



**City of Kirkland**  
**Planning and Building**  
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## MEMORANDUM

**To:** Planning Commission

**From:** Janice Swenson, Senior Planner  
Allison Zike, AICP, Deputy Planning & Building Director  
Adam Weinstein, AICP, Planning & Building Director

**Date:** January 16, 2024

**Subject:** **2044 Comprehensive Plan Briefing - Economic Development Element**

### Recommendation

Receive a briefing on the 2044 Comprehensive Plan update process as it relates to the Economic Development Element. The Planning Commission will hold the public hearing on the revised goals and policies in 2024 as a formal part of the legislative process to amend the Comprehensive Plan.

### Background

#### Kirkland 2044 Comprehensive Plan (K2044) Update Process Overview

The City of Kirkland is in the process of conducting a State-mandated update of the Kirkland Comprehensive Plan (Plan) with a target adoption date of mid-2024 (the State deadline for City Council adoption is December 31, 2024). The Comprehensive Plan is the primary citywide guide for how we, as a community, manage growth over the next 20 years (with a horizon year 2044), in terms of land use, transportation, economic development, and the public facilities and services necessary to support that growth.

Additional information about the update process can be found in the briefing memoranda from the Planning Commission's April 28, 2022<sup>1</sup> and City Council's December 8, 2022<sup>2</sup> meetings. Meeting packets, presentations, and other documents and resources are available on the City's K2044 Comprehensive Plan update webpage.<sup>3</sup>

#### Economic Development Element

##### Background

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<sup>1</sup> <https://www.kirklandwa.gov/files/sharedassets/public/v/2/planning-amp-building/kirkland-2044-comp-plan/planning-commission-april-28-2022-comprehensive-plan-engagement-plan-econw-report.pdf>

<sup>2</sup> <https://www.kirklandwa.gov/files/sharedassets/public/v/1/planning-amp-building/kirkland-2044-comp-plan/city-council-dec-13-2022-comprehensive-plan-update-engagement-plan-econw-report.pdf>

<sup>3</sup> <https://www.kirklandwa.gov/Government/Departments/Planning-and-Building/Code-and-Plan-Amendment-Projects/Kirkland-2044-Comprehensive-Plan-Update>

The existing Economic Development Element<sup>4</sup> adopted in 2015, describes the overarching economic strategy for Kirkland as follows:

- A sustainable and resilient economy;
- A diverse tax base; and
- Access to job opportunities.

To accomplish this, the existing Element identifies public and private initiatives, goals, and policies to promote a sustainable and resilient Kirkland economy with emphasis on:

- Economic growth while maintaining an attractive and sustainable city;
- A diverse economy that has a variety of businesses to weather economic cycles, provide living wage jobs, goods, services, and encourages small, start up, locally-owned companies;
- A positive business climate so businesses will grow and enhance Kirkland's role in the Eastside and Puget Sound regional economy; and,
- Using policies in the Land Use Element, economic growth for the future is focused in the Totem Lake Business District, the Greater Downtown Growth Center (including NE 85th Street Station Area), and other commercial areas.

Attachment 1 contains the existing Economic Development Element goals and policies.

In reviewing the existing Element and Kirkland's economic performance over the last decade, staff would make the following observations:

- Kirkland has experienced substantial economic growth over the last 10 years, with many positive impacts across the community (e.g., more job opportunities, the growth of the technology industry, provision of locally serving retail uses in our urban centers, new commercial development that is environmentally sustainable, and increased opportunities for immigrants to start businesses).
- At the same time, we have recognized that economic prosperity has not necessarily been equitably distributed across the City – many community members have jobs that do not pay enough to support residence in Kirkland.
- Other adverse impacts of economic development include escalating housing prices and increased traffic congestion.
- In the upcoming update, it would be helpful to explore how to foster economic development that has a broad positive impact on the community and helps address the unintended negative consequences of economic development.

#### Statutory and Policy Guidance for Update

The Economic Development Element is a mandatory part of the Comprehensive Plan per the Growth Management Act (GMA) 36.70A.070 RCW<sup>5</sup>:

*Goal (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life.*

The GMA requires that plan elements be consistent with each other, relevant county-wide planning policies, and multi-county planning policies. Attachment 2 includes a list of

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<sup>4</sup> <https://www.codepublishing.com/WA/Kirkland/>

<sup>5</sup> <https://app.leg.wa.gov/rcw/default.aspx?cite=36.70a.070>

State and regional plans that the Economic Development Element must be consistent with, and City plans and goals to consider for alignment. These include the PSRC Vision 2050 Multicounty Planning Policies, Vision 2050 Economic Development Strategy, Vision 2050 Transportation Strategy, and King County Countywide Planning Policies.

The Economic Development Element update will also need to align with and incorporate recommendations from City plans and goals including the City Council Goals, DEIB 5-Year Roadmap, Kirkland Sustainability Strategic Plan, and the Kirkland Equity Report prepared by EcoNorthwest in 2022<sup>6</sup>.

#### Existing Economic Development Program

The City's primary role in the local economy is to create good underlying conditions for economic growth by fostering a livable, sustainable community. It does this in part through a coordinated effort between City departments to provide services to the business community. The City Manager's office manages the City's economic development, tourism, cultural arts programs, and provides business ombuds services. The City's Development Services Center provides an online and in-person customer service portal for development permit processing (tenant improvements, sign permits, café permits, parking permits), and public information. Business licensing service assistance is also available online, via phone, or in-person at Kirkland City Hall. The Parks, Recreation, and Community Services manages special event permits and other services that help promote tourism. Below are examples of the City's other business support programs:

- Explore Kirkland tourism program at [www.explorekirkland.com](http://www.explorekirkland.com) encourages people to stay in hotels, shop, dine, and attend performing arts. The Tourism Development Committee advises the City Council on allocating the lodging excise tax fund (1%) for tourism promotion (marketing or operations of special events, festivals that generate overnight stays);
- Small Business Development Center assistance program for new and small businesses;
- Shop Local Kirkland [www.shoplocalkirkland.com](http://www.shoplocalkirkland.com) to promote local businesses;
- Employee parking permit program for Downtown businesses;
- Ombud services to help problem-solve;
- Commercial solid waste recycling program;
- Coordination with local and Eastside business organizations to promote Kirkland and to provide business resources and services; and
- Coordination with educational facilities who provide job training.

The Kirkland Chamber of Commerce and Kirkland Downtown Association provide additional business support and community wide events.

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<sup>6</sup> <https://www.kirklandwa.gov/files/sharedassets/public/v/1/planning-amp-building/kirkland-2044-comp-plan/equity-review-report-kirkland-comprehensive-plan-econorthwest-final20221108.pdf>

## **K2044 Community Outreach and Engagement Activities**

Beginning in 2022, staff has conducted a substantial number of public outreach and community engagement activities to implement the community engagement plan for the 2044 Comprehensive Plan update.<sup>7</sup>

In late 2023 and early 2024, the Planning and Building Department and the City Manager's staff conducted several community engagement activities to gain input from businesses and residents related to the future goals and actions centered around Economic Development in Kirkland:

- Economic Development Focus Group - Nine to Fifteen people attended two virtual Focus Group meetings (November 1 and December 5, 2023). The focus group was made up of a mix of small business owners (primarily Downtown), home businesses, and residents. Staff prepared a series of questions for the group discussions;
- Two Surveys were issued: 1) a general economic development survey (257 responses) and 2) a home occupation survey conducted by the City Manager's office and consultant (308 responses);
- Youth Council meeting (October 23, 2023);
- Senior Council meeting (November 14, 2023);
- Door to door staff outreach to businesses was conducted in Juanita, Kingsgate, and Totem Lake business districts; and
- Media announcements (This Week In Kirkland, Biz News newsletter, Govdelivery listserv).

Below are the key themes we heard during the community engagement process, including the Focus Group and general engagement, related to Economic Development:

- Provide space for entrepreneurs; encourage small business start-ups to "test the market";
- Need reliable, accessible transportation and transit system for employees to get to work and to enable businesses to deliver goods and services;
- Provide a variety of affordable housing options for workers to live and work in Kirkland;
- Provide a year-round farmers market or multi-cultural community space for non-profits or new businesses;
- Improve communication with businesses so they feel heard, especially in the design and construction of city projects, street closures, and land use decisions that may impact businesses;
- Streamline the City permit review process and business license approval;
- Provide educational support for new businesses such as guidance on: how to create business plans, how to start a business, how to understand their customers, and small incubator spaces for new pop-up businesses; and
- Downtown: increase parking and pick-up and delivery spaces for customers to access businesses; improve maintenance of alleys, remove weeds, garbage, add landscaping, screen garbage dumpsters, and repair sidewalks and parking lots.

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<sup>7</sup> <https://www.kirklandwa.gov/files/sharedassets/public/v/1/planning-amp-building/kirkland-2044-comp-plan/community-engagement-plan-k2044-kirkland-comprehensive-plan-finalwappendixabc12152022.pdf>

### *Youth Council Discussion*

Key themes heard specifically from the Youth Council include:

- Provide affordable or used clothes stores;
- Provide less expensive retail stores, thrift stores, antique stores where students could work and sell things, promote sustainable clothes options, not “fast fashion”;
- Foster affordable places to hang out and meet friends, more “Third Places” – only Third Places available now are libraries;
- Increase retail options for hardware stores, outdoor equipment stores, and used books; and,
- Kirkland Teen Union Building (KTUB) would be a good place to have a retail store.

### *Senior Council Discussion*

Key themes heard specifically from the Senior Council include:

- Provide more affordable and Americans with Disability Act (ADA) accessible housing that meets Universal Design standards;
- Increase sustainable development;
- City should provide a “how to start a new business” informational packet;
- Provide a sidewalk system that is connected, accessible, and safe to walk to services;
- Provide a reliable transportation and transit system;
- Provide business revitalization incentives, façade improvements to older commercial strip malls as a temporary fix until they redevelop, provide a grant program as an incentive; and
- Reduce vehicle parking requirements for commercial uses to make more affordable tenant spaces and more affordable housing.

Results from both surveys will be provided at the March 14, 2024 meeting.

### Economic Development Element Study Issues - Potential Policy Changes

Throughout the K2044 Update process, staff reviewed feedback from outreach events, public comments, meetings with the business community and meetings with City staff that work on economic development programs, in addition to updates that are required to align with City, State, and regional plans.

In addition to the comments from the community engagement process above, the following is a list of key policy issues to be considered for updates to the Economic Development Element:

- Incorporate the City Manager’s Office Economic Development Strategic Action Plan goals and actions into the Economic Development Element;
- Enhance policies to support women and minority owned businesses and other diversity, equity, inclusion, and belonging goals (incorporate Equity report by EcoNorthwest recommendations);
- Explore allowing small-scale commercial uses in residential neighborhoods (in tandem with the Land Use Element);
- Consider zoning changes to allow light manufacturing in Downtown. Allow for “maker” retail experiences which draw people to shop in person (jewelry making,

coffee roasting, food production, open kitchens, brewing, distilling, etc.) and buy products from the makers;

- Restructure vehicle parking requirements for retail, restaurants, and change of use to reduce required stalls (designate downtown as a comprehensive parking zone where parking requirements can be met collectively and allow drivers to access public city lots and the library lot after hours);
- Study changing nature of home-based businesses and potential code amendments to support a variety of home-based businesses (2023-2025 Planning Work Program), including businesses that serve the immediate neighborhood;
- Evaluate economic development policies that promote entrepreneurship and create broad-based and distributed economic prosperity; and
- Study the future of the workforce (also applies to changes to housing, excess/vacant office space, online sales).

### **Next Steps**

Over the next month, staff will prepare the actual draft edits to the Economic Development Element goals and policies in preparation for the March Planning Commission meeting. The goal is to have the draft Elements of the Comprehensive Plan completed in early 2024 for review by the various Boards and Commissions, with tentative Planning Commission public hearings set for Spring-Summer 2024 and final adoption by the City Council at the end of 2024.

### **Attachments**

1. Existing Economic Development Element goals and policies
2. Economic Development Element: Summary of State, regional, County, and local policy topics

cc: File Number: CAM22-00023

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