



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5779
November 17, 2020
Public Hearing

AGENDA BILL INFORMATION

TITLE:	AB 5779: Town Center Moratorium Renewal (Public Hearing)	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Conduct Public Hearing and adopt Ordinance No. 20-26 extending the Town Center moratorium for another 6-months.	<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. 20-12 2. Ordinance No. 20-18 3. Draft Ordinance No. 20-26
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.

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

SUMMARY

Ordinance No. 20-12 (Exhibit 1) was adopted on June 2, 2020 and established a 6-month moratorium on major new construction south of SE 29th Street in the Town Center (TC) zoning designation. This interim Ordinance expires on December 2, 2020. The City Council must conduct a Public Hearing and adopt a new interim Ordinance prior to December 2, 2020 to renew the moratorium for another 6-months to include the current geographic area as amended on September 1, 2020.,.

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.

On June 2, 2020, the City Council passed [Ordinance No. 20-12](#) (see Exhibit 1), 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.

On 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.

On September 1, 2020, the City Council adopted [Ordinance No. 20-18](#) (see Exhibit 2) 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.

PROPOSED NEXT STEPS

1. November 17, 2020: Complete Public Hearing and Adopt Ordinance to Renew Moratorium
The City Council must conduct a Public Hearing and adopt a new interim Ordinance (Exhibit 3) prior to December 2, 2020 to renew the Town Center moratorium for another 6-months with its current geographic area as amended on September 1, 2020. If the new ordinance is not adopted, the moratorium will lapse and all applicable development regulations for the subject geographic area will be in full effect.
2. December 1, 2020: Biennial Budget Adoption
A one-time budget appropriation request in the amount of \$50,000 was approved by the City Council at the November 2, 2020 meeting and will be included in the 2021-2022 Final Budget, scheduled for review and adoption on December 1, 2020. This budget appropriation will fund a Town Center retail analysis to inform options for resolving the moratorium.
3. December 1, 2020: Setting the Comprehensive Plan / Development Code Annual Docket
The City Council will be conducting a Public Hearing and considering a Resolution to approve the 2021 docket of potential amendments to the Comprehensive Plan and development code at the City Council meeting on December 1, 2020. A “placeholder” docket request has been submitted by staff for potential necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code in response to findings from the Town Center retail analysis.
4. First Quarter 2021: Complete Town Center Retail Analysis
Pending adoption of the 2021-2022 Final Budget, the Town Center retail analysis is anticipated to be completed and presented to the City Council by the end of Q1 2021. Direction to staff will be sought at that time as to whether to prepare any necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code in response to findings from the Town Center retail analysis.
5. Second Quarter 2021: Process Town Center Annual Docket Items
Pending City Council direction in response to findings from the retail analysis, work would commence on preparing any necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code during the remainder of 2021. Standalone development code amendments would likely be processed in time for City Council to take final action and not renew the Town Center

moratorium for another 6-months. Comprehensive Plan and/or Town Center Sub-Area Plan amendments with or without integrated development code amendments would take longer and require the renewal of the Town Center moratorium for another 6-months.

6. May 2021: Renew Moratorium

If necessary, the renewal of the Town Center moratorium for another 6-months will require a Public Hearing and adoption of a new interim Ordinance prior to June 2, 2020. These actions are a repeat of step (1).

RECOMMENDATION

1. Conduct a Public Hearing and consider public testimony on Ordinance No. 20-26.
2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading of an ordinance.
3. Adopt Ordinance 20-26 as presented extending the Town Center moratorium for another 6-months.