects natural and environmentally sensitive areas, significant open space, and trees
- A community with an attractive, vital, pedestrian-friendly city center offering commercial, civic, cultural and park spaces, integrated with higher density housing
- A community with clear design standards creating attractive, functional, and enduring buildings and places
- A community that manages its traffic well, and is united by a safe and effective system of streets, transit routes, sidewalks, and trails, linking significant regional and local destinations
- A community that supports and encourages quality schools, diverse and continuing education opportunities
- A community with a network of parks, trails, open spaces, and recreational facilities providing for passive and active recreation, and waterfront access
- A community with clear public priorities that efficiently and effectively utilizes its public resources
- A community with an economic base that provides for the needs of its citizens and provides quality employment opportunities
- A community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens
- A community that is a good partner with citizens and governments throughout the region
- A community with an informed citizenry working with an open, responsive government that seeks out and integrates public input

To achieve this vision, responsible commitments in planning and resources will be made. We share and support this vision for Kenmore.

Modified December 2006

City of Kenmore, WA
2012-2013 Council Goals
January 21, 2012

1. To recruit, hire, and transition to a New City Manager

2. To implement the Economic Development Plan to include metrics to gauge progress.

3. To seek funds and move forward on the 522 project.

4. To establish a contemporary Information Technology Program

5. To pursue downtown development

6. To implement a Parks Improvement and Financial Plan

7. To establish a 20 to 30 year sidewalk plan

8. To move the City Councils inter-connectivity Vision forward toward implement a parks improvement and financing plan implementation (parks, trails, open space, institutions, and shuttle bus)

9. Increase the use and participation of community volunteers in operation of the city.

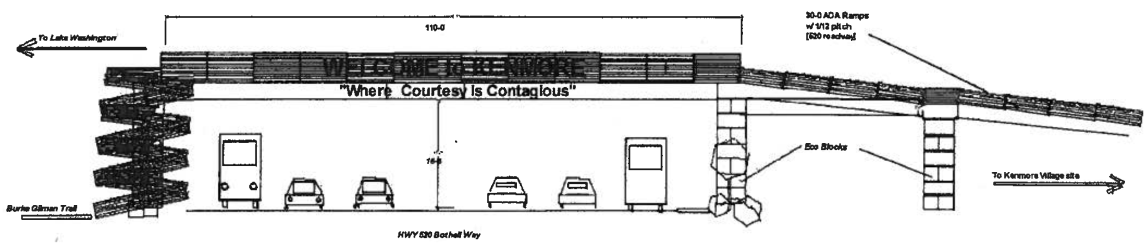
10. To address watershed issues affecting the city

11. To establish a six year financial plan

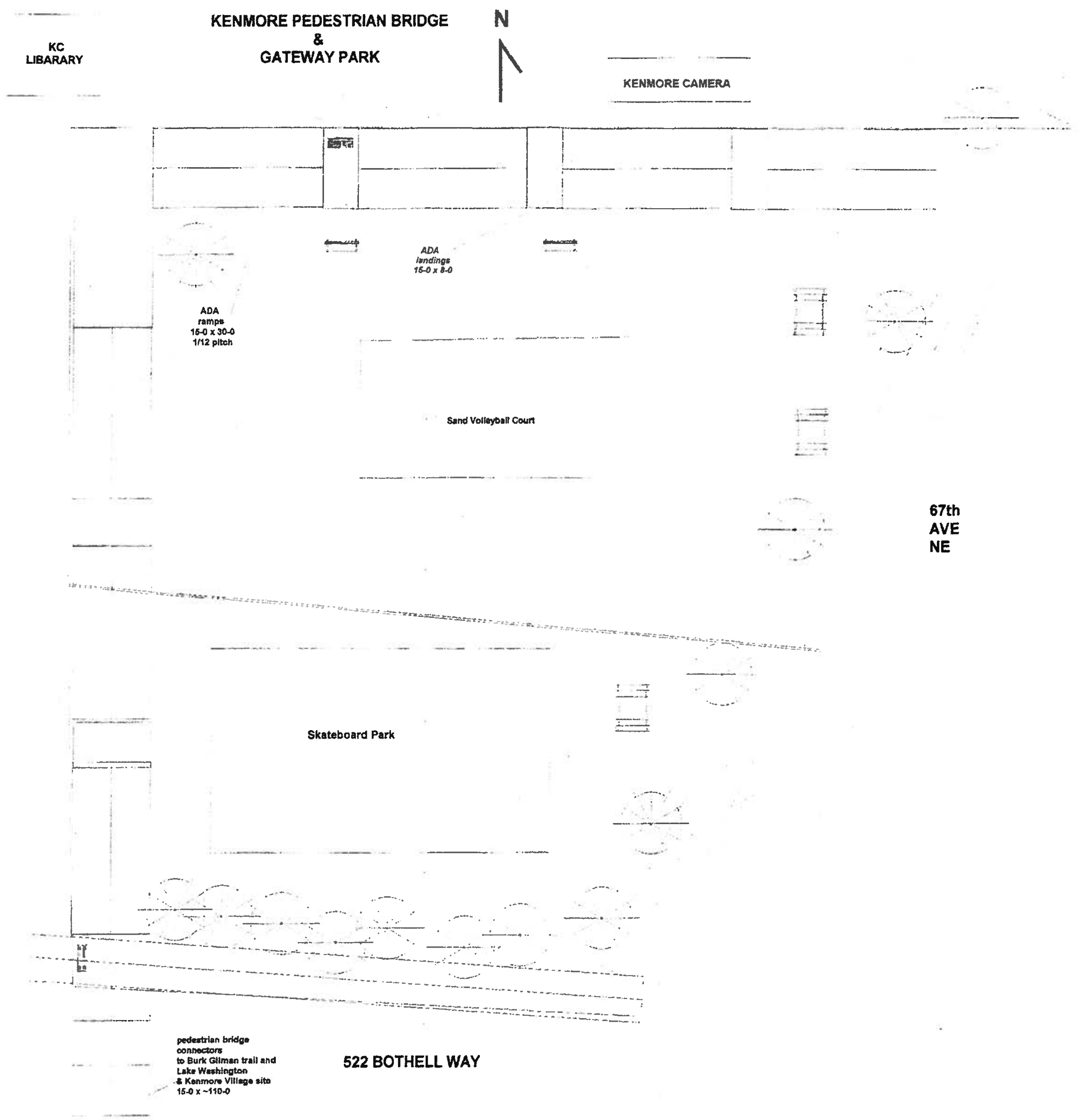
12. To continue to seek opportunities to complete a successful Lake Pointe development

DESIGNS

PEDESTRIAN BRIDGE
&
GATEWAY PARK



IVA. Kenmore Village Positioning Statement Discussion

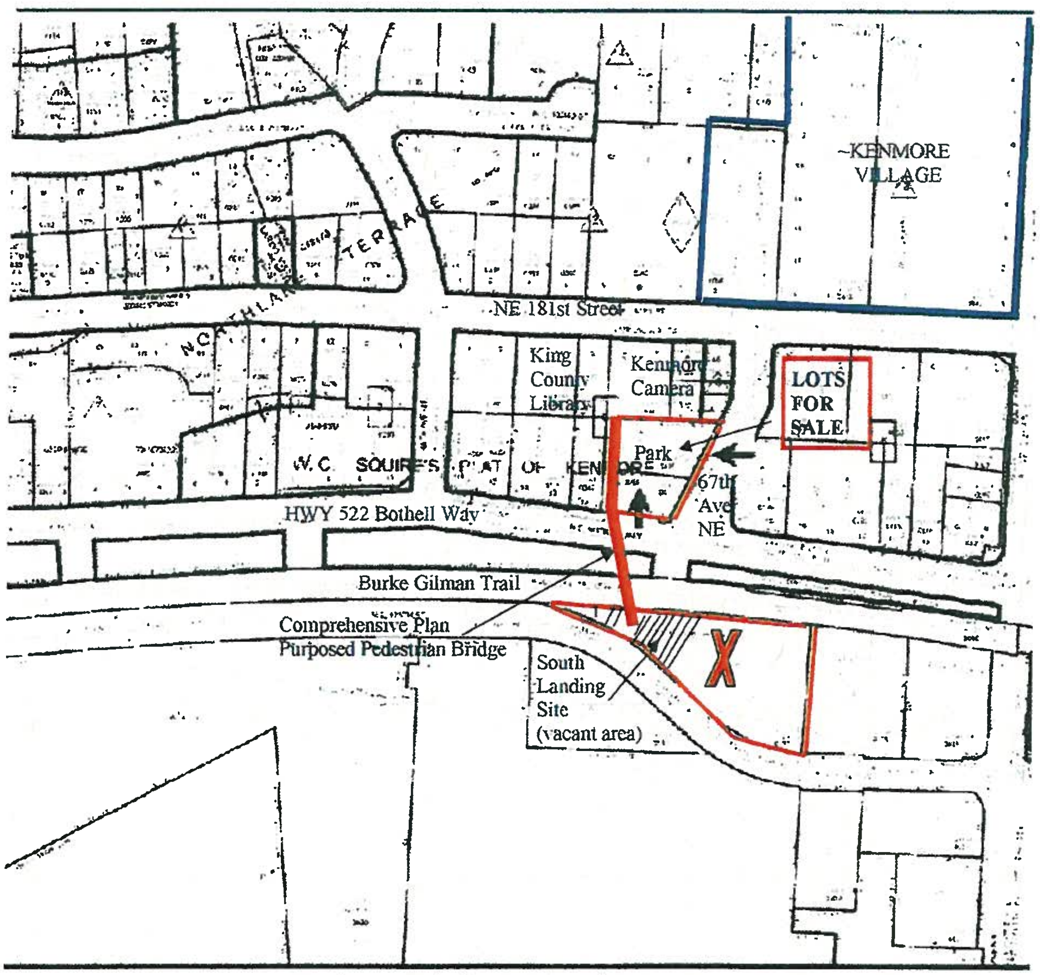


IVA. Kenmore Village Positioning Statement Discussion

PROPERTY

Assessor's Parcel Map

Parcel ID:	794630 0195	**Map & Grid:**	475 H6 Vol: 20 Pg: 62
Owner:	Strieck Boise;Reasoner Daniel M	**QSTR:**	NE 11 26N 04E
Site Address:	*no Site Address*	**Jurisdiction:**	Kenmore



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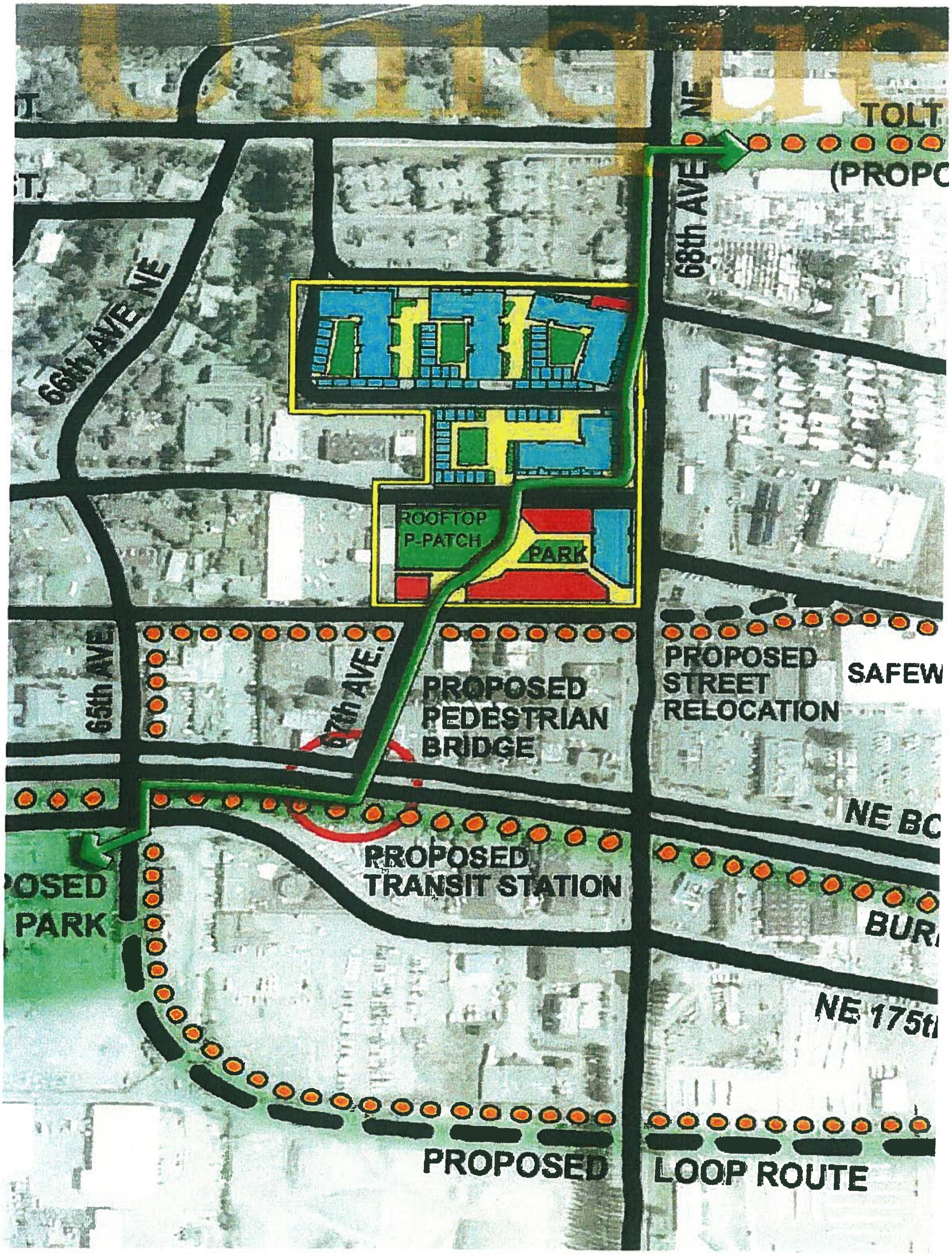

IVA. Kenmore Village Positioning Statement Discussion

WALLACE PROPERTIES LISTING PACKET

Development Site For Sale

KENMORE DEVELOPMENT SITE

6532 NE Bothell Way, Kenmore, WA

WALLACE PROPERTIES

Specializing in Commercial Real Estate

IVA. Kenmore Village Positioning Statement Discussion

KENMORE DEVELOPMENT SITE

Former Shell Station

6532 NE Bothell Way, Kenmore, WA

Presented by:

Bob Wallace
rwallace@wallaceproperties.com

Ellen Post
epost@wallaceproperties.com

425-455-9976

WALLACE PROPERTIES

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www.wallaceproperties.co

Delivery of the following information is conditioned on reviewer's agreement to the following: Certain confidential material data and information (the "Information") has been prepared by Wallace Properties, Inc. ("Broker") on behalf of Seller and has been reviewed by Seller. The Information delivered by Broker to the "Reviewing Entity" and/or Reviewing Entity's real estate agent ("Buyer's Agent") in connection with the possible sale of the Property by Seller is provided with the Reviewing Entity's and its Buyer's Agent's acknowledgement that the Information will be relied upon at the Reviewing Entity and Buyer's Agent's own risk.

Additional Information and an opportunity to inspect the property will be made available to interested and qualified prospective buyers. All prospective buyers must be registered with Seller's Broker. Seller and Seller's Broker expressly reserve the right at their discretion to reject any and all expressions of interest or offers from any entity at any time with or without notice.

The information will be kept confidential and shall not, without Seller's prior written consent, be disclosed by the Reviewing Entity or Buyer's Agent or by its agents, representatives, consultants or employees. Buyer's Agent will not disclose any of the information to parties other than the Reviewing Entity.

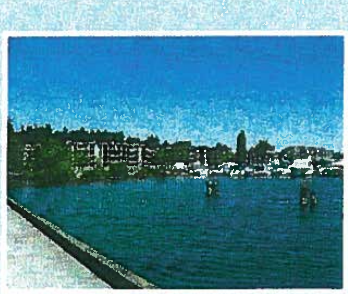
The Reviewing Entity represents and warrants that the information is being used solely for evaluating a possible transaction and that if the Reviewing Entity is represented by a real estate broker, all parties acknowledge that the Reviewing Entity will be solely responsible for any fees or commissions due Buyer's Agent, and the Reviewing Entity will hold Seller and Seller's Broker harmless from any claims by Buyer's Agent or third parties seeking compensation in connection with a transaction.

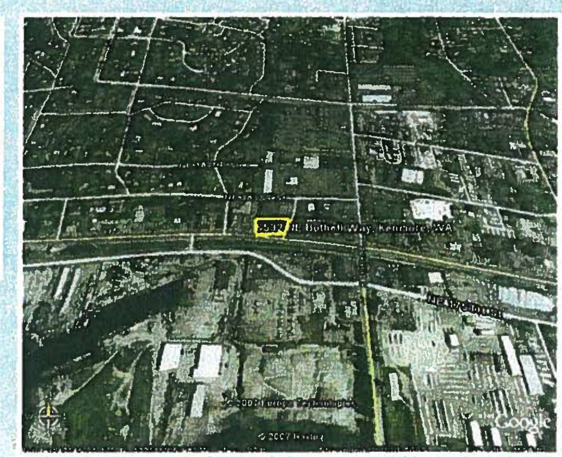
EXECUTIVE SUMMARY

ADDRESS	6532 NE Bothell Way, Kenmore, WA	
TOTAL LAND AREA	0.51 Acres—22,350 SF	
	Parcel Number 7946300195	13,600 SF
	Parcel Number 7946300196	8,750 SF
PRICE	~~$950,000~~ $800,000	
ZONING	Downtown Commercial (DC)	
2011 PROPERTY TAX	Parcel Number 7946300195	$4,612.22
	Parcel Number 7946300196	$2,922.83
	Total Property Tax:	$7,535.05
TRAFFIC COUNTS	40,200 cars per day (2011)	

Demographics	**1 mile**	**3 mile**	**5 mile**
2010 Population	11,702	100,622	305,403
2010 Average Household Income	$95,349	$92,797	$86,339

*Full demographics on page 11





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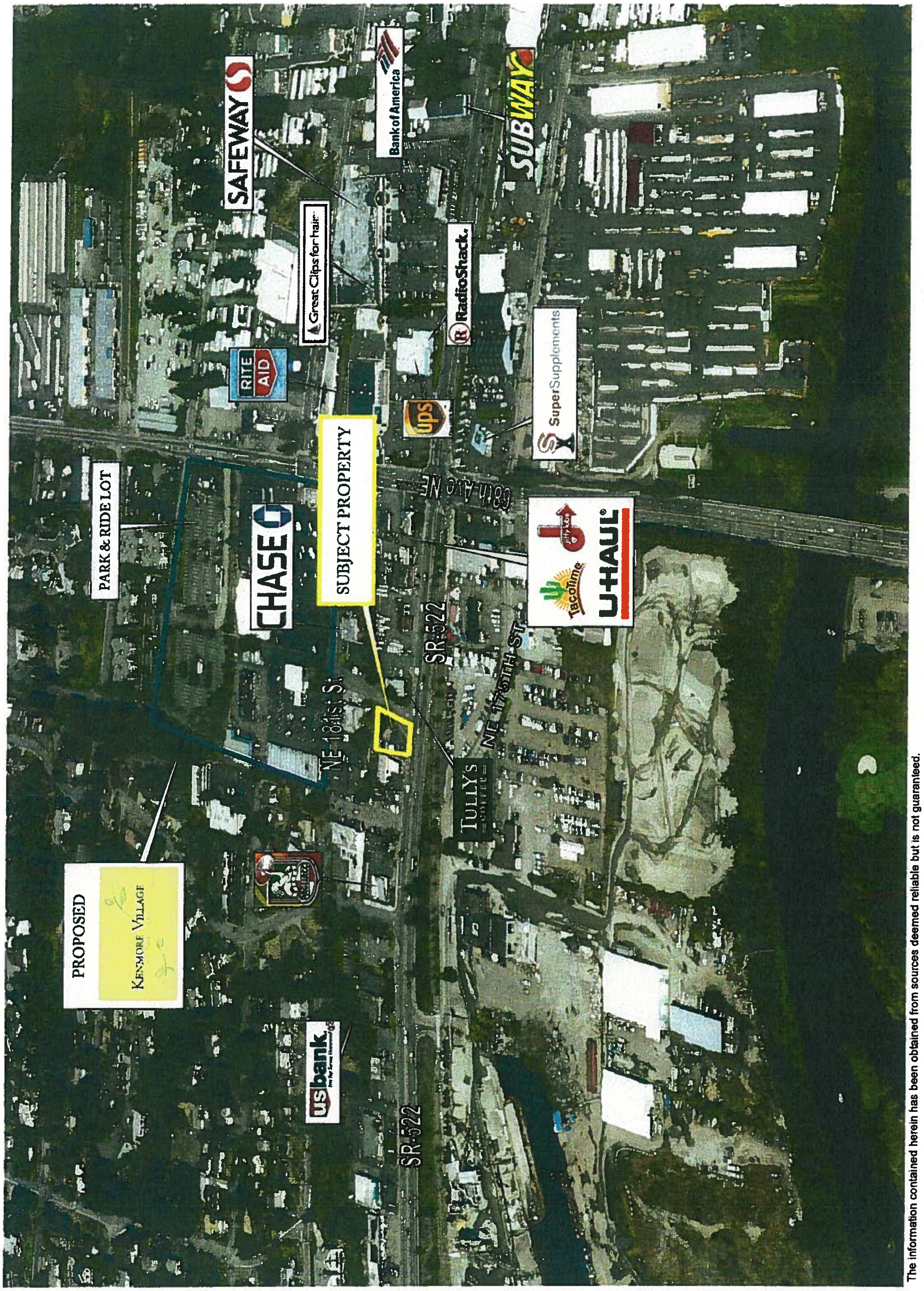
IVA. Kenmore Village Positioning Statement Discussion



IVA. Kenmore Village Positioning Statement Discussion

INVESTMENT SUMMARY

Overview

The property, located at 6532 NE Bothell Way in Kenmore, WA, is a unique opportunity to acquire a well located retail or commercial development site.

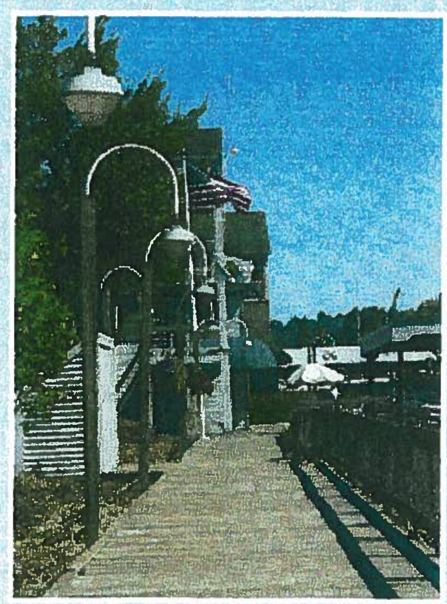
Zoning

The property is currently zoned Downtown Commercial ("DC"), the city's recently adopted zone that is designed to create a community-oriented mixed-use district. Permitted uses emphasize multiple-use developments and includes office, retail (with drive-through facility), high-density housing and professional services.

Demographics

Kenmore, Washington, located at the northern end of Lake Washington, has evolved over the past decade to become a 20,000-strong community on the verge of a major downtown redevelopment that will not only promote existing businesses, but is also expected to attract an influx of new businesses and residents.

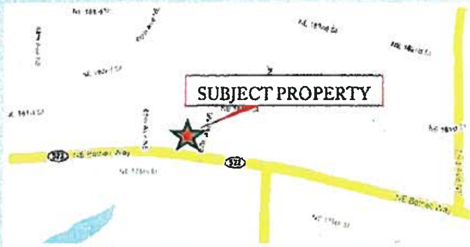
With average household incomes of over $92,000 within a three mile radius, Kenmore was ranked second in Seattle Business Monthly magazine's *Best Cities for Business: Beauty of the 'Burbs*. Its key location on SR-522 helps support a wide range of retail services and housing growth, which will only grow when the City's "Kenmore Village by the Lake" new town center project is developed.

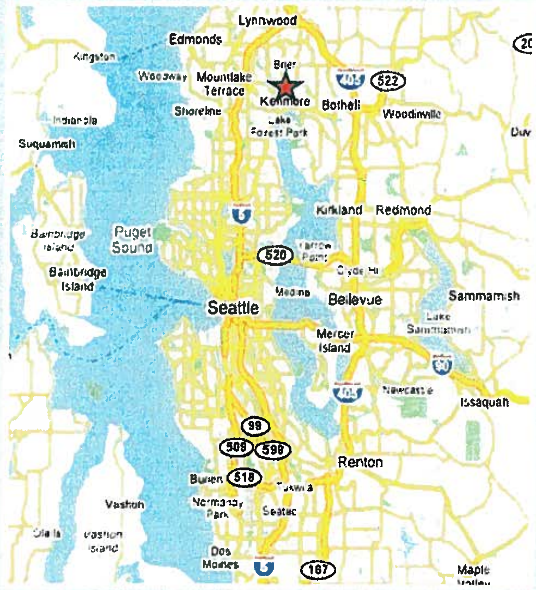


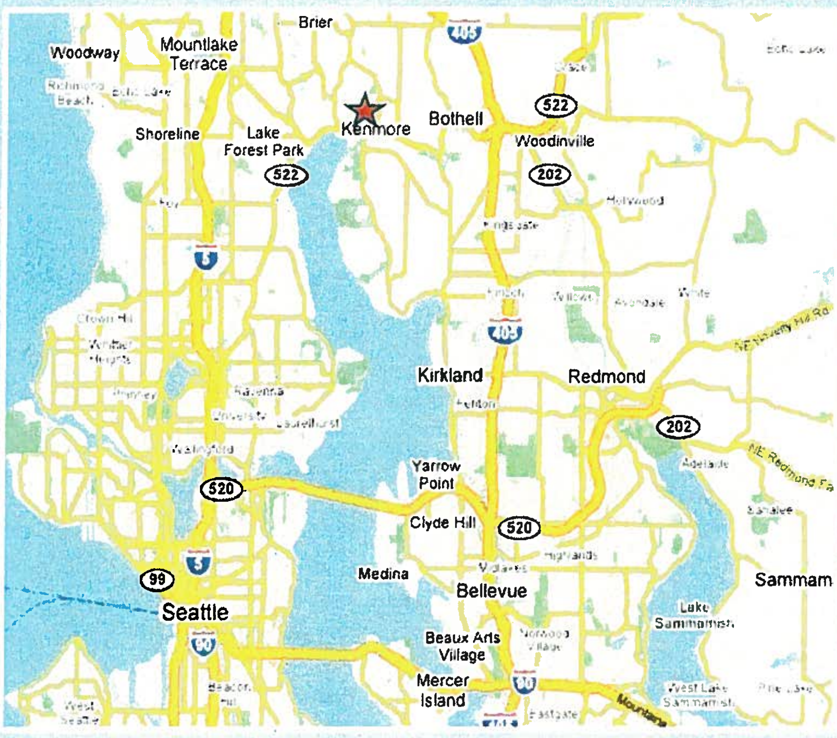
LOCATION

Location

The property's strategic location on SR 522 (NE Bothell Way), in the heart of Kenmore's downtown revitalization zone, provides not only high visibility in today's market but future value enhancement as the area evolves into a vibrant urban village.







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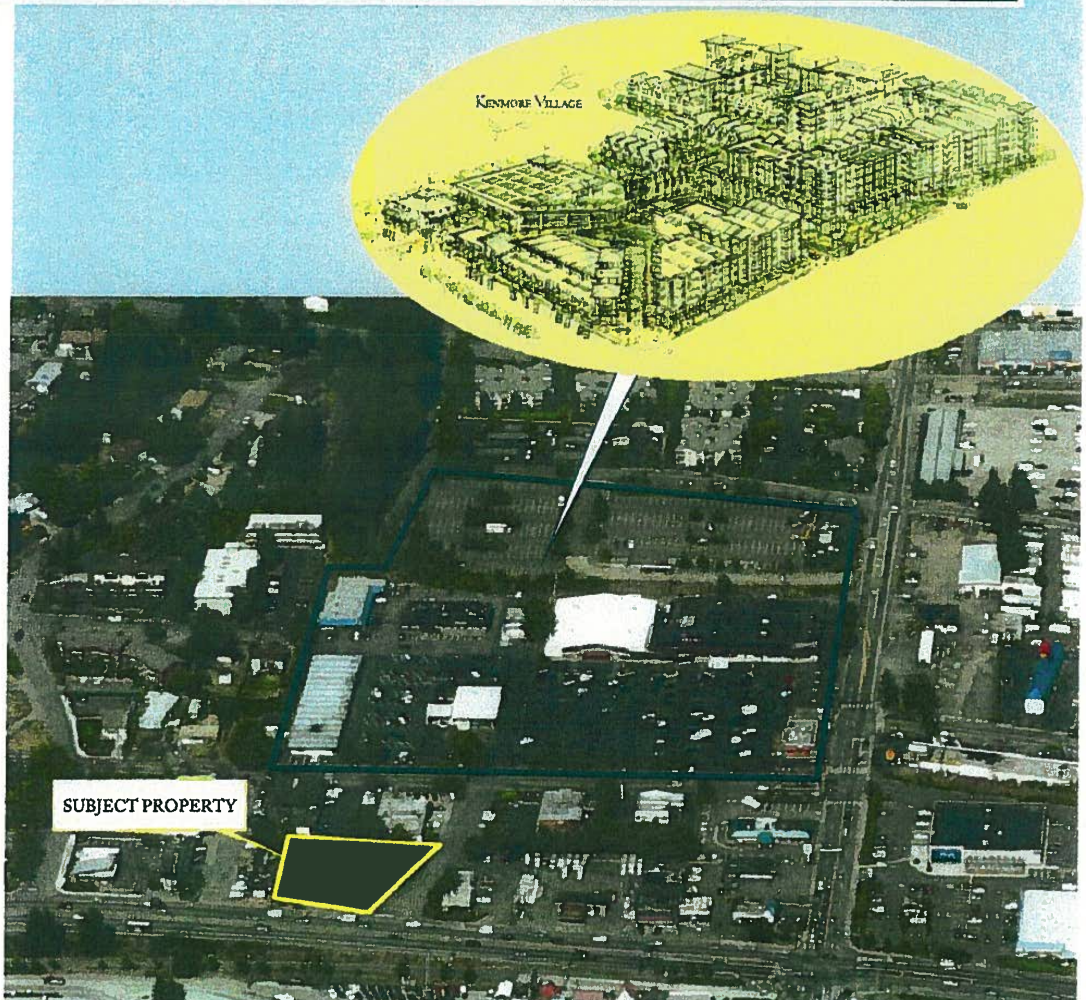
DEVELOPMENT POTENTIAL

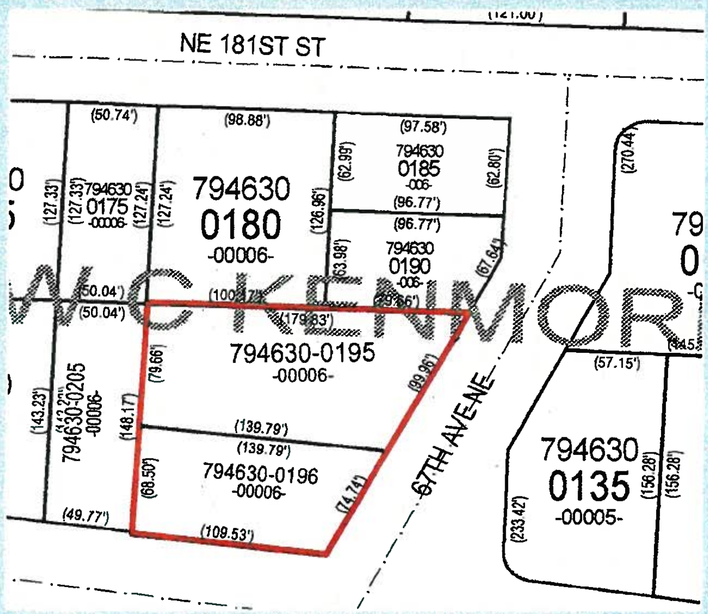


Development Potential

The site is adjacent to the proposed Kenmore Village By The Lake, a mixed-use "village" on 9.6 acres of city-owned land. This public-private endeavor will create a synergistic city center with pedestrian friendly commercial, civic, cultural and park spaces, integrated with diverse housing options. Additional information may be found at www.downtownkenmore.com.

DEVELOPMENT POTENTIAL

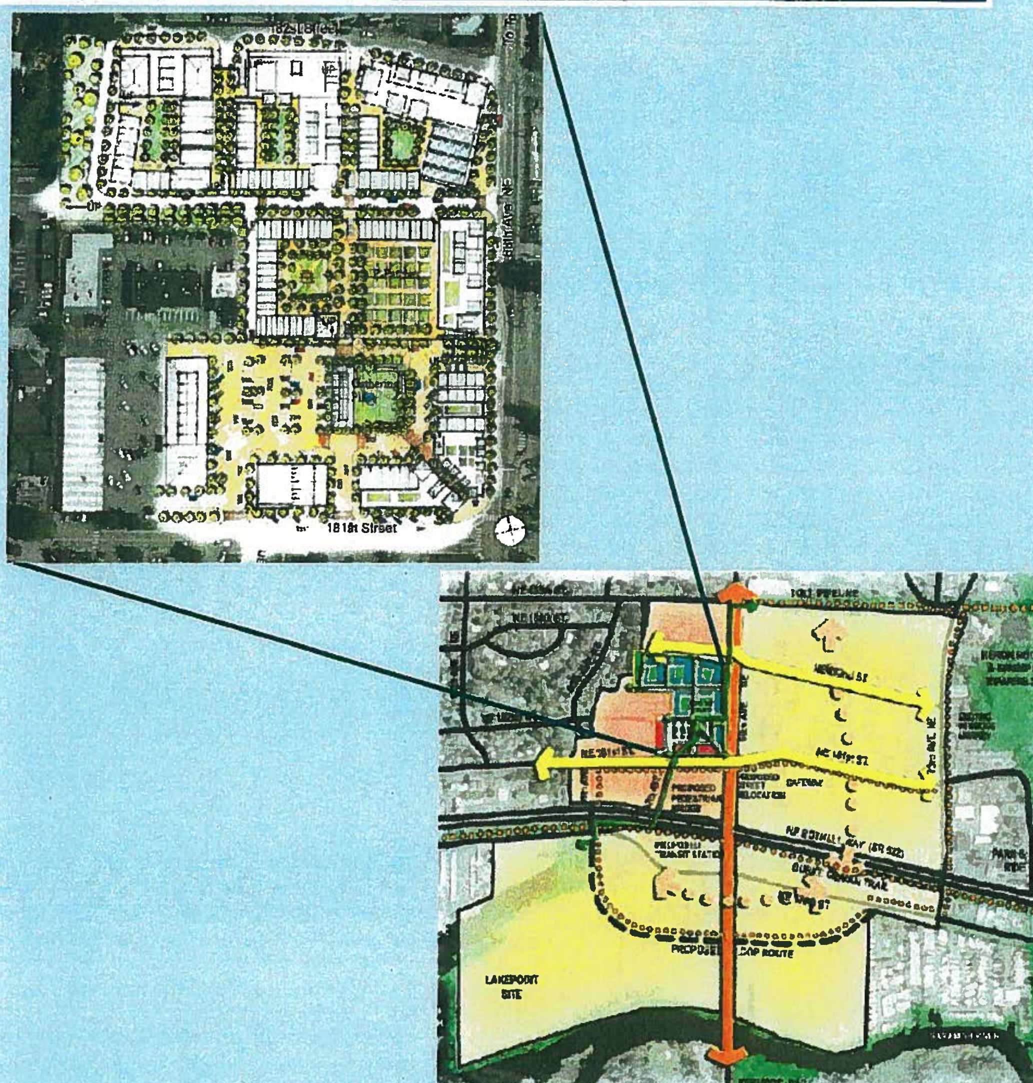
PLAT MAP



DEVELOPMENT STANDARDS

STANDARD	REQUIREMENT
Base Density: Dwelling Units/Gross Acre	48; applies east of 68th Avenue NE
Maximum Density: Dwelling Units/Gross Acre with Density Bonus Incentives	72; density incentives or bonuses not required west of 68th Avenue NE.
Minimum Density: Dwelling Units/Net Acre for stand-alone multifamily proposals	36
Street Setback	Minimum 10 ft from SR-522, otherwise 0 ft. Maximum 10 ft unless otherwise allowed through the Kenmore Downtown Design Standards. Subject to design review, site plan review, and right-of-way use permits, the City may authorize intrusions of structural elements into the public right-of-way including awnings, columns, bay windows, or others when such would not impede safe travel by pedestrians, solar access is not significantly diminished, and City liability is limited.
Minimum Interior Setback	5 feet; except when property adjoins R-1 to R-12 property, then 20 ft.
Base Height	35 ft
Maximum Height Applicable to Mixed Use Developments containing Residential Dwellings at a minimum 50% of square footage to a maximum of 75% square footage; or to Developments achieving Density Bonus; or to Developments providing Structured Parking	65 ft
Maximum Impervious Surface: Percentage	90%
Pedestrian Connections	Pedestrian Connections are required to be provided in accordance with the Kenmore Downtown Design Standards.

DEVELOPMENT POTENTIAL



Downtown Redevelopment Goals

In April 2006, the Kenmore City Council selected Kenmore Partners, LLC, as the developer and design team for the redevelopment of the City-owned 9.6 acres in downtown Kenmore. The goal of the redevelopment effort is to create a thriving downtown that will boost tax revenues, create more job opportunities, raise the number of available housing units, in addition to promoting existing businesses. To achieve this goal, pedestrian walkways that maximize public views of the lake and connectivity will be integrated with water features, bike-friendly paths and open spaces to create a park-like setting that is safe, inviting and a great place to live.

DEMOGRAPHICS

Population:	1 mile	3 mile	5 mile
2015 Projection	12,349	105,598	322,117
2010 Estimate	11,702	100,622	305,403
2001 Census	10,732	92,686	276,482
Annual Growth 2010-2015	1.08%	0.97%	1.07%
2010 Daytime Population:	**6,259**	**53,785**	**163,496**
2010 Households:			
2015 Projection	5,340	41,307	131,531
2010 Estimate	5,024	39,262	131,531
2001 Census	4,543	35,707	111,010
Annual Growth 2010-2015	1.23%	1.02%	1.13%
Owner Occupied	58.4%	66.4%	60..0%
Renter Occupied	35.1%	29.0%	34.8%
2010 Households by Household Income:			
Income Less than $15,000	7.0%	5.0%	5.8%
Income $15,000 - $24,999	6.0%	5.1%	5.4%
Income $25,000 - $34,999	6.2%	5.6%	6.3%
Income $35,000 - $49,999	13.7%	10.9%	11.6%
Income $50,000 - $74,999	17.0%	19.0%	20.6%
Income $75,000 - $99,999	20.0%	21.1%	21.1%
Income $100,000 - $149,999	16.9%	22.1%	20.0%
Income $150,000 - $199,000	5.8%	6.4%	5.2%
Income $200,000+	7.4%	5.0%	4.1%
2010 Average Household Income:	**$95,349**	**$92,797**	**$86,339**
2010 Median Household Income:	**$75,059**	**$78,942**	**$75,278**
2010 Per Capita Income:	**$39,86.**	**$36,517**	**$35,338**
2010 Population by Race:			
White	80.0%	78.3%	73.4%
Black	2.1%	2.6%	3.1%
American Indian	0.4%	0.6%	0.8%
Asian and Pacific Islander	11.1%	11.6%	14.7%
Other Race Alone	2.5%	2.4%	3.2%
Two or More Races	3.9%	4.5%	4.9%
Hispanic	6.7%	6.3%	7.8%

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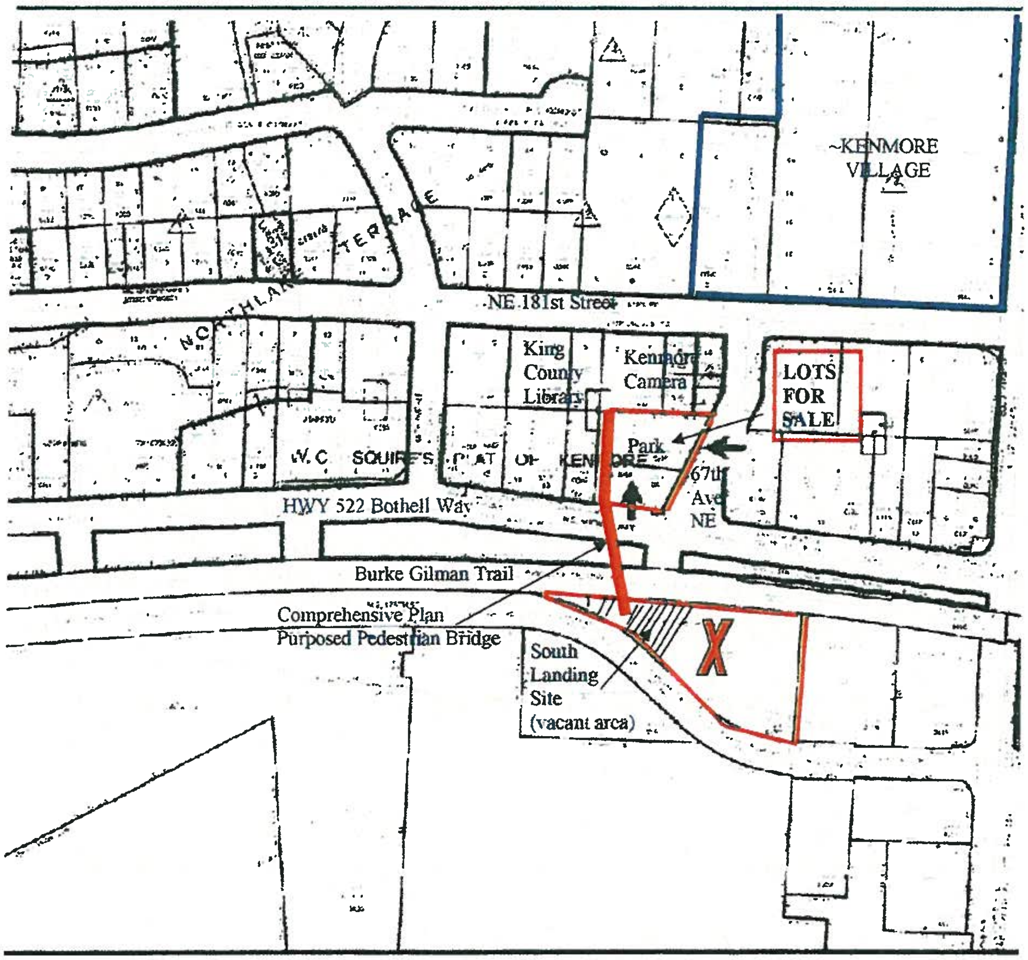
IVA. Kenmore Village Positioning Statement Discussion

Assessor's Parcel Map

Parcel ID:	794630 0195	**Map & Grid:**	475 H6 Vol: 20 Pg: 62
Owner:	Strieck Eloise;Reasoner Daniel M	**QSTR:**	NE 11 26N 04E
Site Address:	"no Site Address"	**Jurisdiction:**	Kenmore



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IVA. Kenmore Village Positioning Statement Discussion

Dennis mendrey

From: Ellen Post [epost@wallaceproperties.com]
Sent: Thursday, July 12, 2012 3:09 PM
To: dennism@riserealtyllc.com
Cc: Robert Wallace
Subject: Kenmore Property
Attachments: Kenmore Sale Package - Current.pdf

Dennis,
Attached is the sale package for the property in Kenmore we have listed for sale.
As I mentioned on the phone, we have a signed LOI on the property and are in the process of finalizing the PSA.
Please let me know if you have additional questions after you review this information.

Thank you.

Best regards,
Ellen

WALLACE
PROPERTIES

Ellen Post | Senior Vice President
epost@wallaceproperties.com
330 – 112th Avenue NE | Suite 200 | Bellevue, WA 98004
P: 425.455.9976 | F: 425.646.3374
www.wallaceproperties.com

IVA. Kenmore Village Positioning Statement Discussion

Dennis mendrey

From:	Dennis mendrey [dennism@riserealtyllc.com]
Sent:	Thursday, July 12, 2012 4:15 PM
To:	'dbaker@ci.kenmore.wa.us'; 'Allan Van Ness'; 'Glenn Rogers'
Subject:	Dennis_Thoughts_Sale Lots on 522?
Importance:	High

Tracking:

Recipient	Read
'dbaker@ci.kenmore.wa.us'	
'Allan Van Ness'	Read: 7/12/2012 4:47 PM
'Glenn Rogers'	
David Baker	Read: 7/12/2012 4:31 PM

Dear Mayor Barker, Councilmen Rodgers and Van Ness,

This communica is only between me and the three of you. I first wanted to thank you all for your confidence in my ability to put a lid on the bridge and two parcels For Sale along 522. Done! I had no idea that the City had those lots in their sights and in no way do I want to cause difficulties for the City, you deal with enough of it as it is. My passion is only to help.

I did have a call into Wallace Properties before I knew what the three of you have told me over the last 48 hrs. about the City's interest in those parcels. Thus said I got a call back from the seller's representative from Wallace Properties, Ellen, and in conversation she revealed that her office has a Letter of Intent on the two parcel. Is this the City's? If not you may want an Executive Session to make a real offer to the seller. I would suggest a good health feasibility time [30-120days} and most importantly a contingency on DOE "Clean Bill of Health" of the property. I am sure Brent Smith will be a real asset in this matter and or if I can be of any help in this matter let me know.

Yes, I was also told the listed sales price is 800k, is it worth that? I know that in 2007 US Bank paid ~1.2mil. for the two lots, about the same size, that their drive through is on. Since then the commercial market has dropped ~20%, not near as bad as the residential markets. Thus is 800k a fair market value? I think if it can be an incentive to the development of our Village site and the City's future pedestrian friendly connection to the water via the trail to Log Boom Park and possibly someday Lakepointe it is a good investment, for all, at a fair price with a ***DOE clean bill of health***. Also remember tax assessed values of the county are all over the board. The ~50 acre Lakepointe site sale price was ~50mil in 2007, yet its county assessed value is far, far, far, less do to its DOE rating. Questions to ask is what did the sellers pay for it under what conditions and the change in the market since the last purchase. This should help give you its fair market value today.

I would appreciate a response concerning the Letter of Intent and again I will keep a lid on it.

As always, thanks for all you do.

Working together for a better Kenmore.

Dennis
RISE REALTY LLC
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www.riserealtyllc.com

SUMMARY

IVA. Kenmore Village Positioning Statement Discussion

Thursday July 18, 2012

Dear City and staff,

On July 12 of 2012 I communicated with some individuals of the city that had shown an interest in my investigation of the two parcels for sale along HWY 522. These parcels are part of the proposed location suggested in our City's Comprehensive Plan for a Pedestrian Bridge connecting the Kenmore Village site (downtown) to Lake Washington and future site of Lakepointe. As a real estate broker in Kenmore my recommendation to the City is as follows.

I had received some important information from the seller's representative from Wallace Properties, Ellen, and in conversation she revealed that her office has a Letter of Intent on the two parcels. Is this the City's? If not you may want an Executive Session to make a real offer to the seller. I would suggest a good health feasibility time [30-120days} and most importantly a contingency on Department of Ecology (DOE)"Clean Bill of Health" of the property...

Yes, I was also told the listed sales price is 800k, is it worth that? I know that in 2007 US Bank paid approximately 1.2million for their two lots, which are about the same size, that their drive through is on. Since then the commercial market has dropped approximately 20%, not near as bad as the residential markets. Thus is 800k a fair market value? I think if it can be an incentive to the development of our Village site and the City's future pedestrian friendly connection to the water via the trail to Log Boom Park and possibly someday Lakepointe it is a good investment, for all, at a fair price with a ***DOE clean bill of health***. Also remember tax assessed values of the county are all over the board. The ~50 acre Lakepointe site sale price was ~50million in 2007, yet its county assessed value is far, far, far, less do to its DOE rating. Here are two questions I recommend you can ask:

1- What did the sellers pay for it and under what conditions?
2- What changes in the market and conditions since the last purchase?

This should help give you its fair market value today.

I would appreciate a response concerning the Letter of Intent ...

As always, thanks for all you do.

Working together for a better Kenmore,

Dennis Mendrey
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dennism@riserealtyllc.com
www.riserealtyllc.com

Dennis Hendrey
Submitted 7/23/12

KENMORE COMPREHENSIVE PLAN
VISION STATEMENT

City Council Approval: March 13, 2000

As we look into the future, twenty years from now, we see Kenmore as a place that residents, businesses and visitors find special with welcoming, courteous people, offering a high quality of life as a place to live, raise children, shop, work, recreate, and socialize. In 2020, we see Kenmore as…

- A community that is family friendly with a small town feeling, that recognizes its history, and is open to and values diversity
- A community that fosters a sense of belonging and pride, makes use of the vast skills of its citizens, and promotes volunteerism
- A community that has preserved the character of its single family residential neighborhoods, which offers a range of housing types and prices to ensure an adequate choice of attractive living accommodations, and promotes compatible housing
- A community that actively protects natural and environmentally sensitive areas, significant open space, and trees
- A community with an attractive, vital, pedestrian-friendly city center offering commercial, civic, cultural and park spaces, integrated with higher density housing
- A community with clear design standards creating attractive, functional, and enduring buildings and places
- A community that manages its traffic well, and is united by a safe and effective system of streets, transit routes, sidewalks, and trails, linking significant regional and local destinations
- A community that supports and encourages quality schools, diverse and continuing education opportunities
- A community with a network of parks, trails, open spaces, and recreational facilities providing for passive and active recreation, and waterfront access
- A community with clear public priorities that efficiently and effectively utilizes its public resources
- A community with an economic base that provides for the needs of its citizens and provides quality employment opportunities
- A community that is attentive to, and seeks to provide for, the health, safety, and welfare of all its citizens
- A community that is a good partner with citizens and governments throughout the region
- A community with an informed citizenry working with an open, responsive government that seeks out and integrates public input

To achieve this vision, responsible commitments in planning and resources will be made. We share and support this vision for Kenmore.

Modified December 2006

City Of Kenmore, Washington

18120 68th Avenue NE, P.O. Box 82607, Kenmore, WA 98028 425-398-8900

Memorandum

To: Mayor and Councilmembers

Cc: Nancy Ousley, Assistant City Manager
Joanne Gregory, Finance Director
Bryan Hampson, Director of Land Development and Permitting
Rod Stevens, Spinnaker Strategies
Debbie Bent, Director of Community Development

From: Rob Karlinsey, City Manager

Date: June 6, 2012

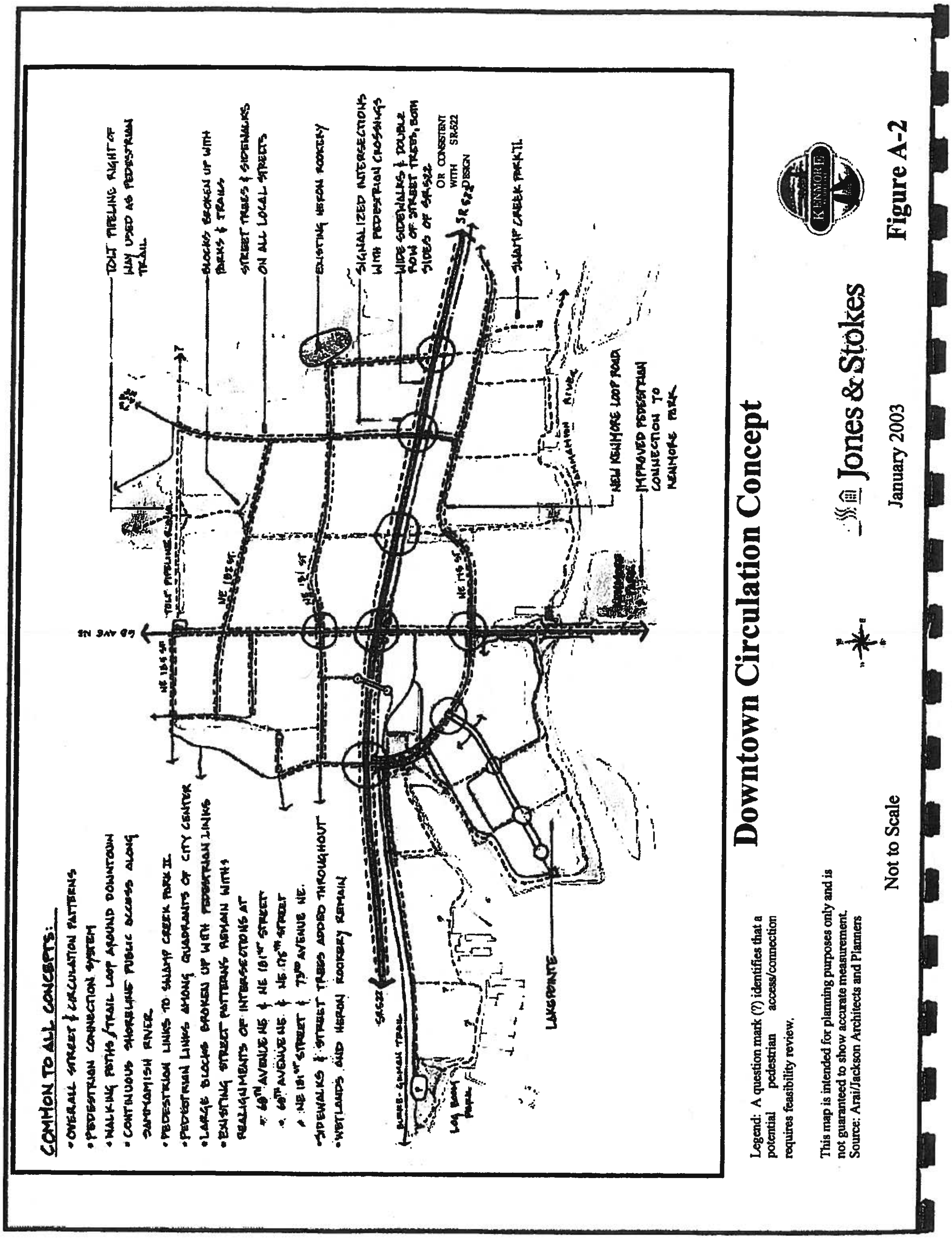
Subject: Proposed Kenmore Village Action Plan

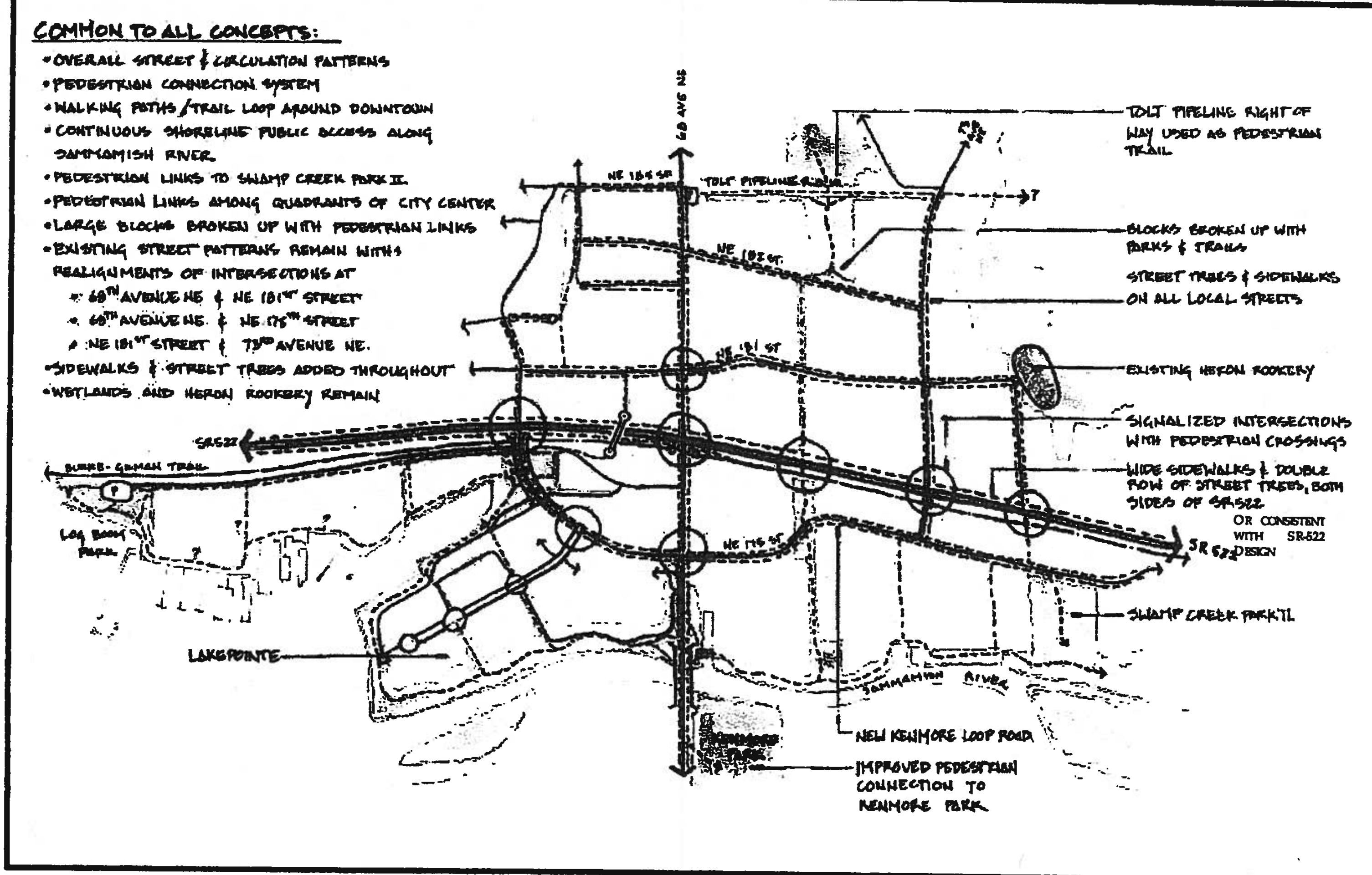
Executive Summary: The purpose of this memo is to propose an action plan for the sale (surplus) and development of the Kenmore Village property. I have executed a professional services contract with Rod Stevens of Spinnaker Strategies to assist the City Council and staff in development and implementation of the action plan.

At the June 14 Council Meeting we will discuss the proposed action plan as shown below. At that same meeting, Rod Stevens will provide information on some of the key changes in the economic environment and what this means for the Kenmore Village property and downtown in terms of opportunities and challenges.

Although I am relatively new to this conversation, my observations lead me to conclude that the current state of the property and market conditions position us well to move forward and make progress. We can still realize the City's goals that were set by the City Council and community, and we are moving forward in realizing those goals, but perhaps in a different way.

It is also important to remind ourselves that for Kenmore, this hasn't been about "town centers," "lifestyle centers," or keeping up with whatever other development trend that happens to come along. This project is about helping the greater downtown area of the City. It is about building our community, creating vibrant public spaces, and attracting new investment that helps existing local businesses thrive and brings more variety of services and amenities to the citizens of Kenmore.


COMMON TO ALL CONCEPTS:
• OVERALL STREET & CIRCULATION PATTERNS
• PEDESTRIAN CONNECTION SYSTEM
• WALKING PATHS/TRAIL LOOP AROUND DOWNTOWN
• CONTINUOUS SHORELINE PUBLIC ACCESS ALONG SAMMAMISH RIVER
• PEDESTRIAN LINKS TO SWAMP CREEK PARK II
• PEDESTRIAN LINKS AMONG QUADRANTS OF CITY CENTER
• LARGE BLOCKS BROKEN UP WITH PEDESTRIAN LINKS
• EXISTING STREET PATTERNS REMAIN WITH: REALIGNMENTS OF INTERSECTIONS AT
68TH AVENUE NE & NE 181ST STREET
68TH AVENUE NE & NE 175TH STREET
NE 181ST STREET & 73RD AVENUE NE.
• SIDEWALKS & STREET TREES ADDED THROUGHOUT
• WETLANDS AND HERON ROOKERY REMAIN
TOLT PIPELINE RIGHT OF WAY USED AS PEDESTRIAN TRAIL
BLOCKS BROKEN UP WITH PARKS & TRAILS
STREET TREES & SIDEWALKS ON ALL LOCAL STREETS
EXISTING HERON ROOKERY
SIGNALIZED INTERSECTIONS WITH PEDESTRIAN CROSSINGS
WIDE SIDEWALKS & DOUBLE ROW OF STREET TREES, BOTH SIDES OF SR-522
OR CONSISTENT WITH SR-522 DESIGN
SWAMP CREEK PARK II
NEW KENMORE LOOP ROAD
IMPROVED PEDESTRIAN CONNECTION TO KENMORE PARK
SAMMAMISH RIVER
68 AVE NE
NE 185 ST
NE 182 ST
NE 181 ST
NE 175 ST
TOLT PIPELINE
SR 522
BURKE-GILMAN TRAIL
LOG BOOM PARK
LAKEPOINTE
Downtown Circulation Concept
Legend: A question mark (?) identifies that a potential pedestrian access/connection requires feasibility review.
This map is intended for planning purposes only and is not guaranteed to show accurate measurement. Source: Arai/Jackson Architects and Planners
Not to Scale
Jones & Stokes
January 2003
KENMORE
Figure A-2



Downtown Circulation Concept

Legend: A question mark (?) identifies that a potential pedestrian access/connection requires feasibility review.

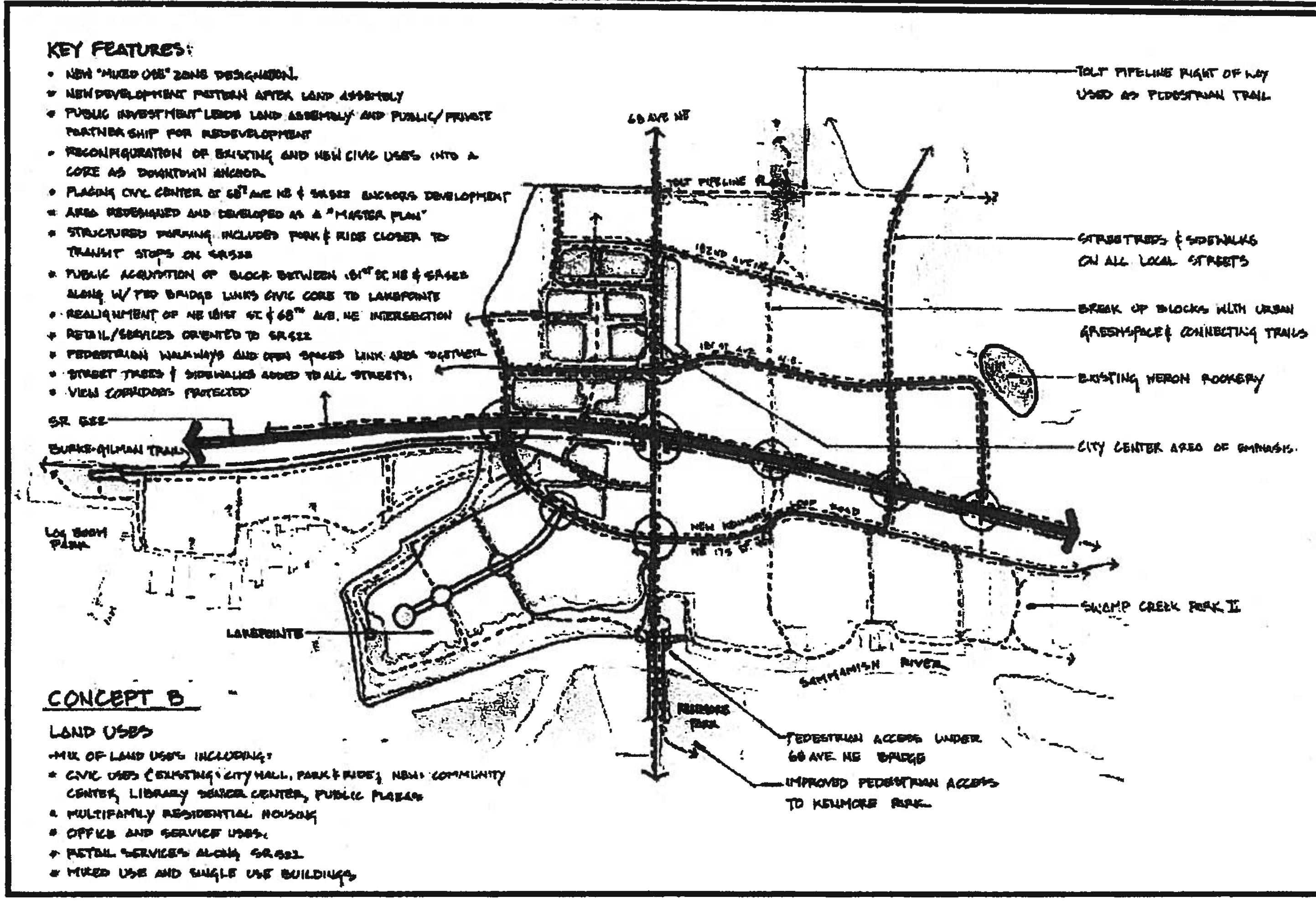
This map is intended for planning purposes only and is not guaranteed to show accurate measurement.
Source: Arai/Jackson Architects and Planners

Not to Scale

Jones & Stokes

January 2003

Figure A-2



Downtown Strategic Civic Investment Area

Legend: A question mark (?) identifies that a potential pedestrian access/connection requires feasibility review.

This map is intended for planning purposes only and is not guaranteed to show accurate measurement.
Source: Arai/Jackson Architects and Planners

Not to Scale

Jones & Stokes

January 2003

KENMORE

Figure A-3

3. GUIDING PRINCIPLES

PURPOSE AND PUBLIC INPUT

Purpose

To help the preparation of the Downtown Plan, a set of Downtown Plan Guiding Principles was drafted based on the Comprehensive Plan goals (see **Appendix A**), objectives, and policies, as well as detailed studies of Downtown Characteristics included in ***Section I-2*** (e.g. Downtown Density Study, Market Study). The Guiding Principles were the subject of a public Open House in November 2001, and were refined further to emphasize appearance, green space, mixed uses, retail/economic development, transportation improvements, and activities for a range of ages. In Fall 2002, additional revisions were made in response to public comments to further address Civic Center locations and impacts to businesses, potential road improvements, and impacts to businesses, convenient parking, public improvement costs, and others. (See **Appendix G** for public comment summaries.)

These Downtown Plan Guiding Principles have and will serve as guidelines or evaluation criteria. They have been used to develop plan alternatives and conduct draft environmental analysis. Further, the Guiding Principles have assisted the public, City staff, Planning Commission, and City Council to "screen" the planning alternatives towards the preparation of this Final Plan.

RECOMMENDED GUIDING PRINCIPLES

General

- Plan for and implement an attractive, vital, pedestrian-oriented, transit friendly, city center offering commercial, civic, cultural and park spaces, integrated with higher density housing.
- Address the different characteristics of downtown by encouraging regional serving development south of SR-522 and local serving development north of SR-522.[2]
- Support redevelopment in accordance with the Vision for the Downtown through investment in public infrastructure including transportation, utility, and civic infrastructure.
- Give priority to creating indoor and outdoor public spaces, promote community activities meeting the needs of a range of ages and interests. Outdoor spaces should include plazas, parks, and public green spaces. Encourage the efficient use of space and shared uses where appropriate.
- Give priority consideration to strong linkages between the four Downtown Quadrants and the surrounding neighborhoods. Pedestrian crossings, including a bridge(s), over SR-522, linking the north and south quadrants, should be readily accessible, functional, visually attractive, safe, and inviting links to key destinations, and should provide a Kenmore identity.

[2] Regional serving development generally refers to mixed-use compact development recognizing Kenmore's position as a regional transportation center and featuring larger scale commercial, office, and multi-family developments, attracting people from a much larger area than just Kenmore. Local serving development generally refers to mixed-use developments including high-density housing, civic and governmental, offices, small-scale commercial and retail, and locally oriented professional and personal services, primarily serving the Kenmore community.

- Create a Downtown circulation system that promotes mobility for all modes of travel, emphasizing a loop road circulation system.
- Create an interconnected system of trails, sidewalks, bikeways, and open spaces in Downtown.
- Promote the revitalization and expansion of business and retail compatible with the character of the Downtown districts. Encourage businesses that draw patrons during both the day and evening. Provide an adequate mix of on-street, surface, and structured parking, and encourage shared parking options.
- Provide high density, high amenity (includes public spaces and private facilities) pedestrian oriented residential neighborhoods meeting the housing needs of a variety of income levels, and developed at densities high enough to support transit and commercial uses. Off-street parking should be encouraged.
- Coordinate public and private investment to achieve optimal leverage of public funds.
- Create an identity for the Downtown and SR-522 by giving priority consideration to improving the appearance of the physical environment through design guidelines, sidewalks, landscaping, street trees, public art and signage.
- The Downtown should acknowledge and create a beneficial and symbiotic relationship with SR-522.
- Integrate and manage Downtown development to support sound ecological principles by responding to natural landforms, providing stormwater management, improving water quality and retaining and adding green spaces.
- Identify Downtown view corridors of significant off-site features (i.e. Lake Washington, Cascades, and surrounding hillsides), giving priority consideration to provision of public physical and visual access from the Downtown Quadrants to the waterfront.

Additional Principles – Northwest Quadrant

- Locate the Civic Center facility (including City Hall, a Community Center and Library) in the Northwest Quadrant to provide the greatest stimulus to redevelopment. If there is a truly unique opportunity in another quadrant of the Downtown that would meet the balance of Civic Center criteria, it should not be ruled out.
- Locate a multi-modal transportation facility in the Northwest Quadrant linked with other public facilities and spaces, functioning as a key node within a larger regional system.
- Locate the Civic Center facility at a highly visible and/or accessible location, if possible taking advantage of view corridors to Lake Washington. The facility should provide long-term expansion potential and opportunities for private use of public space. Additional potential civic uses should be considered. The facility should be prominent, distinguishable and visually attractive.
- A large, functional, open, outdoor space should be created to function as a focal point and "public square," providing opportunities for public and private gatherings.

- Give priority consideration to public purchase of parcels in the Northwest Quadrant where desired private investment is least likely to occur. Public investment may include purchase, long-term lease, or other owner/tenant options.

E. Vision and Priorities

Vision and Guiding Principles

The Kenmore Comprehensive Plan envisions downtown as "an attractive, vital, pedestrian-oriented city center offering commercial, civic, cultural and park spaces, integrated with higher density housing." Building on this, the Kenmore Downtown Guiding Principles have and will serve as guidelines/evaluation criteria including for this redevelopment request for qualifications (see Appendix).

The Vision and Guiding Principles – implemented in part with the redevelopment of the Northwest Quadrant – are intended to meet community needs:

- **Creating a Central Place in Kenmore** where the community can shop, work, meet, and gather.
- **Stimulating Economic Revitalization** in a way that supports existing businesses, adds new businesses that meet resident needs, and captures more local dollars that now go to businesses outside of Kenmore.
- **Managing Traffic and Improving Circulation** in several ways such as placing mixed uses near transit, making improvements to City roads, and giving residents local choices to work, shop, and live.
- **Protecting single-family residential areas.** New multi-family capacity and commercial opportunities are concentrated in Downtown and away from single-family neighborhoods.
- **Protecting the Environment.** Having commercial and multifamily growth occur in an already urbanized area with access to services and transportation reduces pressure upon environmentally sensitive areas.

Priorities for 9.72 Acre Site

RFQ submittals shall demonstrate how they meet the Downtown Vision and Guiding Principles as well as the City's priorities for the site. The City's priorities for the 9.72-acre property are to:

- Integrate existing businesses and add new commercial businesses; and
- Add high amenity, high density attached housing; and
- Feature a destination community gathering space designed to be a unique or "signature" space within the development for the local community; and
- Include a variety of parking solutions including on-street parking and on-site shared, structured, and surface parking; and
- Facilitate the City's planned Downtown loop road and pedestrian and bicycle network; and
- Provide a unique design that takes advantage of views to the lake, demonstrates sensitivity to surrounding sites that may redevelop in the future, and is consistent with City design standards; and
- Design a mixed use development that is human scale and pedestrian friendly; and
- Provide a development that is responsive to the market and is fiscally responsible for the community.

Attachment 5

Summary of Goals and Action Strategies

Goal I: Establish Kenmore's Image by Promoting its High Quality of Life and Many Assets

A. Engage Kenmore residents through ongoing community outreach around economic development goals and key initiatives, such as the redevelopment of Downtown

B. Launch a community marketing campaign to raise Kenmore's profile in the region

C. Strengthen and promote Kenmore's community activities and events, such as summer concerts at Saint Edward State Park

D. Support efforts to improve, maintain, and expand parks and open spaces, recognizing them as an important economic vitality asset

Goal II: Support Existing Businesses and Pursue Opportunities to Expand Employment

A. Maintain a culture supportive of economic development among all members of the City organization

B. Focus the City's economic development efforts on independent, community-scale retailers and employers, with a particular emphasis on the outdoor recreation, clean-tech, and health care sectors

C. Promote a business and development climate that supports desired economic growth

D. Work to retain the City's existing independent businesses by understanding and responding to their issues

E. Support the growth of a health-related cluster

F. Maintain the opportunity for longer-term office based employment

Goal III: Create a Multi-Use, Vibrant, and Walkable Downtown

A. Prepare for and build off of Kenmore Village, City Hall, the library, and other existing or planned Downtown projects and improvements

B. Develop NE 181st Street as a unifying feature of a pedestrian-oriented Downtown

C. Encourage additional residential development in the Downtown to increase activity and attract daily goods shops, services, and restaurants

D. Capture pass-through traffic on SR 522 and the Burke-Gilman Trail by creating strong connections to the Downtown

Goal IV: Advance the Community's Connection to the Waterfront

A. Continue to pursue designation as the first King County ferry district demonstration route

B. Provide leadership in opening up the waterfront

C. Establish improved linkages to the waterfront

IVA. Kenmore Village Positioning Statement Discussion

Attachment 6

Summary of Proposed Kenmore Action Plan and Key Dates

(Dates are Tentative and Subject to Change)

Step 1: Complete a purchase and sale agreement for a portion of the Kenmore Village property and close the sale. Estimated purchase and sale agreement completion: Before June 26, 2012.

Step 2: Contract with a property management company—July 2012.

Step 3. Place the remaining property (or a portion of the remaining property) on the market for sale that leads to closing.

A. Council meeting June 14, 2012: Review key goals that must be affirmed for the Kenmore Village property and downtown.

B. Council meeting July, 30 2012: Develop a positioning statement for the site. Identify what existing assets position the site to win, and what businesses/uses are likely to be attracted to and successful at this site. Hold a Council/developer forum on July 10 to obtain business and community perspectives on the position statement.

C. Council Meeting Thursday, September 6, 2012: Determine specific actions the City should take (or commit to take) before putting the property on the market for sale in order to position the Kenmore Village property to successfully compete against other locations.

D. Council Meeting October 1, 2012: Determine which mechanism the City should use to sell the property.

Dennis mendrey

From: Dennis mendrey [dennism@riserealtyllc.com]
Sent: Friday, July 20, 2012 1:08 PM
To: 'Robert.Brenner@kiewit.com'
Subject: RE: HWY 522 KENMORE PEDESTRIAN BRIDGE and More
Attachments: 522 PARK NsPdf.PDF; new NsPdf.PDF; 522 park lots Publication1.jpg

Dear Robert and others,

My specific request to KGM and possibly others like Cal Portland, Pioneer Towing, King County and State who are involved in the nation's longest floating bridge consider a way of thanking our community of Kenmore for all we are doing to make this project available at a far more effective cost, is as follows:

We have had a vision since shortly after our birth as a city in 1998 to have a Pedestrian Bridge crossing HWY 522 connecting Lake Washington and future development of Lakepointe with our downtown, Kenmore Village site. We would like your participation in this project. I am sure there are many other bridges in the area surrounding Lake Washington that could benefit from KGM and others activity at you Lakepointe site. We as a city may also need to replace the bridge crossing the Sammamish River, just east of your Lakepointe site location. Have you thought of retooling once the 520 project is completed, to meet other pre-cast needs, only till the Lakepointe development becomes a reality?

I just spoke with one of our council members and he mentioned to me an aspect of the cost to our city for the 520 Floating Bridge Project that I never thought of. Many many hours of Kenmore staff and council and paid consultant time has been spent to move this project ahead in a timely manner and will continue to be spent to keep this project on schedule. For this reason and other costs to our community, I believe as others do, that all those involved in the 520 project could benefit in their marketing and Public Relations by meeting to discuss these two bridge requests and or other possible ways of showing their gratitude.

I as a resident of Kenmore with other would be eager to talk with those who can help us in our needs as well as those of the surrounding area.

Thank you for your serious consideration and action on my request.

Working together for a better Kenmore,

Dennis Mendrey
RISE REALTY LLC
6410 NE 182 St
Kenmore, WA 98028
O = 206-686-8727
C = 425-681-8727
Fax = 206-686-8727
dennism@riserealtyllc.com
www.riserealtyllc.com

From: Robert.Brenner@kiewit.com [mailto:Robert.Brenner@kiewit.com]
Sent: Thursday, July 19, 2012 6:21 PM
To: dennism@riserealtyllc.com
Subject: RE: HWY 522 KENMORE PEDESTRIAN BRIDGE and More

Hi Dennis,

It occurs to me that there's not really a clear request in your previous email, and I really don't want to get it wrong, so before I forward it I'm going to ask that you help me out a bit. Would you mind writing up a paragraph or two describing what it is that you're asking for from KGM? Specifically; when you reference KGM investing in your community, what do you see as our investment? If I have something that clearly defines the request, that will avoid the inevitable questions regarding what you're looking for.

Thanks,
Robert

Robert Brenner, CEP
Environmental Manager | Kiewit/General/Manson, A Joint Venture
SR 520 Evergreen Point Floating Bridge
3015 112th Ave N.E., Bellevue, WA 98004
(p) 425-576-7138 (c) 425-577-2939

From: Dennis mendrey [mailto:dennism@riserealtyllc.com]
Sent: Thursday, July 19, 2012 6:17 PM
To: Robert.Brenner
Subject: RE: HWY 522 KENMORE PEDESTRIAN BRIDGE and More

Great! and thanks

"Some men see things as they are and ask 'why?'
I dream things that never were and ask, 'why not?'"
-George Bernard Shaw

Dennis Mendrey

My Grandpa can help!

RISE REALTY LLC
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C = 425-681-8727
Fax = 206-686-8727
dennism@riserealtyllc.com
www.riserealtyllc.com

From: Robert.Brenner@kiewit.com [mailto:Robert.Brenner@kiewit.com]
Sent: Thursday, July 19, 2012 6:13 PM
To: dennism@riserealtyllc.com
Subject: RE: HWY 522 KENMORE PEDESTRIAN BRIDGE and More

Thanks for following up, Dennis. I'll find the right person or people and forward this along.

Have a great evening,
Robert

Robert Brenner, CEP
Environmental Manager | Kiewit/General/Manson, A Joint Venture

SR 520 Evergreen Point Floating Bridge
3015 112th Ave N.E., Bellevue, WA 98004
(p) 425-576-7138 (c) 425-577-2939

From: Dennis mendrey [mailto:dennism@riserealtyllc.com]
Sent: Thursday, July 19, 2012 12:37 PM
To: Robert.Brenner
Subject: FW: HWY 522 KENMORE PEDESTRIAN BRIDGE and More
Importance: High

Dear Robert,

I appreciated the time you spent with me at last night's DOE meeting at Kenmore's City Hall. I was impressed with all the thought, planning and preparation that went into the meeting by all that participated including you and KGM. Thus said I promised a follow up on my Pedestrian Bridge across 522 and KGM's possible participation and PR benefit in the future. The booklet I referred to last night is quite large as I suspected yet my previous email, below with the above attachments covers a major part of the present project's format. I have added a marketing booklet for two lots along 522 that are for sale those lots could be a location for one side of the bridge. The demographics and other information for our community in this marketing booklet could help KGM and others involved in the 520 project to understand the benefit of investing into our community more than "sale tax from things purchased by the 50 new employees work at the KGM site".

Thanks again for your time and willingness to pass this win win vision on your powers to be. I anticipate and look forward to hearing back from them in a timely manner concerning their thoughts of this vision.

Working together for a better Kenmore.

Dennis

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Fax = 206-686-8727
dennism@riserealtyllc.com
www.riserealtyllc.com

From: Dennis mendrey [mailto:dennism@riserealtyllc.com]
Sent: Monday, July 09, 2012 12:24 PM
To: 'koverleese@kenmorewa.gov'; 'depapearch@earthlink.net'; 'tpaananen@kenmorewa.gov.'
Cc: 'ci_council@ci.kenmore.wa.us'
Subject: HWY 522 KENMORE PEDESTRIAN BRIDGE and More
Importance: High

Dear Chris, Terry, Dennis and others,

First I want to thank Chris, Terry and Dennis, for your assistance in this preliminary conceptual vision of our city's original Comprehensive Plan's Pedestrian Bridge across 522 connecting Lake Washington, Burke Gilman Trail and future development of Lakepointe to the continued development of our Kenmore Village site and downtown. It still has a long way to go but it is a start and may be the time to look seriously at this project. Since many developers, citizens and others have suggested Kenmore needs something to direct the HWY 522 traffic to the continued development of Kenmore Village site and our downtown that is a safe and aesthetically pleasing connector between Lake Washington, Burke Gilman Trail and future site of Lakepointe to our downtown, thus the possible pedestrian bridge and park. We presently have the 520 floating bridge manufacture, KGM Construction and Cal Portland, concrete manufacture, Evergreen Soil, Pioneer Towing right by the site and future developers of Kenmore Village may all be willing to help in this vision, making it a reality.

In my initial design I was pleased to see that an ADA ramping can fit into the two vacant lots, presently for sale, at the corner of 67th Ave NE and Bothell Way. Plus allow for a small park with recreation like a *skateboard park and possibly a sand volleyball court with still plenty of room for gathering. It will also make a people friendly and hour glass view of the future development of Kenmore Village and downtown. It could also be a pedestrian friendly connect to our new King County Library. Sixty seventh Avenue Northeast is already lined with a coffee shop, bank and **Kenmore Camera building and not a quick lube, bar, fast food restaurant and strip mall like 68th Ave NE is. The bridge's width design is intended to be approximately 15 foot and may use similar road way construction used on the 520 Floating Bridge project. This will allows wide plenty of width to stop sit and enjoy the lake view, planes of Kenmore Air take off and land and future development of Lakepointe and Kenmore Village plus graciously and safely connect north and south sides of HWY 522.

* There are not many activities for our youth in Kenmore and with the future development of the Old Park and Ride the skate park will need a new location with good visibility of the park's activities.

** With the future potential of Kenmore Camera moving to its new location in Kenmore Village and the quality and design of its present structure it will possibly continue to house people friendly business(s), like the ones that are presently found along 67th Ave NE..

As I said there is a long way to go. It will take citizens, council, staff, engineering, designers, contractors and of course financing and or donations to make this vision a reality.

This Tuesday July 10th the City is hosting an outdoor BBQ town hall meeting with developers for the Kenmore Village site at the Village site, see details below. It should be a great opportunity to see how we can help in the City's development of the Kenmore Village site. It will also be an opportunity to ask developers their thoughts concerning the profitability of a future pedestrian bridge across 522, connecting the lake to their development.

I look forward to seeing you there as well as hearing your thoughts on this vision. Please pass this on to others who may have this vision.

Working together for a better Kenmore.

Dennis
RISE REALTY LLC
6410 NE 182 St
Kenmore, WA 98028
O = 206-686-8727

C = 425-681-8727
Fax = 206-686-8727
dennism@riserealtyllc.com
www.riserealtyllc.com

From: KENMORE E-AGENDA [mailto:KENMORE-E-AGENDA@LISTSERV.WA.GOV] **On Behalf Of** Patty Safrin
Sent: Tuesday, July 03, 2012 6:09 PM
To: KENMORE-E-AGENDA@LISTSERV.WA.GOV
Subject: Kenmore City Council Meeting Agenda and Attachments for Tuesday, July 10, 2012 Public Forum - 6 p.m. Barbecue/7 p.m. Panel Discussion

The City of Kenmore is now sending the City Council agenda via e-mail. You are receiving this e-mail because you have expressed an interest in receiving information about the City.

Here is the link to the above-referenced City Council agenda:

https://kenmore.civicweb.net/Documents/DocumentList.aspx?ID=35658

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1) All text must be copied without modification and all pages must be included; and

2) This document may not be distributed for profit.

If you should have any questions related to the agenda and/or the transmission of this e-mail, please contact the City of Kenmore at
(425) 398-8900 or stop by City Hall at 18120 68th Ave. NE, Kenmore.
You can also e-mail your questions to: psafrin@kenmorewa.gov **or** cityhall@kenmorewa.gov. **The agenda is always available for viewing on the City's website:** www.kenmorewa.gov.

Patty Safrin

425-398-8900
P.O. Box 82607
18120 68th Avenue NE

Kenmore, WA 98028
psafrin@kenmorewa.gov

Dennis mendrey

From:	Ellen Post [epost@wallaceproperties.com]
Sent:	Monday, July 23, 2012 8:49 AM
To:	Dennis mendrey
Cc:	Robert Wallace
Subject:	RE: Kenmore Property

Hi Dennis,
We have agreed to final terms on the PSA & are routing it for signature.
Feel free to check back with me in a couple of months....since this is a development deal on a former gas station site the buyer has an extended feasibility period.
Thanks!

Best regards,
Ellen

WALLACE

Ellen Post | Senior Vice President
epost@wallaceproperties.com
330 – 112th Avenue NE | Suite 200 | Bellevue, WA 98004
P: 425.455.9976 | F: 425.646.3374
www.wallaceproperties.com

From: Dennis mendrey [mailto:dennism@riserealtyllc.com]
Sent: Monday, July 23, 2012 8:44 AM
To: Ellen Post
Subject: FW: Kenmore Property

Ellen,

What is status on Kenmore parcels? I meet with my prospective buyers tonight. Please give me a call to update Status.
Thanks

Working together for a better Kenmore,

Dennis

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O = 206-686-8727
C = 425-681-8727

Fax = 206-686-8727
dennism@riserealtyllc.com
www.riserealtyllc.com

From: Dennis mendrey [mailto:dennism@riserealtyllc.com]
Sent: Thursday, July 12, 2012 4:23 PM
To: 'Ellen Post'
Subject: RE: Kenmore Property

Dear Ellen,

Thank you for your quick response. Can you keep me in the loop concerning the maturity of the Letter of Intent. I will keep you post on my end.

"Some men see things as they are and ask 'why?'
I dream things that never were and ask, 'why not?'"
-George Bernard Shaw

Dennis Mendrey

My Grandpa can help!

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O = 206-686-8727
C = 425-681-8727
Fax = 206-686-8727
dennism@riserealtyllc.com
www.riserealtyllc.com

From: Ellen Post [mailto:epost@wallaceproperties.com]
Sent: Thursday, July 12, 2012 3:09 PM
To: dennism@riserealtyllc.com
Cc: Robert Wallace
Subject: Kenmore Property

Dennis,
Attached is the sale package for the property in Kenmore we have listed for sale.
As I mentioned on the phone, we have a signed LOI on the property and are in the process of finalizing the PSA.
Please let me know if you have additional questions after you review this information.

Thank you.

Best regards,
Ellen

WALLACE

Ellen Post | Senior Vice President
epost@wallaceproperties.com
330 – 112th Avenue NE | Suite 200 | Bellevue, WA 98004
P: 425.455.9976 | F: 425.646.3374
www.wallaceproperties.com

Submitted 7/24/12 **Attachment #6**

July 24, 2012

To the members of Kenmore City Council and Mayor Baker

Here is a vision for the downtown space, Kenmore Village. I am an 18 year resident of Kenmore and one who is fairly content with the way things are. I believe that improvements to the Kenmore village can be made in a well thought out, slow process...including a mixture of uses to the space. It would be important to have as much diversity of thought and management in the project as possible... and to include citizen review at all steps, if the property is to remain in the ownership of the city.

If the commercial aspects of the project present a unique experience to the consumer, it will be successful and draw in people from potentially farther distances. People want experiences other than soulless strip malls. Look how far people will drive to get this type of experience in Leavenworth . Kenmore could tie into their Scottish heritage perhaps? Or, the vision of a business like 192 brewing company is a good example. Mom and pop shopping...local businesses...provide a unique experience that people crave. Do not rule out the idea of a movie theater...for example...an art house theater like the downtown Edmonds movie theater.

Thank you for your consideration.

Sincerely,

Karen M. Tarr

Kenmore, WA

Attachment #7

Submitted 7/23/12

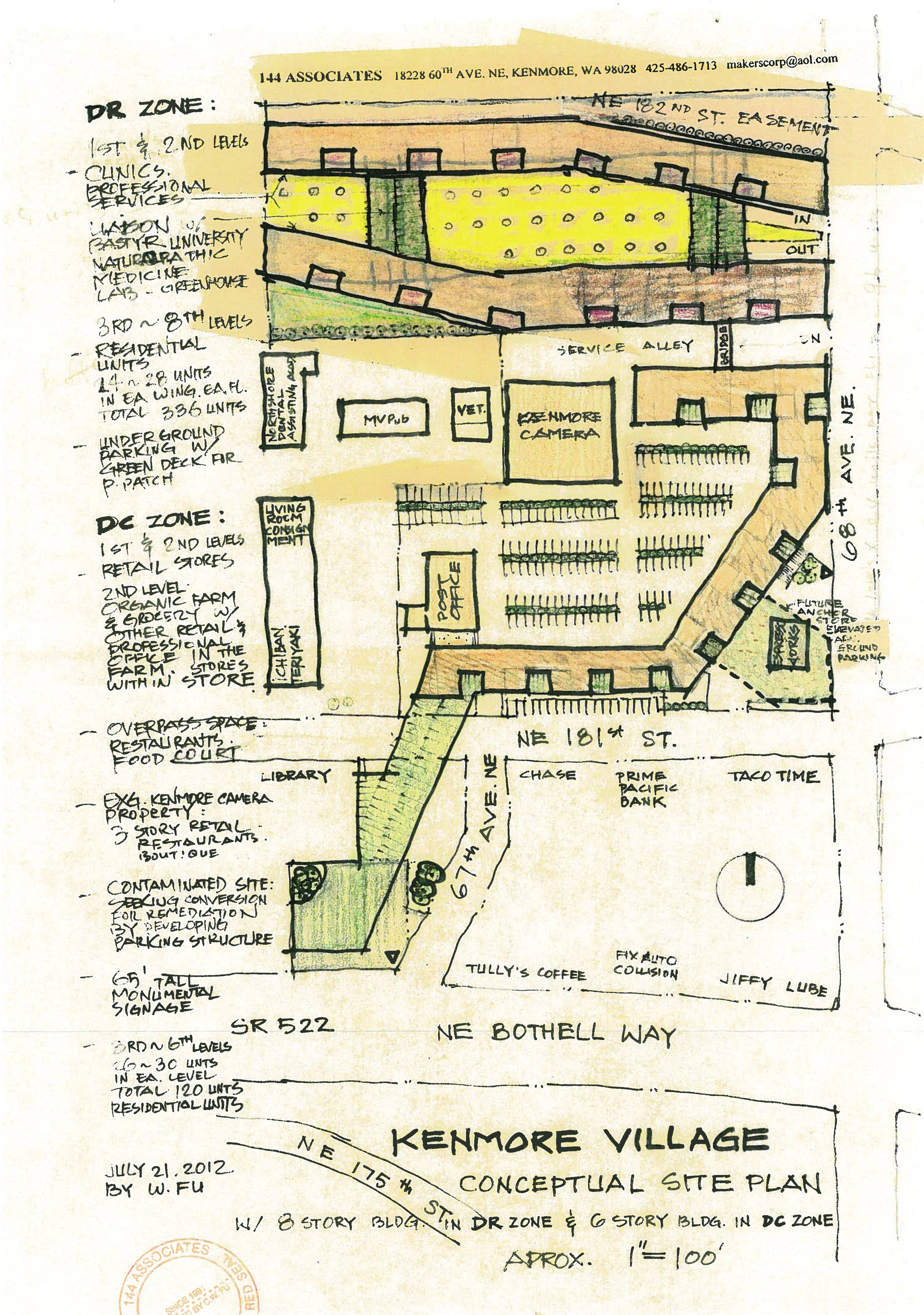
Is Kenmore ready for this?

Wayne Fu

18228 60th Ave. NE, Kenmore, WA 98028

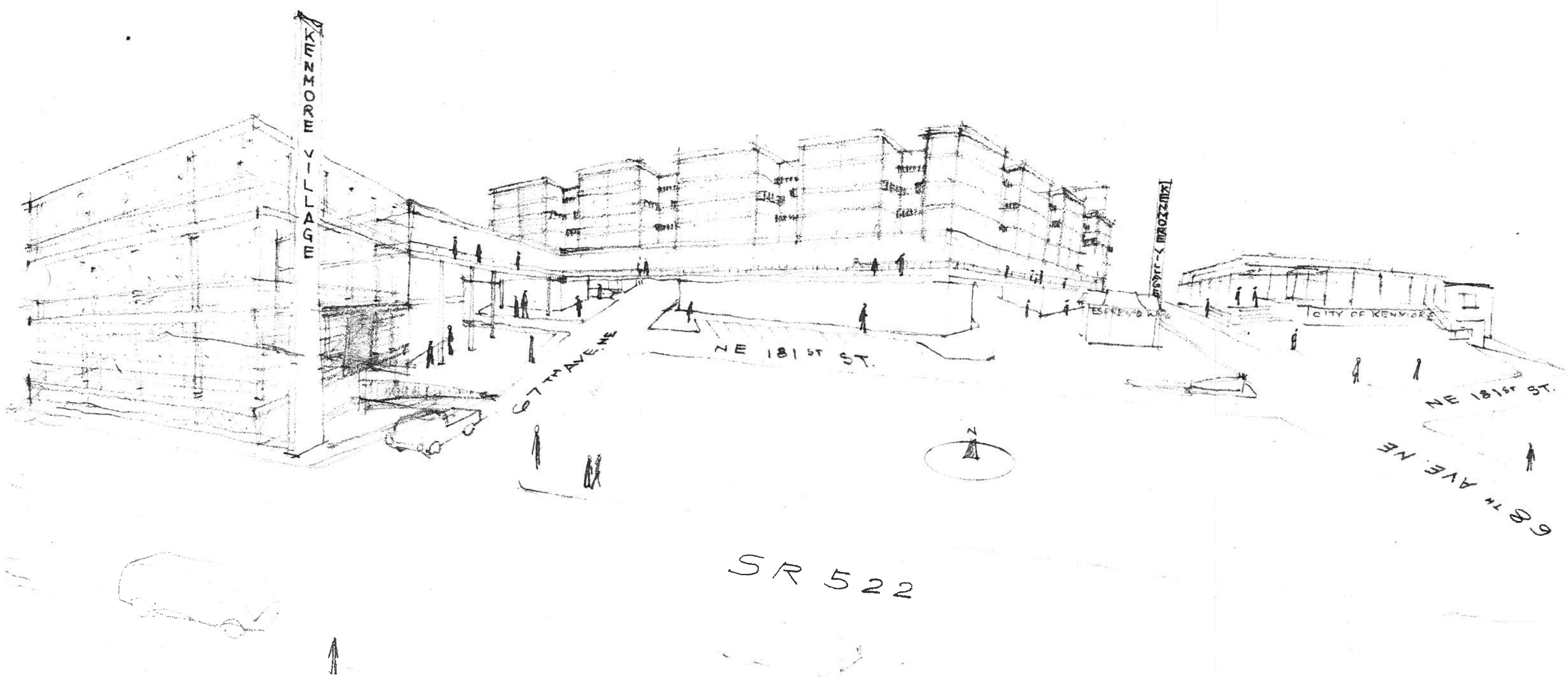
makerscorp@aol.com

(206) 972-7405



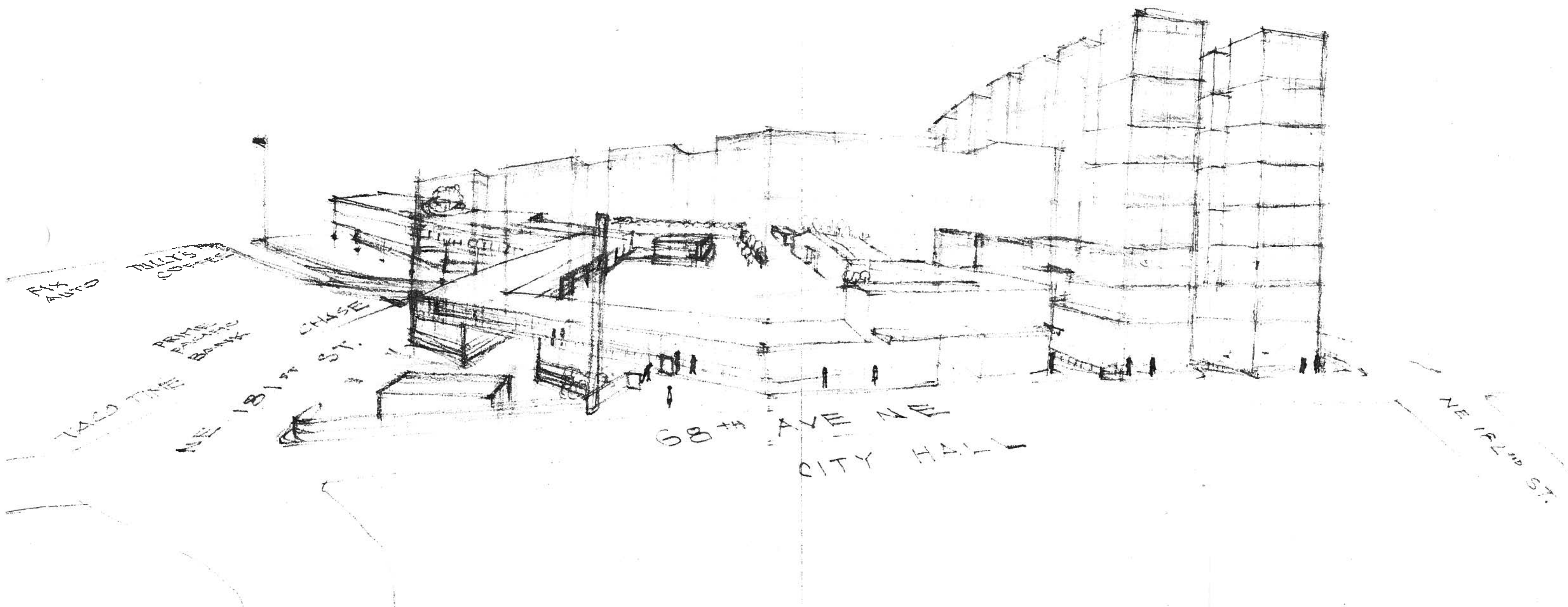
IVA. Kenmore Village Positioning Statement Discussion

144 ASSOCIATES 18228 60TH AVE. NE, KENMORE, WA 98028 425-486-1713 makerscorp@aol.com



KENMORE VILLAGE CONCEPTUAL PERSPECTIVE BY W. FU JULY 4, 2012
W/ GARAGE ON OLD GAS STATION PROPERTY & 65' TALL BLDG. IN DC ZONE
MIXED-USE SCHEME

144 ASSOCIATES 18228 60TH AVE. NE, KENMORE, WA 98028 425-486-1713 makerscorp@aol.com



KENMORE VILLAGE W/ 80' TALL BLDG. IN DR ZONE & 65' TALL BLDG. IN DC ZONE
CONCEPTUAL PERSPECTIVE FROM 68TH AVE NE BY W. FU JULY 21, 2012

Kenmore Village

Notes from meetings with citizens

New structures at KV may not be mutli-story now, but the City should require foundations/base structure to be built to be able to accommodate multi-stories later.

SR522 ped bridge: OK with acquiring land as a placeholder for it now, but it does not make sense to actually build a ped bridge at this time. 67th Avenue is an OK location for a ped bridge, but consider even further west, perhaps at or near 63rd.

Kenmore needs a theme—such as being known as a restaurant location, akin to the restaurant concentration in South Lake Union. Kenmore needs to be known as the place for _____________ (fill in the blank. Water park, Herons, etc.) "Come to Kenmore where _______________________."

Acquire the old gas station and current Kenmore Camera site. There is nothing inviting right on SR522. Downtown Kenmore needs a front door. Ex: Yarrow Bay has an entry. We need something that says, "Turn Right." A sense of entry.

An art gallery would be good—if better economy.

When the time comes to dispose of the KV properties, an RFP approach is preferable. Ask for a look and feel from the developer.

The City's design standards are important and should be followed.

As for types of uses at KV that would be successful, ask a retail expert. Wrangle discretionary dollars to make something nice. Ask: where do people shop for necessities? Office uses are OK, but strive for retail on the first floor. Retail is more active/alive than office.

Consider not selling the properties now. Enter into longer term leases to bring life back to the center and then consider selling to a developer 5-7 years from now when the economy is improved.

Creat a pedestrian circuit. Tolt trail, through KV, to an SR522 ped bridge would be great.

Acquire the old gas station property for KV with a sign easement for KV.

Town green OK. Connect pedestrians through the town green and through the project. Ped bridge OK, but acquire the triangle parcel on south side of SR522 for parking.

Notes from Meeting with Rod Stevens, 7/19/2012

KV can be leveraged to help other parts of the downtown redevelop—to help other things go.

KV needs to become an amenity for the downtown.

There is a lot of high density housing close to KV—kid rich, income poor. The downtown needs amenities and programs to go with the high density affordable housing in the downtown.

What is the City's investment plan for the downtown? How much $$ do we plan to invest, and what return (in the form of private investment) do we expect and when?

KV should have a town green/small park that should be seen as an amenity for workers, locals; not a "ballfield" for suburban soccer moms.

Make KV a nice place to make it worth it to turn on 68th. Our downtown needs to be nice enough for people to want to move here and live here.

Don't focus on trying to tame SR522. No one has tamed a big highway for local retail. Make KV its own place instead of trying to move it to SR522.

Attachment #9

JUNE 2012

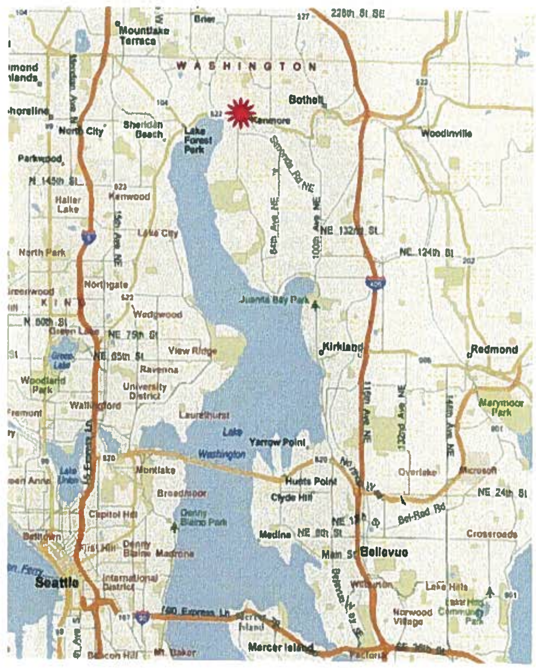
Summary of Kenmore Village Facts

Overview

The City of Kenmore owns 9.6 acres of property (four parcels) at the northwest corner of N.E. 181st Street and 68th Ave. N.E. This land is almost evenly divided between a 4.8 acre former park and ride lot to the north, zoned for multi-family housing, and 4.9 acres (three parcels) to the south zoned for commercial activity where the City envisions the center of the community. The City until recently had a development agreement with a private developer for redevelopment of the property. The development agreement was terminated by mutual agreement earlier this year and the City is now exploring options for seeking more immediate re-use of the property that will also further the public goals of making this site the identifiable city center. On June 11, 2012 the City and Kenmore Camera signed a Purchase and Sale Agreement for a portion of the property (building and land) with the intent of constructing improvements to the interior and exterior of one of the existing buildings. The sale is pending conclusion of a 90 day due diligence period.

Location

Kenmore is centrally located between I-5 and I-405, 13 miles and 30 minutes from downtown Seattle, 14 miles and 25 minutes from downtown Bellevue, and three miles and eight minutes from Bothell. The City sits at the head of Lake Washington. Kenmore is the home of the Kenmore Air headquarters , the country's largest seaplane operator. Kenmore is also the home of Bastyr University, a national leader among natural medicine educational and research institutions.



IVA. Kenmore Village Positioning Statement Discussion

Configuration

The four City owned parcels (9.6 acres), known as Kenmore Village, are located one block north of State Route 522 (also known as N.E. Bothell Way), behind two rows of commercial buildings. Kenmore Village and the four privately owned commercial properties immediately to the west of Kenmore Village are located between residential areas to the north and commercial along N.E. Bothell Way.

The tables below show various details on the four City owned parcels (Kenmore Village) - and the adjoining privately owned land (four total parcels) immediately to the west of Kenmore Village.

City Owned Commercial Parcels

	Parcel #2 Former QFC*	Parcel #3 Central Building and East Buildings	Parcel #1 Post Office	Total City Owned
Building age	1961	1961-1978	1965	
Land Area	69,000	110,400	33,600	213,000
Building Area	18,614	33,788	3,900	56,302
Parking and circulation	50,386	76,612	29,700	156,698
Parking Space	90	111	24	225
Circulation/s.f. bldg	560	690	1238	696
Parking/ per 1k bldg	4.8	3.3	6.2	4.0

*Purchase and Sale Agreement has been signed for this property, now in due diligence period

Privately Owned Parcels

	Southwest Building	Northwest Building	Middle Building	East Building	Total Private Owned
Building age	1962	1975	1972	1971	
Land Area	50,400	18,360	24,840	10,800	104,400
Building Area	11,800	5,981	5,498	2,052	25,331
Parking and circulation	38,600	12,379	19,342	8,748	79,069
Parking Space	69	16	36	15	136
Circulation/s.f. bldg	559	774	537	583	581
Parking/ per 1k bldg	5.8	2.7	6.5	7.3	5.4

Total City and Privately Owned Parcels

	Total Public and Private
Land Area	317,400
Building Area	81,633
Parking and circulation	235,767
Parking Space	361
Circulation/s.f. bldg	653
Parking/ per 1k bldg	4.4

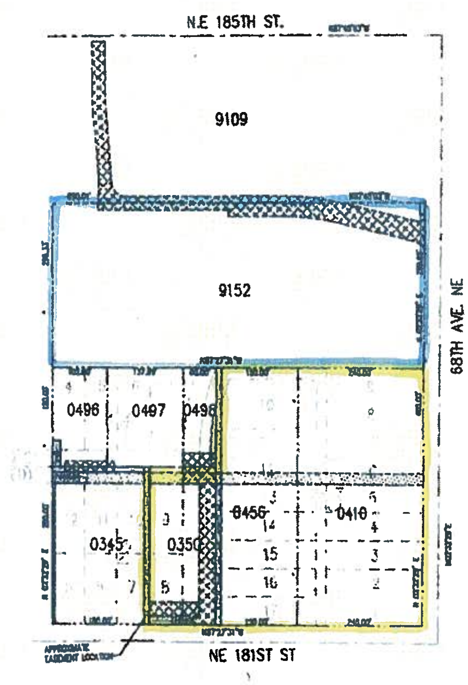
Current Use

The table below shows the leases currently in force on City owned property:

Business	Bldg. Area	Start	End	Mo. Rent	Type
Kenmore Fitness (gym)	3,098	1/1/2004	6/20/2014	$2,065.33	nnn
Great Play (kids' gym)	4,637	9/1/2010	10/31/2014	$3,184.07	nnn
Espresso Works (coffee shop)	2,356	11/1/2010	10/31/2014	$2,750.00	nnn
US Postal Service	2,535	10/1/2009	6/11/2015	$4,241.25	gross
	12,626			$12,240.6	
Vacant space	25,062				
Sale Pending	18,614				
Total	56,302				

Zoning and Easement Information

The City owned former park and ride lot (4.8 acres) is zoned Downtown Residential (DR) providing for high density residential development (maximum of 72 units per acre, up to 80 feet in height) in support of the adjoining Downtown Commercial zone located immediately to the south of this property. Limited retail and office use are also allowed in the DR zone as part of a mixed-use development and at least 25 percent of the total housing units are required to meet certain affordability levels. The three city owned parcels to the south of the DR parcel (total 4.9 acres) are zoned Downtown Commercial (DC) which provides for mixed or multiple use development allowing a maximum height of 65 feet for certain mixed-use development. The double-hatched areas show access easements. Note that there are apparently no easements across the west side of the property, nor are there explicit cross-easements for parking.



City Owned – Downtown Commercial Zoning

City Owned – Downtown Residential Zoning

Key Dates in the History of the Property

1961	Construction on Parcel #3 of building 1 (currently partially vacant, part leased to Great Play, a children's gym) and a separate building on Parcel #2 formerly occupied by grocers;
1965	Construction of building on Parcel #1 (partially leased to the US Postal Service as a branch office);
1966	Construction of building on Parcel #3 (currently leased to Espresso Works as a coffee shop);
1978	Construction of building on Parcel #3 (currently partially vacant, and part leased to Kenmore Fitness as a gym facility);
1998	City of Kenmore incorporates;
1999	City buys parcel #1 and building for City Hall use (current Post Office use);
2003	City approves downtown plan and buys two shopping center parcels;
2005	City buys park and ride lot from King County Metro
2005	City issues Request for Qualifications (RFQ) for developers to redevelop the City owned four parcels (9.6 acres);
2006	City enters into an exclusive negotiating agreement with Urban Partners (later known as RECP/UP Kenmore, LP);
2007	City enters into development agreement with Urban Partners;
2007	City purchases property at the N.E. corner of 68th Ave. N.E. and N.E. 181st St. for a new City Hall; this property is immediately east of the Kenmore Village property.
2009	City leases a portion of the former city hall parcel and building to the US Postal Service;
2010	Kenmore City Hall is completed;
2010	Streetscape improvements to the N.E. 181st St./68th Ave. N.E. intersection and N.E. 181st St. in front of the Kenmore Village property are completed by the City;
2011	Kenmore Branch of King County Library is completed on N.E. 181st St. near 67th Ave. N.E.;
2011	Northshore Fire District headquarters and training facility is completed at N.E. 181st and 73rd N.E.;
Feb 2012	City and RECP/UP Kenmore agree to end the development agreement;
May 2012	City begins studying new means of realizing goals for the 9.6 acres;
June 2012	City of Kenmore and Kenmore Camera sign purchase and sale agreement for a portion of parcel #2 and existing building.

Attachment #10

Kenmore Village Update

June 18, 2012

Following the announcement of the agreement for Kenmore Camera to purchase one of the Kenmore Village parcels, the City Council held a study session on June 14, 2012 to discuss a proposed action plan that will lead to selling the remaining Kenmore Village properties (located at the NW corner of 68th Ave. NE & NE 181st St.). The objective is to bring the properties to market in a way that advances the goals for Kenmore's downtown. These goals are a realization of many hours of community effort and involvement over the years and are summarized as follows:

- Integrate existing businesses and add new commercial businesses which include local shopping and dining opportunities. Encourage businesses that draw patrons during both the day and evening.
- Promote high density residential development including housing opportunities meeting the housing needs of a variety of income levels and which also support transit.
- Strengthen connections (particularly pedestrian connections) between the downtown quadrants, neighborhoods and waterfront. Capture pass through traffic on SR522 and the Burke- Gilman trail.
- Create a destination, unique community gathering space and promote community events that bring residents together and meet the needs of a range of ages and interests.
- Improve ("beautify") the physical environment through design guidelines, sidewalks, landscaping, street trees, public art and signage.
- Provide a development that is responsive to the market and is fiscally responsible.

Under the guidance of these goals, the City Council agreed on the following action plan that takes the properties to market:

Summary of Kenmore Village Action Plan and Key Dates

(All of the meetings listed below are open to the public. Unless otherwise noted, meetings will take place at Kenmore City Hall)

Step 1: Complete a purchase and sale agreement with Kenmore Camera for a portion of the Kenmore Village property and close the sale. The purchase and sale agreement was approved on June 11, 2012, and a 90 day due diligence period commenced.

Step 2: Contract with a property management company for the Kenmore Village properties—July 2012.

Step 3. Place the remaining property on the market for sale that leads to closing.

A. City Council Study Session June 14, 2012: Review the proposed action plan and key goals that must be affirmed for the Kenmore Village property and downtown.

B. Council meeting July 30, 2012: Develop a positioning statement for the site. Identify what existing assets position the site to win, and what businesses/uses are likely to be attracted to and successful at this site. To obtain business and community perspectives prior to July 30, hold the following public meetings:

1) **City Council/developer forum on July 10 at 7 p.m.** Location: Kenmore Village parking lot. The public will also have the opportunity to ask questions and comment. Arrive between 6 p.m. and 7 p.m. for hotdogs.
2) **Community Meeting on July 24 at 7 p.m.** Location: City Hall. The public will have additional opportunities to ask questions and comment.

In addition to the above meetings, the city manager's office will reach out to past downtown task force committee members to inform them about the process and request their input.

C. Council Meeting Thursday, September 6, 2012: Determine specific actions the City should take (or commit to take) before putting the property on the market for sale in order to position the Kenmore Village property to successfully compete against other locations. Hold a **Town Hall Meeting on September 24 at 6:30 p.m.** to obtain further public input and answer questions.

D. Council Meeting October 1, 2012: Determine which mechanism the City should use to sell the property.

E. Take the properties to market as directed by the City Council.

The City is positioned to facilitate the arrival of new investment to the Kenmore Village properties and the downtown quadrants. The goals and action plan as outlined above will assist in attracting commercial and residential investment that will lead to a more vibrant downtown. For questions, contact Assistant City Manager Nancy Ousley at 398-8900.

Attachment #11

7/10/12 KENMORE VILLAGE PUBLIC FORUM – Notes

City Councilmembers in attendance: Mayor David Baker, Deputy Mayor Bob Hensel, Councilmember Milton Curtis, Councilmember Laurie Sperry, Councilmember Brent Smith, Councilmember Allan Van Ness, and Councilmember Glenn Rogers.

City Staff in attendance: Rob Karlinsey, Nancy Ousley, Joanne Gregory, Kris Overleese, Debbie Bent, Bryan Hampson, Leslie Harris, Lauri Anderson, Brian Randall, and Patty Safrin.

Panel: Rod Stevens, Spinnaker Strategies (Moderator); Maria Royer, Real Retail; Bob Wallace, Wallace Properties; John Hogan, Citation Management; Joe Borden, Lorig; and Suzanne Britsch, New Home Trends.

Rob Karlinsey: **A brief history of the Kenmore Village process** – 2003 Downtown Plan; assembling property; 2007 RFP culminating in DDA with Urban Partners; economy caused milestones to be postponed; February 2012 ending of agreement with Urban Partners; June 2012 sale of property to Kenmore Camera. **Things to keep in mind** – recognize that our goals were arrived at with lots of citizen input; Kenmore is in a relatively good position for this development, with an unencumbered property; decisions about developing the four quadrants need to be connected. **Short-term objective** – By this fall, plan how to bring the remaining Kenmore Village properties to market in a way that advances the goals for Kenmore's downtown. **For tonight** – Discuss today's market realities and feasible development possibilities for Kenmore.

Rod Stevens: Introduced the panel members and asked each one a question tailored to their expertise, as follows:

Maria Royer: How does the volume of retail leasing compare to 5 years ago? It is survival of the fittest. Retailers have been hit hard by e-commerce; they are very concerned about Amazon. Many big box stores have closed. Retailers are doing more with less square footage which frees up more space in the market. For example, Best Buy has a 3,000 sq.ft. model now compared with their typical 45,000 sq.ft. store. Not sure could do a Kent Station today. Towncenter stores are moving back to regional centers; malls have gotten very aggressive in drawing retailers. Many specialty retail stores, e.g. Talbots, are closing. Don't see new small boutiques—money has dried up. Who survived: Apple, Microsoft, Costco, quick-service food (nationally driven), and boutique restaurants, but they want old historic buildings. Daily needs businesses–grocers, banks, drycleaning, and drug stores–are doing well. Daily needs retail is already strongly represented in Kenmore, including 8 grocery stores within a 3 mile radius. Value categories (Dollar Store, Ross, TJ Maxx, Marshalls) are also expanding into "A" grade properties and have taken advantage of the dip in rents. What's left: "C" grade properties adapting for re-use, smaller scale, daily needs, and drug stores.

Bob Wallace: How do investment/development conditions differ from 5 years ago? Who wants Kenmore Village types of properties? Financing used to be easy—lots of money for real estate. All of this has changed. Now everybody is gun shy. Rents have come down and can't support values for new investment. Developers need more equity, which may be healthier. Appetite for tertiary markets like Kenmore is down. Couldn't find one institutional investor for a proposed project in Bothell. The good news is cheap interest rates.

John Hogan: What is the difference between regional and local retail? Is a movie theater feasible? To draw from the regional market you need an anchor tenant like a movie theater or grocery store. Theaters like to locate near regional malls. Gig Harbor, another tertiary market like Kenmore, built a super high-tech theater in 2007 to draw from surrounding communities and it is a success. You couldn't do that now—the theater product is expensive and investors are risk averse. You would have to have lots of equity or use restaurants and other gross retail leasable areas as satellites around the theater. Maria noted that a theater is a loss leader. A theater wants lots of parking. On a smaller site you would have to structure parking, which is too expensive. Joe noted that the stars would have to align perfectly to make a theater work.

Joe Borden: As a mixed use project pioneer, are the suburbs pioneer territory? How about here? The sites Lorig chose in the past didn't seem pioneering at the time. Tertiary areas take a lot more effort. You need sustained support from the community – residents and the political leaders. In downtown Seattle, there's a certainty in the rental market because of an understanding that things will turn around eventually for housing, but this is not true for the suburbs. Big projects take a long time to plan and put together. Bob Wallace noted: There were challenges with the Northgate project – no comparables to justify the project, so it was hard to find investors. Northgate is a strong, high-density retail market, but they didn't move forward until all of the retail space was leased. There are communities, like Kenmore, that are starved for quality retail. This can make rent concerns less important.

Suzanne Britsch: What are the residential needs of a community? When there has been no new apartment construction for many years, there is no place for current community residents to move. You want to fill 50% of a building with folks from within a 5-mile radius. People will move to a safe place with great walking, parks, green space, retail, and transit. Nobody is now looking for multifamily in secondary markets—it's all focused on downtown. Work is on apartments now—not master planned communities or condos. City downtowns will eventually be overbuilt, causing a shift. The secondary suburbs will be attractive within 10 years. Young people and people over 55 are looking for a more "urban" suburban – with shopping, restaurants, and transit – and want to stay in the community near family and friends. Joe Borden added: At the Northgate multifamily project, 75 – 80% of the people who moved in lived within 2-3 miles of it, because prior to this project the only choices for apartments were 20 – 30 years old.

<u>Councilmember and City Manager Questions and Comments with Responses:</u>

Mayor Baker: Kenmore is uniquely located—close both to Seattle and to the Eastside—but Kenmore's "story" isn't out there. Why?

Maria Royer: Kenmore has strong demographics – 100,000 people within a three-mile radius and a highly educated population – however, there is a LOT of retail competition nearby. Kenmore does not have a "there there" and needs to create one. Perhaps horizontal integration with a mix of uses would be best.

Councilmember Hensel: What does more equity mean now?

Joe Borden: Each deal is unique, however, it takes substantially more (about 2X more) at-risk capital now than 5 years ago. For example, you might now need 35% to 45% equity to do a shopping center deal.

Councilmember Curtis: PSRC projects 40,000 people in Kenmore by 2040. There is access to transit within 2.5 blocks of SR-522 and there is zoning in place. My vision is buses on SR 522 every 7-8 minutes. Is this enough?

Bob Wallace: People in the future will rely on transit, but generally transit-oriented development has been a bust. Kenmore's location is a strategic asset. The east-west corridors in the region are going to be hopelessly congested, even with light rail. If Kenmore can find transit, it will bode well.

Councilmember Smith: What, in particular, can the city do since we own the site?

Suzanne Britsch: The City needs to create a space to bring people in and allow the community to congregate. Panelists: Create a "there there" space.

Councilmember Sperry: Kenmore has unique assets and family-owned businesses. Is this important?

Maria Royer: The heart and soul of a community are the local merchants. Lenders want credit, which means big chain stores. You have to achieve a balance between these. Start with local businesses, then expand to regional/national businesses as you achieve momentum.

Councilmember Van Ness: Is retail/housing a good combination and is it possible to build enough housing on the site to support retail?

Joe Borden: You don't have enough space for housing on-site to fully support the retail. You will always rely on the 100,000 people surrounding the site. Housing is a good way to use the upper levels of your property, and it adds vitality and safety. Retail and housing create a good synergy.

Suzanne Britsch: If current residents are attracted to new high density housing, it frees up existing houses for new families to move in to the city.

Councilmember Rogers: We've been talking about retail, but how about other types of clusters, such as breweries, medical centers, etc.?

Maria Royer: A community center can be more than just retail and residential, such as medical and educational clusters. For example, Bella Bottega includes a new hospital; Kent Station includes a presence by Green River Community College. The city should mostly be thinking of a "draw"-- anything that generates traffic to the center.

Bob Wallace: There needs to be a big draw like Whole Foods or Trader Joe's. There is already lots of strip retail and daily needs retail here.

Maria Royer: Your demographics would support a Trader Joe's, but they don't want to compete with Safeway and QFC. They will only look at horizontal mixed use, not vertical.

John Hogan: A project he worked on included a Boys and Girls Club; another a YMCA. In another project, 5 acres were sold off for a Multicare clinic. Those dropping off the patient were given a pager to let them know when the patient was ready; in the meantime they could enjoy the retail.

City Manager Rob Karlinsey: What uses are likely to succeed here?

Maria Royer: Something stand alone such as Whole Foods, Trader Joe's, or a great community brew pub opening onto a park with outdoor seating, perhaps joined by a YMCA for kid activities.

Bob Wallace: There would be a demand for apartments in this community if properly done.

Joe Borden: I agree with both Bob and Maria.

Suzanne Britsch: There is a need for senior housing – all types and levels. Age-restricted buildings are popular.

Bob Wallace: Kenmore has good, enlightened zoning laws, but don't hold too tightly to restrictions and demands for specific types of uses (only a Starbucks and Nordstrom, for example). Be flexible.

Citizen Questions and Comments with Responses:

John Myer: I would like to see a park here.

Maria Royer: Great idea, but it shouldn't be too large or sitting empty. University Village uses the parking lot between their large boulevards as a "park" by filling it with tents for events.

Joe Borden: Well-designed parks are often the catalyst for development.

Dave Merrill: How does the LakePointe development factor in?

Suzanne Britsch: Don't wait for LakePointe – it may take a long time (20 years).

Wes Case: What is "the pop" in Kenmore? I own Teddy's Bigger Burgers in Woodinville and am now looking for a second store location. Owning a building is better for financing than leasing. Activities like a car show are needed. Rod Stevens adds: How can the site be reactivated, perhaps with temporary uses?

John Hogan: Car shows, beer festivals, fashion shows, concert series, etc. are great ways to create a sense of place and bring the community together.

Female attendee: What about a sky bridge or other way to tie this side to the water? Could this be the "there there"?

Dennis Mendry: There is a pedestrian bridge in the Comprehensive Plan. If we built one, people would see that instead of the concrete plant. Would that entice developers?

Joe Borden: A connection to the Burke Gilman and waterfront, done in a graceful way, would be a good draw.

Visitor from Edmonds: Kenmore is a great kids' place. Space should be kid friendly; add a fountain, flowers and a place for kids to play.

Male attendee: What has been the impact of multi-family residential development in Northgate?

Joe Borden: Positive. We think it's working well.

Elizabeth Mooney: Citizens in Kenmore don't understand what's happening at LakePointe, that it's reverting to industrial. Can downtown survive when the shoreline continues to be a manufacturing area?

Stan Isenhath: Considering the fact that we do have a strong industrial component here, how will we be able to balance our new image with that? Where has this been done successfully?

Rod Stevens: The industrial image is an unaddressed issue in Kenmore. The historic development focus has been on consumption; now many places are looking to production. There is an urban, high-tech manufacturing renaissance going on, using existing buildings. Perhaps the City could update its industry. Have a brewpub, park, and housing, with some cabinet manufacturing, for example.

Bob Wallace: In Ballard, Fremont, Spokane and Tacoma there is some very interesting compatible development being done in close proximity to manufacturing.

John Hendrickson: Should the City still try to find development partners or continue to sell piecemeal? Should we tear down or just build new facades?

Bob Wallace: Don't do anything without a plan. There is no right or wrong, but you need a master plan based on your chosen direction. Anything done in advance of that jeopardizes the bigger picture by precluding options.

Female attendee: Need a boardwalk around the lake?

Handwritten question: Should we sell parcels for at least the tax assessed value?

Rob Karlinsey: There are laws to be followed with regard to pricing. A developer/City arrangement involves more than just money.

Dan Dougherty: High-tech manufacturing is a great idea. Techshop (currently in San Francisco, Detroit, Raleigh-Durham) could be a tremendous regional draw. Machinists pay a monthly fee to have access to tools.

Janet Hayes: Interim ideas could include street dances and outdoor movies.

Male attendee: Would have liked to see on the panel people representing public open space, such as urban designers, who could address a framework for future commercial development interests.

John Hogan: Multiple "touch points" and layering is what really makes tasteful development. Every aspect of a project affects it—flower baskets, signage, door pulls, etc.—not just a generalized urban design plan. Don't over-engineer it on paper or you may lose that.

Rod Stevens: Design-driven plans where the pictures don't represent what the project will actually be can be very misleading. Figure out what the role and identity of the place is and how it will function. You can't rely on pretty pictures; development has to focus on feasibility.

Elmer Skold: Bastyr University is a great community asset. This could be a natural setting for a medical tie-in to Bastyr, such as a clinic or research facility, especially with our accessibility from the 522 corridor.

ADJOURN: 8:47 p.m.

Attachment #12

7/24/12 KENMORE VILLAGE PUBLIC FORUM – Notes

City Councilmembers in attendance: Mayor David Baker, Deputy Mayor Bob Hensel, Councilmember Laurie Sperry, and Councilmember Brent Smith.

City Staff in attendance: Rob Karlinsey, Nancy Ousley, Joanne Gregory, Debbie Bent, Bryan Hampson, Lauri Anderson, and Patty Safrin.

Other speakers: Rod Stevens, Spinnaker Strategies

Mayor Baker, Rob Karlinsey and Debbie Bent: Brief overview of the Kenmore Village process. The purpose of tonight's meeting is to focus on what would create a "there there."

Rod Stevens: Presented slides showing successful places. Also played a recording of Petula Clark's song, "Downtown" to underscore that, "everything's waiting for you – downtown." Successful downtowns have energy, an opportunity for casual face to face meetings, and a variety of sensory experiences. They create a place that makes life a richer experience for residents. Some thoughts:

- Best places don't need a lot of space, e.g. Spanish steps in Rome.
- Need to know you have arrived in the place e.g. Union Square, San Francisco.
- Need to provide programming and entertainment opportunities day and night e.g. Bryant Square, New York. Bryant Square is managed by a nonprofit.
- Water features often a defining feature and can attract families e.g. Portland downtown park.
- Open, green areas, arbors, or distinct gardens e.g. rose garden, Portland.
- Need to be walkable and accessible to interesting side streets e.g. Cannon Beach, Oregon.
- Successful retail places often one story, e.g. Cannon Beach, Oregon, Fairhaven (Bellingham) or Granville Street on the way into Vancouver BC. Seven out of 10 major shopping streets in Vancouver include one to two-story, older buildings.
- Need to be close to restaurants, opportunities for outside dining experiences, local unique restaurants, e.g. Bab's Diner, Suisun Bay, California.
- Many of these places have a "circle" in them somewhere.
- Downtown investment will increase surrounding property values.

Citizen comment (approximately 24 attendees):

Question: What do people in Kenmore want to make their lives richer? How could we create a "there there"?

Bob Green: Liked the presentation. We should support a levy to fund parks and downtown open space. Green areas create a dynamic place and retail will take care of itself. Doesn't need to be driven by a residential theme. Suggest pedestrian bridge across SR522 to add to multi-modality.

Carl Michelman: The presentation was wonderful. Frustrated with past process. Likes the idea of being outside in a park and restaurants but Kenmore needs economic development that pencils out, so must create a balance. One story buildings are great, but it has to make economic sense. Would like to see something like Carillon Point in Kirkland.

Dennis Mendrey: Kenmore has been a drive-through community. Focus on what the locals need. Likes the feel of parks and places to gather with retail developing around it. There are still a lot of families here in Kenmore, but there is not a lot for families to do. Need a place to play, exercise, etc. Need connections to the lake such as a pedestrian bridge.

John Reiher: Would a park on the west side of the old park and ride lot be adequate? Rather than roses, how about rhododendrons? Are we looking for a single developer or a consortium of developers?

Wayne Fu: An urban park creates a downtown place and is different than a park like St. Edward. An urban park provides a place for users of surrounding development to go.

Jurius Isaac: Kenmore needs a place to go, to shop, eat and hang out. Don't want a park off in the corner; downtown needs to be coherent, centered around places to shop and eat. Don't make it an overwhelming mass of buildings. Even if it's beautiful, how do you make a 1-2 story commercial development economically viable–perhaps by surrounding it with larger housing development? Also, bring in businesses that will be a draw, e.g. Trader Joe's. Need connection and presence on SR522 that will bring in outside residents to make the project economically viable. Purchasing the old gas station site will help connect Kenmore Village to SR522 and get the attention of people who would otherwise drive through.

Female attendee: Look at successful local businesses such as Snapdoodle Toys. They are involved in the community and give back to the community. A destination garden would be a great amenity for Kenmore Village.

Male attendee: There is no downtown concept. Need to tie lakefront and Kenmore Village as a package. Prefer park experience by the water. How can a developer buy the property and the City sell the property when we don't know what we want?

Carl Michelman: How come communities all around us can get something going, and it just seems like we're in a rut?

Char Crawford: We need a meeting place, a place to eat, and a water attraction to draw families. These were important parts of the first downtown plan. Don't stray too far from this idea.

Question: There is a lot of housing close by the Kenmore Village site. At Crossroads Mall, they stacked up use after use that appealed to the locals and have been quite successful. What non-profit associations or other groups could the City partner with to activate the space?

Male attendee: We could have something like Bothell Bike. Take advantage of Kenmore's location on the Burke Gilman trail, e.g. a bike club.

Dave Crawford: We are what we are. We are not Bellevue or Kirkland. It would be great to bring the old road houses back. The City has spent a lot of money with not a lot to show for it but is fortunate not to be in a position like Burien. It's an unpopular idea, but just issue an RFP and sell off the properties piecemeal. Glad Kenmore Camera will be in Kenmore Village, likes supporting local business.

Dennis Mendrey: Would a transformation like Leavenworth went through work for Kenmore? Do we need a plan or a theme to transform Kenmore?

Wayne Fu: Need low rents and good location/exposure. The rents are too high for restaurateurs. Urban Partners concept failed because there was no visibility. Signs don't attract people—actually seeing the store does. Use the gas station property and Kenmore Camera property to get exposure, then span NE 181st. Like the park idea, but should have value for commerce. Maintaining a park is very expensive. Perhaps a multi-story building, like a Molbak's concept with a restaurant. Vertical farm idea could be a joint venture with Bastyr.

Question: Should the city spend more money on Kenmore Village? Should there be a bond issue? Should the developer shoulder the cost?

Dennis Mendrey: Developers need to be able to benefit and make a profit. Look at how local businesses such as manufacturing businesses could re-tool to serve the community.

Carl Michelman: Developers want to make money but if the City wants to sell the property with a lot of conditions then this makes it challenging to sell. Urban Partners failed not just due to the economy.

Dave Crawford: The property is already subsidized by the taxpayers. Let's get a developer on board. I just want lower taxes.

Question: Where do you take visitors who come to Kenmore? Or if you don't take them to places in Kenmore, where do you go and is this what you want to see here?

Jurius Isaac: St. Edward State Park, Rhododendron Park, Logboom Park. Need to bring people in to downtown so access to SR522 important.

John Reiher: Rhododendron Park, Swamp Creek Park, Country Village (Bothell), Third Place Books.

Bob Green: City has accomplished a lot so far such as the SR522 improvements, city hall and the library. City needs to set the table and also keep some control over a civic space.

Dennis Mendrey: Jay's Café is a good place for breakfast.

Carl Michelman: Don't take visitors to places in Kenmore. Go to Kirkland, or boat on Lake Washington. Need gathering space and also economic development. Kenmore is in a great location since it does not rely on the bridges.

Male attendee: Jay's Café, bowling alley, Starbucks, pool place.

Mayor Baker: MVP Pub, Fortune Inn, Jay's Café, and the 192 Brewery which is also opening a restaurant.

Question: If you live or work close to downtown what would you like to have in the downtown?

Female attendee: Trader Joe's; used to go to the Grocery Outlet on the way home. Amenities that bring the community together. Keep amenities like the post-office and library that are used on a daily basis. Tap into library users, as the library is always busy. Move the skateboard park.

Female attendee: Trader Joe's. Take visitors to St. Edward State Park and the Burke Gilman Trail. Would happily walk to Kenmore downtown for anything, including hanging out.

Councilmember Smith: Many people walk downtown from the south side of Kenmore. Walking to downtown needs to be comfortable.

John Reiher: Opportunities to hang out. A place to have coffee and plug in the computer (wi-fi) away from the home office so can get out and work around other people. For example, the food court at Third Place Books.

Dennis Mendrey: Grocery store. It's fun to walk now that SR522 has some sidewalks. We used to walk to Kenmore Village when it wasn't a ghost town. Downtown is flat but surrounding neighborhoods are hilly so need to deal with that.

Elizabeth Mooney: Place for arts, such as a ceramic store, computer or educational opportunities, kayaking store, place like Third Place books.

Carl Michelman: Place to take clients to lunch or dinner, such as Lake Forest Bar and Grill. Why can't we figure out a way to entice Trader Joe's and help them out (although they don't need help)?

Questions: What restaurants would you like to see in Kenmore?

Female attendee: Tom Douglas type restaurant.

John Reiher: Waterfront restaurant. Lake Washington Roaster on the lakefront was a great restaurant. They didn't advertise their location and they went out of business, as did the other four Roasters in the area.

Dennis Mendrey: Fun family place including food, like Red Robin.

Male attendee: Ivar's.

Elizabeth Mooney: Indian restaurant.

Male attendee: Urban Partners came up with some good designs we might want to revisit – a multi-use plaza area with one corner of the square as a restaurant. Give people a place to walk to. Civic amenities are important.

Female attendee: Small plate Spanish tapas restaurant.

John Reiher: One last plug for Trader Joe's. The Ballard Trader Joe's is in the middle of an industrial district in Ballard, so we could get them here.

Question: What are the pros and cons of City creating a park space rather than the developer?

Rod Stevens: Con is that the developer could be forced to build around a carved out space that might not be in an ideal location. Pro is that if the amenities are in the right place then developers will build around it e.g. housing, restaurants. In Portland, many of the first downtown housing projects faced a park. Need to program open spaces year round as places have value when they get used. There is more than one solution and it is a complex issue.

Other general comments:

Dave Crawford: It's luck and timing. Urban Partners got it at the wrong time. Keep a positive attitude and good luck.

ADJOURN: 8:50 p.m.

Positioning Statement

"Kenmore Village is a walkable place with a public square where Kenmore-area residents and workers can meet their daily needs and see one another face-to-face."

Definition and Discussion

"Kenmore Village": This refers to the former portions of the shopping center now owned by the City, but not necessarily the former park-and-ride lot. This positioning statement envisions a primarily commercial area, including a public square, that may or may not have residential above the ground floor.

"Walkable Place": "Walkable" here has two meanings: both walkable within and walkable to. While most standard shopping centers are walkable in the sense that distances are not so great that shoppers have to get in their cars and drive between stores, the monotony of the parking lots and the fact of walking down drive lanes discourages most people from going more than several hundred feet. In a truly walkable place, pedestrians feel safe and there are interesting things along the route that draw them forward. This is true even at Granville Island, in Vancouver, BC, where the pedestrians share the asphalt with cars slowly driving by. The second meaning of "walkable", "walkable to", means that Kenmore Village is perceived to be a walkable destination, that it is either within walking distance of neighborhoods or work places or other stores, or that the route itself is interesting enough to make the walk.

The second word here, "place", implies not just that this is a piece of property or real estate or a destination for day-to-day needs, but that it has a sense of place, an interesting character and personality that comes as much from what goes on there as from the buildings and layout.

"Public square": This will be a place the public owns and controls, where people can sit down without worrying about when the stores or shopping center close. Like the old courthouse square where Forrest Gump sat, it is a public place at the center of things, where people from different backgrounds can strike up a conversation. It is important that this square be integrated with other uses so that it has life day to day. Just because it is a public square and carries the civic identity does not mean that it cannot have less formal and more active uses on the side, like a skateboard park or pea patches.

"Kenmore area residents and workers": While the users may initially be mostly nearby residents, over time this should serve as amenity for nearby businesses, so workers can walk to coffee, take a break from work and hold business meetings there either outside or in restaurants and coffee shops. Things like a gym will also serve draw worker use.

It is also important to define residents inclusively, to include not just middle-income families but seniors, low-income families, latch-key kids, single people, the elderly, teens hanging out together, childless couples, empty nesters, and those who speak a foreign language at home. Recognizing the variety of these different kinds of people will lead to more interesting design and programming. One of the best prospects for animating this space is meeting the needs of the large number of people already living nearby who do not now have much improved outdoor space to enjoy.

“Daily Needs”: This is in contrast to comparison goods purchased in Lynwood, Northgate or University Village. As used here, “daily needs” includes cash and non-cash goods, services and experiences.

On the commercial side, this could include food stores, restaurants, coffee houses, hair salons, pet stores, toy stores, banks, wealth managers, realtors, title companies, insurance firms, gyms, yoga parlors, clothing and shoe stores, stationery and specialty paper stores, knitting and quilting stores, rug and furnishing stores, tutoring and test preparation, ice cream stores, art and framing, Christian Science reading rooms, optometrists, medical clinics, dentists, pet care, and mailing stores. The key distinction is between high volume/ low service establishments found in the malls and low-volume/ high service establishments found more locally, where convenience, staff training and customer relationships are critical to success.

On the public service side this will or could include reading at the library, book check out and meetings held at the library; visits to the post office, license renewal at a DMV office, and picking up permits at City Hall.

On the civic and non-profit side, this could include a community center, a re-located senior center, a branch of the YMCA or Boys and Girls Clubs, and garden-club maintenance of the public square or nearby arbors.

At the personal and individual level, this could mean making Kenmore Village a destination for a walk, sitting in the park and watching kids or other people, meeting there as a starting point for rides with a bicycling group, or joining an exercise group in the park.

“See One Another Face to Face”: Two people passing in a supermarket parking lot may glance at one another or, if they know one another, stop briefly to talk, but Kenmore Village will provide a place where people can slow down enough to talk and even sit down if they want to. The promise of the place is that you will regularly run into someone you know or even make new friends there.

Synergy

These activities will be a complement to regular visits to the supermarkets, drugstores and banks nearby. Because those existing businesses are so auto-centric, however, it may be difficult to make this a pedestrian tie, at least for the next ten years.

There is obvious synergy with future residential development of the park and ride lot. The tie between Kenmore Village as a commercial/ civic area and other residential development downtown will depend on the location of the park, walkways and drives.

The day-to-day catchment area includes not only multi-family housing in the flat areas at the base of the hills, but the subdivisions on those hills. The lack of sidewalks in many areas of those hills is probably less of a deterrent to walking than most people think.

Carefully developed, Kenmore Village can become an important amenity for the development of Lakepointe, which, without a vibrant, walkable place near it, will become simply another destination office park or condominium complex. Places without these links, such as Foster City and Redwood Shores, in the Bay Area, have not fared well over time, and are likely to do more poorly in the future.

Competition

While the life of Kenmore Village will come from people using it day to day, its success will depend largely on leasing space to tenants, and for this the primary competition will be existing properties along Highway 522. Various public planning efforts frequently speak of "partnering" with areas like this, but when it comes to signing leases, Kenmore Village will be in competition.

The primary selling feature for Highway 522 has always been access and exposure. Now, with the choking commute traffic and difficulty crossing the highway, access there is more of a problem. Kenmore Village has almost no exposure, except for people driving north and south on 68th Avenue, and because of the distance between the shopping center and Highway 522, the intervening uses, and the limited turn movements, the improvement of 67th Avenue will do little to improve this. Growing traffic volumes on Highway 522 could actually make Kenmore Village more of a destination for local residents, however, since they can reach it north and south on 68th and avoid traveling on the highway. This makes the positioning of Kenmore Village as a local place critically important.

To a much lesser extent, the other competition is the Lake Forest Park shopping center, Juanita Village, Northgate and Lynnwood. Commercial tenants will not consider Kenmore Village as leasing alternatives to these, but diners and shoppers will think about them as alternative places to go, and for that Kenmore Village will have to offer an interesting combination of goods, services, and experiences that trades convenience, immediacy and the prospect of seeing someone you know against the greater selection in those places. It will take time to "stack up" the offerings and attractions at Kenmore Village, probably ten years or more. One of the most important things in this will be designing and programming the public square so that it gets used not only in the three or four nice summer months here, but the eight months of dark days.[1]

Bothell will also be competition. With what looks to be a critical mass of new downtown housing, the McMenamin's reconstruction of the old high school, and a base of college students to support pubs and bars, Bothell will probably develop as a restaurant cluster for the north shore. Most of that new investment and development will be walkable and near the existing main street, not on Highway 522. Those restaurants will also draw further support from the mass of biotech businesses in Canyon Park. Over time, some start-up businesses, or those moving out of home offices, will move downtown, much as people have in downtown Palo Alto. If Kenmore wants to compete for the investment in this, as well as in Mountlake Terrace, it is going to need to invest in civic infrastructure, not only a public square but other public improvements that knit shopping, jobs and housing together downtown. Kenmore Village can be successful as a walkable, interesting place, a downtown city center that gives local residents and workers a place to go and see one another, but making this place will take time and commitment.

[1] According to Wikipedia, about four out of five days in the Seattle area are rainy or cloudy.