



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5856
May 4, 2021
Public Hearing

AGENDA BILL INFORMATION

TITLE:	AB 5856: Town Center Moratorium	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Conduct Public Hearing and adopt Ordinance No. 21-09 extending the Town Center moratorium for an additional six-month period.	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Interim Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 21-09
CITY COUNCIL PRIORITY:	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

SUMMARY

Ordinance No. 21-09 (Exhibit 1) will extend the current moratorium for another six-month period on major new construction south of SE 29th Street in the Town Center (TC) zoning designation established under emergency Ordinance No. 20-12, modified by Ordinance No. 20-18, and extended for an additional six-month period by Ordinance No. 20-26.

This current moratorium expires on June 2, 2021 unless extended by the City Council following a Public Hearing. Until any legislative action deemed necessary is completed, staff recommends that the effective period of the moratorium, in its current geographic configuration, be renewed for another six-month period.

The City is currently completing a commercial analysis for the Town Center and considering legislative options to amend the Town Center development regulations related to the preservation and establishment of commercial / retail space. The City Council is scheduled to continue this discussion on June 1, 2021.

BACKGROUND

The current Town Center development regulations were established in June 2016 (see [Ordinance No. 16C-06](#)). Per the current code, major new development located north of SE 29th Street in the Town Center must provide ground floor street frontage commercial space for use by retail, restaurant, or personal service (e.g. barber shop, nail salon, fitness center, etc.) Between 40 and 60 percent of the ground floor street frontage north of SE 29th Street must be designed for retail, restaurant, or personal services; 40 percent is required for those major new developments that provide public parking, while 60 percent is required for those developments that do not provide public parking. Commercial retail space is allowed, but not required, south of SE 29th Street in the Town Center zoning designation.

Previous City Council actions related to this moratorium include:

- June 2, 2020: The City Council passed [Ordinance No. 20-12](#) which established a 6-month moratorium on major new construction south of SE 29th Street in the Town Center (TC) zoning designation. The City Council indicated that the City desires to update and possibly amend development regulations within the Mercer Island Town Center, including requirements for various types of commercial retail space.
- July 21, 2020: The City Council completed the required Public Hearing for Ordinance No. 20-12 on the Town Center Moratorium and directed staff to prepare an amended interim Ordinance reducing the size of the geographic area subject to moratorium and include additional findings of fact.
- September 1, 2020: The City Council adopted [Ordinance No. 20-18](#) with a reduced size of the geographic area subject to moratorium and included additional findings of fact. Additionally, the City Council provided direction to staff to prepare a scope of work for a Town Center retail analysis to inform options for resolving the moratorium and a corresponding budget appropriation request.
- November 17, 2020: The City Council adopted [Ordinance No. 20-26](#) to extend the moratorium for an additional six-month period.
- December 1, 2020: The City Council adopted [Ordinance No. 20-29](#) the 2021-2022 Biennial Budget which included a one-time budget appropriation request in the amount of \$50,000 to fund a Town Center commercial analysis to inform options for resolving the moratorium.
- December 1, 2020: The City Council approved [Resolution 1594](#) to set the 2021 docket of potential amendments to the Comprehensive Plan and development code which included a “placeholder” for potential necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code in response to resolving the moratorium.
- April 6, 2021: The City Council received and discussed the draft Town Center commercial analysis.
- April 20, 2021: The City Council continued to discuss the draft Town Center commercial analysis and provided direction to staff to complete additional analysis as well as draft a framework for available legislative options to resolve the moratorium.

PROPOSED NEXT STEPS

The staff will return to the City Council on June 1, 2021 to discuss legislative options to resolve the moratorium.

RECOMMENDATION

1. Conduct a Public Hearing and consider public testimony on Ordinance No. 21-09.
2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading of an ordinance.
3. Adopt Ordinance No. 21-09 extending the Town Center moratorium for an additional six-month period.