



# PLANNING COMMISSION CITY OF MERCER ISLAND

**PCB 26-08**  
**June 10, 2026**  
**Public Hearing**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	PCB 26-08: Public Hearing (Continued): Comprehensive Plan Update, Station Subarea Plan, and Implementing Development Code Amendments	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Recommendation
<b>RECOMMENDED ACTION:</b>	Recommend adoption of the Comprehensive Plan, Station Subarea Plan, and Implementing Development Code Amendments as presented in PCB26-08.	

<b>STAFF:</b>	Alison Van Gorp, CPD Deputy Director Adam Zack, Principal Planner
<b>EXHIBITS:</b>	<ol style="list-style-type: none"> <li>1. Amended Comprehensive Plan           <ol style="list-style-type: none"> <li>a. Appendix I: Land Capacity Analysis</li> <li>b. Appendix J: Barriers Analysis</li> </ol> </li> <li>2. Station Subarea Plan</li> <li>3. Implementing Development Code Amendments</li> <li>4. Written Public Comment Index</li> </ol>

## EXECUTIVE SUMMARY

The purpose of this agenda item is to brief the Planning Commission on the Comprehensive Plan (Exhibit 1), Station Subarea Plan (Exhibit 2), and implementing development code amendments (Exhibit 3) and arrive at a Planning Commission recommendation to the City Council.

- The City completed a periodic review and update of the Mercer Island Comprehensive Plan, which was adopted by the City Council on November 19, 2024 ([AB 6573](#)).
- The 2024 Comprehensive Plan was appealed to the GMHB on the grounds that the Comprehensive Plan did not adequately plan for and accommodate future affordable housing needs (GMHB case number 25-3-0003). On August 1, 2025, the GMHB issued a final decision and order (GMHB Order).
- The GMHB Order found that the City must make changes to its Comprehensive Plan to comply with the Washington State Growth Management Act (GMA).
- The City Council has provided directions for addressing compliance with the four issues in the GMHB Order at the following meetings:
  - [January 16, 2026](#) – [AB 6838](#)
  - [February 17, 2026](#) – [AB 6865](#), [AB 6866](#), and [AB 6871](#)
  - [March 17, 2026](#) – [AB 6888](#) and [AB 6894](#)
  - [April 21, 2026](#) – [AB 6909](#) and [AB 6911](#)
- The City is required to update its Comprehensive Plan and adopt a Station Subarea Plan in order to comply with the GMHB Order.
- Development regulation amendments to implement the Comprehensive Plan and Station Subarea Plan need to be made concurrently with the Comprehensive Plan update.
- The Planning Commission was briefed and provided written comments on the proposed Comprehensive Plan amendments, Station Subarea Plan, and implementing development code amendments:
  - April 28 and May 6, 2026 – Station Subarea Plan

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- May 6, 2026 - Comprehensive Plan Land Use, Housing, and Economic Development elements;
  - May 13, 2026 – Implementing development code amendments; and
  - May 27, 2026 – Comprehensive Plan Transportation, Utilities, and Capital Facilities elements.
  - June 3, 2026 – Public Hearing Comprehensive Plan, Station Subarea Plan, and Implementing Development Code Amendments
- Staff have prepared amendments to the Comprehensive Plan, Station Subarea Plan and Development Code based on the direction provided by the Planning Commission at the June 3, 2026, meeting.
  - Following the conclusion of the continued public hearing on June 10, the Planning Commission should make its recommendation to the City Council by approving Motion 1 (included below).

## BACKGROUND

Background materials are provided on the [City's Let's Talk page](#). A summary of previous agenda materials is outlined below:

### January 16, 2026

- [AB 6838](#): Compliance with [Growth Management Hearings Board Final Decision and Order](#) related to the City of Mercer Island Periodic Update to the Comprehensive Plan Overview of City Council Planning Session.

### February 17, 2026

- [AB 6865](#): Compliance with Growth Management Hearings Board Final Decision and Order Related to the City of Mercer Island Periodic Update to the Comprehensive Plan
- [AB 6866](#): GMA Compliance Public Engagement Plan
- [AB 6871](#): Legislative Review Alternatives to Help City Meet GMHB Order Compliance Deadline (Ordinance No. 26C-03 First Reading)

### March 3, 2026

- [AB 6893](#): Compliance with Growth Management Hearings Board Order – Follow-Up Discussion on Financing Affordable Housing
- [AB 6890](#): Legislative Review Alternatives to Help City Meet GMHB Order Compliance Deadline (Ordinance No. 26C-03 Second Reading)

### March 17, 2026

- [AB 6888](#): Final Approval of the Modified Station Subarea Boundary
- [AB 6894](#): Update on the Growth Management Hearings Board Order – GMA Compliance Work Plan

### March 25, 2026

- [PCB26-01](#): Briefing on the Growth Management Hearings Board Order and steps to achieve Growth Management Act compliance

### April 21, 2026

- [AB 6909](#): GMA Compliance – Policy Direction on Development Code Amendments
- [AB 6911](#): GMA Compliance – Legislative Review Process

### April 28, 2026

- [PCB26-02](#): Planning Commission Legislative Review Process
- [PCB26-03](#): Briefing on Station Subarea Plan Goals and Policies

### May 6, 2026

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- [PCB 26-04](#): Briefing on Comprehensive Plan Elements and Station Subarea Plan

#### May 13, 2026

- [PCB 26-05](#): Briefing on Development Code Amendments: land capacity: zoning map, Town Center boundary and subareas, height increases, permitted uses, design standards, and consistency

#### May 27, 2026

- [PCB 26-06](#): Briefing Comprehensive Plan Consistency Amendments – Transportation, Utilities, Capital Facilities Elements

#### June 2, 2026

- [AB 6938](#): Public Hearing of MICC Title 5 Amendments Anti-Displacement Measures (First Reading, Ord. No. 26C-07)

#### June 3, 2026

- [PCB 26-07](#): Public Hearing: Comprehensive Plan Update, Station Subarea Plan, and Implementing Development Code Amendments

## ISSUE/DISCUSSION

On June 3, 2026, the Planning Commission held a public hearing on proposed amendments to the Comprehensive Plan, Station Subarea Plan and implementing development code amendments. Following a staff presentation and the public hearing comments, the Planning Commission began its deliberations. The Commission made three motions:

- The first motion was to include non-substantive amendments proposed in the Comment Matrices attached to PCB 26-07 into Planning Commission recommendation.
- The second motion directed staff to prepare a clarifying amendment to the Daylight Plane standards in the development regulations, contained in 19.11.030(A)(6) MICC.
- The third motion was to include the amendment contained in the Station Subarea Plan Comment Matrix Log 4.

### **Changes to the Public Hearing Drafts**

Based on Planning Commission direction at the June 3, 2026 meeting, staff updated the draft Comprehensive Plan (Exhibit 1), Station Subarea Plan (Exhibit 2), and implementing development code amendments (Exhibit 3) as follows:

#### Comprehensive Plan – Exhibit 1

- Added non-substantive amendments identified in PCB26-07 (Comment Matrix Logs: 2, 5, 6, 7, 8, 15, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 42, 44, 45). These amendments include minor edits proposed by staff to provide clarity, correct grammar, etc.
- Added the technical appendixes – Appendix I: Land Capacity Analysis and Appendix J: Barriers Analysis.
  - These appendixes are technical reports, Planning Commission action should be limited to affirming inclusion of the appendixes in the draft Comprehensive Plan.
  - Both technical reports were posted on the project Let's Talk page for public review last month.

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## Station Subarea Plan – Exhibit 2

- Added non-substantive amendments identified in PCB26-07 (Comment Matrix Logs: 1, 3, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19). These amendments include minor edits proposed by staff to provide clarity, correct grammar, etc.
- Added the amendment proposed in Comment Matrix Log 4 to add a new Policy 7.4 related to adopting development and design standards in Phase 2 to address the transition between the Station Area and adjacent lower-density neighborhoods.

## Implementing Development Code Amendments – Exhibit 3

- Added non-substantive amendments identified in PCB26-07 (Comment Matrix Logs: 1, 4, 5, 15, 16, 21, 24, 28, 32, 33, 34, 35, 39, 40, 41, 43, 44, 46, 47). These amendments include minor edits proposed by staff to provide clarity, correct grammar, etc.
- Staff drafted clarifying amendments to MICC 19.11.030(A)(6), the average daylight plane standards, to address direction from the Planning Commission at the June 3, 2026 meeting and in relation to Comment Matrix Log 29 (more details provided below).

Note: Bracketed notations and peach-colored text boxes are used throughout these drafts to indicate relocated text, the rationale for major amendments and amendments made based on Planning Commission direction. These notations are intended to support review of the drafts and will not be included in the final adopted versions.

### **Proposed Average Daylight Plane Amendment**

Staff have drafted the proposed amendments to MICC 19.11.060(A)(6) to clarify how the standards can be applied to six to eight story buildings and address the Planning Commission’s June 3 motion regarding this section. The initially proposed draft amendment presented on June 3 was unclear as to whether the average daylight plane standard applied to all upper stories or only the first thirty feet of depth along building frontages. In addition to the need for clarification, Commissioner Perez had proposed an amendment of this section in Development Code Comment Log #29, which staff initially categorized as “Substantive – Not Recommended” on the grounds that the City Council had directed no further amendment of the daylight plane standards until Phase 2 of the Station Subarea Plan (AB 6909).

After further internal review, the staff recommendation is to incorporate some of the proposed amendments from Comment Log #29, along with other clarifying amendments requested by the Planning Commission via their June 3 motion. The recommended amendment clarifies the daylight plane standard in MICC 19.11.060(A)(6) as follows:

- The upper story setback begins at 45 feet instead of 27 feet, this incorporates the main idea proposed in Comment Log #29 (MICC 19.11.060(A)(6)(a));
- MICC 19.11.060(A)(6)(b) is clarified that the average daylight plane area applies to only the first 30 feet of depth as measured from the edge of the sidewalk abutting the building addressing one of the questions posed during discussion of this issue on June 3;
- The illustrations in MICC 19.11.060 – Figure 6 have been updated to reflect the changes; and
- MICC 19.11.060 – Figure 7 would be struck because its illustration is no longer accurate given how the standard has been amended and a replacement illustration is not necessary to illustrate application of the standards.

The staff recommended amendments are consistent with the assumptions for 6- to 8-story buildings used for the capacity assumptions in the Land Capacity Analysis. The Land Capacity Analysis in Exhibit 1.a considers

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how allowing additional stories in the Town Center and adjacent multifamily zones increases the number of dwelling units possible and what level of affordability for those units could be expected. To do this, it evaluated development prototypes based on data for comparable achieved development throughout the region. For both the 6- and 8-story building heights, the development prototype analyzed were 5- and 7-story buildings; conservative sizes below the maximum to avoid overestimating the capacity increases. Taking a conservative approach has the added benefit of allowing leeway to account for how development and design standards may slightly modulate development capacity up or down. Adjusting the daylight plane standard as proposed will allow slightly larger buildings because the daylight plane standard would apply two stories higher than it had previously so the proposed amendment would not modulate development capacity below the assumptions used in the Land Capacity Analysis.

**Written Public Comment Index**

Written public comments received by the City as a part of the public comment period have been collated in Exhibit 4. These comments were previously provided to the Planning Commission via email as well.

**Planning Commission Recommendation**

Following the conclusion of the continued public hearing on June 10, 2026, the Planning Commission should finalize deliberations and make its recommendation to the City Council by approving Motion 1 (provided below). Staff will prepare a written summary of the Planning Commission recommendation for review and signature by the Chair. The Staff and the Chair will then present this recommendation to the City Council on June 16, 2026.

**NEXT STEPS**

June 10 – Planning Commission public hearing and recommendation

June 16 – Planning Commission recommendation is delivered to the City Council.

**RECOMMENDED ACTION**

Move to recommend adoption of the Comprehensive Plan, Station Subarea Plan, and Implementing Development Code Amendments as presented in PCB26-08.