



AB 5933

Town Center Moratorium

Proposed Retail Use Adjacent to Street Frontages, Commercial FAR, and No Net Loss Requirements

September 21, 2021

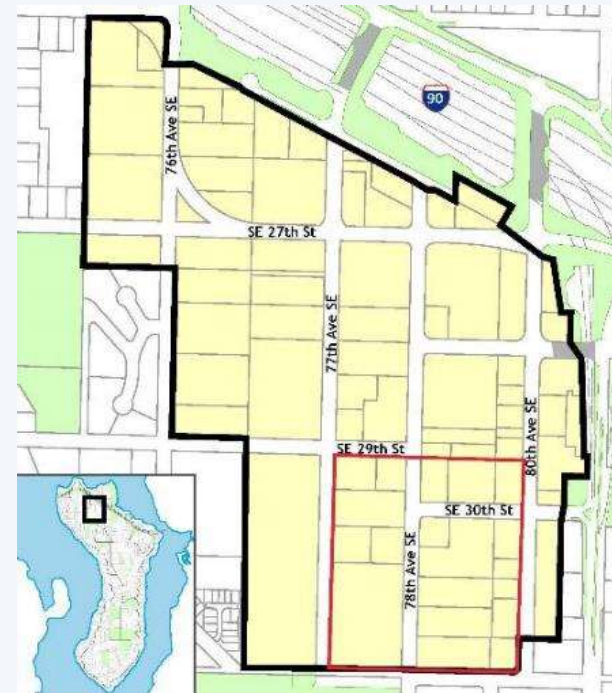
Background

- In June 2020, the City Council enacted a moratorium on new construction in the southeast quadrant of the Town Center zone.
- The moratorium halts the submission of development applications while the City considers potential updates and/or amendments to the Town Center code.
- The City Council articulated that solutions should **preserve existing commercial retail space** and **provide space to meet future demand**.
- The City contracted with Community Attributes, Inc. (CAI) to analyze capacity and demand for commercial retail.



Background

- CAI's analysis aimed to provide:
 - Quantitative analysis to determine whether there is **demand for additional commercial retail space** in Mercer Island; and
 - Assessment of how including ground floor retail use in multifamily developments would affect the **economic feasibility of redevelopment in Town Center**
- On April 20, 2021, the City Council directed staff to complete additional analysis and research legislative options for resolving the moratorium.



Town Center Moratorium Legislative Options

On July 6, staff presented the following legislative options to the City Council:

1. Do nothing.
2. Amend the TC Subarea Plan and Zoning Map to remove the moratorium area from the Town Center and rezone to an exclusive commercial zone.
3. Amend or repeal MICC 19.11.020 Figure 2, which illustrates retail street frontage requirements in the Town Center.
4. Amend MICC 19.11.020 to add a "no net loss" commercial retail square footage requirement throughout the Town Center, administered on a parcel-by-parcel basis.
5. Amend MICC 19.11.020 to add a "commercial floor area ratio" requirement for properties subject to the requirement in Figure 2.
6. Mix and match various options.



Town Center Moratorium Legislative Options

Following the discussion on July 6, the City Council expressed interest in Option #6 (mix and match various options) and directed staff to review and propose:

1. Updates to MICC.19.11.020(B)(4) Retail Use Required Adjacent to Street Frontages (Option #3)
2. A new Town Center Commercial Floor Area Ratio (FAR) requirement (Option #5)
3. The applicability of a new Town Center "No Net Loss" requirement (Option #4)



7 Steps for Calculating a Proposed TC Commercial FAR

1. Determine Updates to MICC 19.11.020(B)(4) Retail Use Required Adjacent to Street Frontages (the "pink lines map")
2. Determine Town Center-Wide Commercial Square Footage Inventory
3. Update Additional Supportable Commercial Square Footage Town
4. Remove Post-2005 Redevelopments Commercial Square Footage
5. Calculate Net Commercial Square Footage = #2 + #3 - #4
6. Determine Net Parcel Square Footage
7. Calculate Commercial FAR = #5 / #6



Proposed Amendments to MICC 19.11.020(b)(4)

Step #1

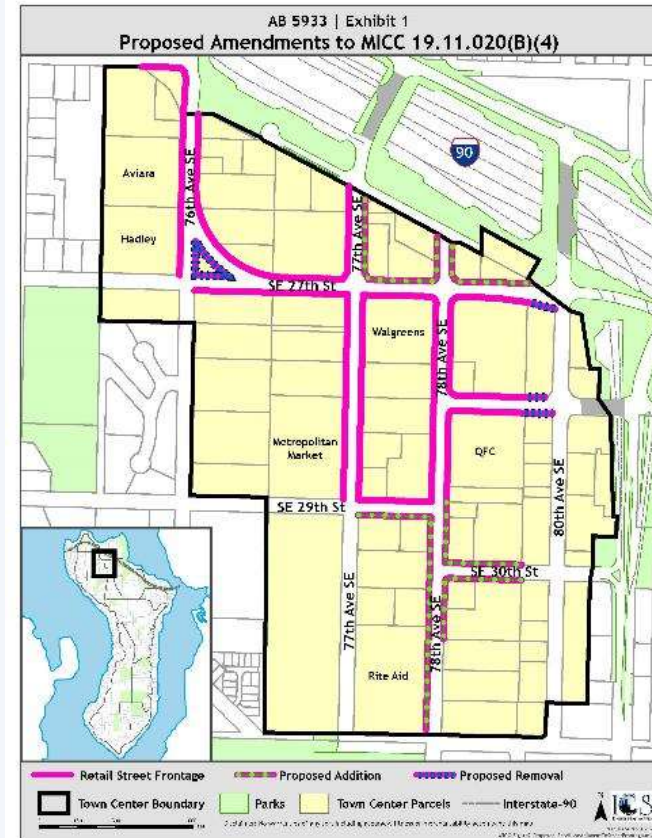
- Reflects corridor concentration on SE 27th Street and 78th Ave SE for existing and future development
- Does not include public / utility-owned properties on 78th Ave SE

Step #2

- TC-wide Commercial SF inventory = 309,560
2021 Q3 CoStar Data

Step #3

- Update Additional Supportable Commercial SF TC-wide = 37,200
2020 DOR Data



Remove Post-2005 Developments Commercial SF

Step #4

- Remove Post-2005 Redevelopment Commercial SF = 67,364
2021 Q3 CoStar Data
- Includes constructed and vested projects

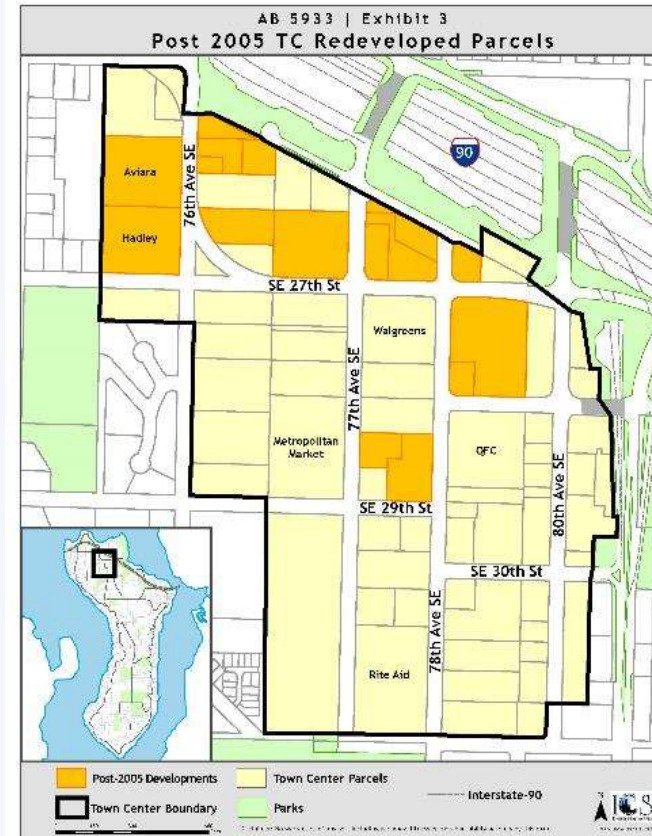
Step #5

- Calculate Net Commercial SF

$$= \#2 + \#3 - \#4$$

$$= 309,560 + 37,200 - 67,364$$

$$= 279,396$$



Proposed TC Parcels Subject to New Commercial FAR Requirement

- Map to the right will be added to any TC Commercial FAR requirement code amendment proposal

Step #6

- Determine Net Parcel SF = 1,065,273
King County Assessor Data



Proposed TC Commercial FAR Calculation

Step #7

Step	Geography	Detail	Function	Value	Notes
2	TC Wide	Commercial SF Inventory		309,560	2021 Q3 CoStar Data
3	TC Wide	Additional Supportable Commercial SF	Add:	37,200	2020 DOR Data
4	Selected Properties	Post-2005 Redevelopment Commercial SF	Less:	67,364	2021 Q3 CoStar Data
5		Net Commercial SF	Total:	279,396	
6	Selected FAR Properties	Net Parcel Area		1,065,273	King County Assessor Data
7		Commercial FAR Calculation		0.2623	



Next Steps

Tonight

Provide direction to staff to proceed with necessary code amendments to MICC 19.11 as follows:

1. Update MICC 19.11.020(B)(4) Retail Use Required Adjacent to Street Frontages as identified in Exhibit 1;
2. Institute a new Town Center Commercial Floor Area Ratio (FAR) requirement as presented, which will be subjected to parcels identified in Exhibit 2; and
3. Include a new selective Town Center "No Net Loss" requirement to post-2005 redevelopment parcels only as identified in Exhibit 3.

UPDATED Schedule

- September 22: Planning Commission Work Session
- October 27 or November 3 (TBC): Planning Commission Public Hearing / Recommendation
- November 16: City Council First Ordinance Reading
- December 1: City Council Second Ordinance Reading / Adoption

