



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6067
May 3, 2022
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 6067: Town Center Moratorium Renewal	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Conduct Public Hearing and move to second reading Ordinance No. 22-03 extending the Town Center moratorium for an additional six-month period.	

DEPARTMENT:	Community Planning and Development		
STAFF:	Jeff Thomas, Interim Director Sarah Bluvas, Economic Development Coordinator		
COUNCIL LIAISON:	n/a		
EXHIBITS:	1. Ordinance No. 22-03 2. Updated Legislative History		
CITY COUNCIL PRIORITY:	3. Implement an economic development program.		

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to conduct a Public Hearing and adopt Ordinance No. 22-03, which will extend the current moratorium on major new construction south of SE 29th Street in the Town Center (TC) zoning designation for an additional six months.

- In June 2020, the City Council enacted a moratorium on major new construction generally in the southeast quadrant of the Town Center (TC) zoning designation.
- The City Council cited the goal of protecting and expanding Mercer Island’s retail sector as primary drivers for enacting the moratorium and directed City staff to explore and propose potential amendments to TC development regulations.
- On March 15, 2022, the City Council conducted a third reading of proposed code amendments and provided additional direction for finalizing a code proposal to exit the moratorium. Staff plan to return to the City Council for a final reading of the proposal before the August recess.
- The current moratorium expires June 2, 2022, so the City Council must vote to extend the moratorium for another six months in order for it to remain in effect while legislative work continues.

BACKGROUND

The current Town Center development regulations were established in June 2016 ([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 services (e.g., barber shop, nail salon, and fitness center). 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 space is allowed, but not required, south of SE 29th Street in the Town Center (TC) zoning designation.

In June 2020, the City Council enacted a moratorium on major new construction generally in the southeast quadrant of the TC zone. This moratorium was intended to temporarily prevent submittal of development applications while the City considers potential updates and/or amendments to development regulations within the Town Center, including requirements for ground-floor commercial use and for preserving existing commercial square footage in the TC zone. The City Council cited the goal of protecting and expanding Mercer Island's retail sector to maintain and improve the community's quality of life and emergency preparedness as primary drivers for enacting the moratorium.

Since enacting the moratorium, City staff, the City Council, the Planning Commission, and consulting firm Community Attributes, Inc., participated in several discussions to present findings and arrive at a proposal to amend MICC 19.11.020(B), including twelve City Council meetings, five Planning Commission meetings, and two Public Hearings (Exhibit 2).

ISSUE/DISCUSSION

On March 15, 2022, the City Council provided additional direction to staff to finalize the legislative work necessary to exit the moratorium. Staff plan to return to the City Council before the August break to conduct a final reading of proposed amendments to MICC 19.11.020. However, the current moratorium expires on June 2, 2022, and staff do not anticipate completing legislative action before that expiration date. Thus, staff recommend that the City Council conduct the required public hearing and adopt Ordinance No. 22-03, renewing the current moratorium for an additional six months.

Staff completed the required noticing for this public hearing, including:

- Published in the *Mercer Island Reporter* (March 30, 2022)
- E-mailed via the City Council meeting agenda distribution list (March 30, 2022)
- Published on the City website (March 30, 2022)

Additionally, details about the public hearing on April 22 were sent to the City's list of Town Center businesses, property owners, and property managers as well as sent outreach to the general business e-mail list (950+ contacts) on April 26.

NEXT STEPS

Assuming the ordinance is adopted, the Town Center moratorium will be extended for another six months, expiring on December 2, 2022. Staff will continue working on the proposed code amendments and return to the City Council for a final reading and adoption of the proposal before the summer recess. At that time, staff will also return to repeal Ordinance No. 22-03 and end the moratorium.

RECOMMENDED ACTION

1. Conduct a Public Hearing and consider public testimony on Ordinance No. 22-03.
2. Move to second reading Ordinance No. 22-03 extending the Town Center moratorium for an additional six-month period.