

Hotel out, apartments in at big downtown Kirkland project

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The goal of the new team taking on the largest ever real estate development in downtown Kirkland is to provide an Eastside alternative to downtown Bellevue.

Earlier this month Seattle-based Talon Private Capital submitted a master plan to the city for the mixed-use project called Kirkland Parkplace. The site is at Central Way and Sixth Street by Peter Kirk Park.

Talon and its partner on the project, Prudential, are proposing a smaller project than what had been proposed. The new plan calls for a pedestrian-oriented project with 210,000 square feet of retail/entertainment space, 650,000 square feet of office space and 300,000 square feet of apartments. The development will be phased with construction possibly starting in a little more than a year.

The previous development team of Touchstone Corp., a Seattle real estate firm, had proposed a 1.3-million-square-foot project with 50 percent more office space than the new proposal. The old plan also included a hotel, but that has been replaced by the multi-family component. Parkplace needs full-time residents to bring shoppers to the retail, Bill Pollard of Talon said Tuesday.



Envision Kirkland Parkplace rendering

Initial plans, shown here, for the Parkplace development in Kirkland have been changed. The new plan calls for less office space, apartments and retail and entertainment space. A hotel is no longer part of the plan.

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Pollard added that Talon is in discussions with grocer QFC to more than double the size of the existing store on the property to 55,000 square feet. This will be part of the first phase, which will include adding other retail space.

The goal of the proposal is to offer "a compelling alternative" to downtown Bellevue, where several large office projects are planned along with new apartment buildings, Pollard said, adding the team wants to build on Kirkland's "unique cache."

The suburban city on Lake Washington has a population of around 81,750, and the median household income is \$87,000. The median income in the greater Seattle area is nearly \$65,700.

Seattle architecture firm CollinsWoerman is working on the new master plan. Construction will start when the city OK's the master plan and design guidelines and issues the building permits.

"If everything goes as planned, we'd like to break ground in the first quarter of 2016," Talon Principal Jim Neal said. This will be the first ground-up development for Talon, a real estate investment company.

Touchstone's effort to develop the Parkplace project was sidelined due to the effects of the Great Recession. A previous endeavor to entitle the project for 1.75 million square feet of space, led by Touchstone, was approved by the city in 2010 but was ultimately sidelined due to lingering effects of the 2008 financial crisis.

A year ago, Touchstone sold its interest in the project to Prudential for an undisclosed sum. Touchstone was pitching the project to Google, though Google decided to expand at its existing Kirkland campus.

Marc Stiles covers commercial real estate and government for the Puget Sound Business Journal.