



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5976
November 16, 2021
Public Hearing

AGENDA BILL INFORMATION

TITLE:	Town Center Moratorium Renewal	<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 Sarah Bluvas, Economic Development Coordinator
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 21C-27 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.
CITY COUNCIL PRIORITY:	

SUMMARY

Ordinance No. 21C-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. 20C-12, modified by Ordinance No. 20C-18, and extended for an additional six-month period by Ordinance No. 21C-09.

This current moratorium expires on December 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.

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 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 space is allowed, but not required, south of SE 29th Street in the TC 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 possibly complete updates and/or amendments to

development regulations within the Mercer Island Town Center, including requirements for various types of commercial 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 commercial analysis to inform options for resolving the moratorium and a corresponding budget appropriation request.
- November 17, 2020: The City Council completed the required Public Hearing and adopted [Ordinance No. 20-26](#) renewing the moratorium for an another 6-month period with its current geographic area as previously amended.
- December 1, 2020: The City Council adopted [Ordinance No. 20-29](#) the 2021-22 Biennial Budget. Included in the budget is a \$50,000 one-time appropriation for qualified professional services to perform a Town Center commercial analysis and support the completion of any necessary updates and/or amendments to development regulations within the Mercer Island Town Center to be responsive to the moratorium. The City Council also approved [Resolution No. 1594](#) establishing the 2021 docket for amendments to the Comprehensive Plan and development regulations. Included in the docket is a placeholder for amending the Town Center Sub-Area Plan and corresponding development regulations as necessary to be responsive to the moratorium.
- April 6 and 20, 2021: The City contracted with the firm Community Attributes, Inc. (CAI) to analyze the demand for additional ground floor commercial uses and the feasibility of requiring such uses in new buildings. On April 6, the City Council received a presentation on the findings of this analysis and commenced discussion ([AB 5841](#)). Further City Council discussion ensued on April 20 and direction was provided to staff to complete additional analysis and to research legislative options in addition to a “no net loss” option.
- May 4, 2021: The City Council completed the required Public Hearing and adopted [Ordinance No. 21-09](#) renewing the moratorium for an another 6-month period with its current geographic area as previously amended.
- July 6, 2021: Staff presented a number of legislative options and combination options to City Council (AB 5910). Council provided further direction to review and propose:
 - A. Updates to MICC 19.11.020(B) Retail Use Required Adjacent to Street Frontages;
 - B. A new TC commercial Floor Area Ratio (FAR) requirement; and
 - C. The applicability of a new TC no net loss requirement.
- September 21, 2021: The City Council directed staff to work with the Planning Commission to develop the necessary code amendments to MICC 19.11.020(B), including updating MICC 19.11.020(B) Figure 2 Retail Use Required Adjacent to Street Frontages; instituting a Town Center Commercial FAR requirement; and adding a selective “No Net Loss” provision ([AB 5933](#)).

- September 22, and October 6, 2021: The Planning Commission conducted two work sessions to review and comment on the proposed amendments to MICC 19.11.020(B).
- November 3, 2021: The Planning Commission completed the required Public Hearing, deliberated the proposed amendments, and voted on a recommendation to send to the City Council on November 16.

NEXT STEPS

Tonight, the City Council will hold the required Public Hearing on Ordinance No. 21C-27. Assuming the ordinance is adopted, the Town Center moratorium will be extended for another six months, expiring on June 2, 2022. The Council will also receive the Planning Commission's recommendation related to Development Code ZTR19-004 Town Center Retail Requirements (AB 5977). If necessary legislative action is completed before the moratorium is set to expire, staff will return to repeal Ordinance No. 21C-27 and end the moratorium.

RECOMMENDATIONS

1. Conduct a Public Hearing and consider public testimony on Ordinance No. 21C-27.
2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading of an ordinance.
3. Adopt Ordinance No. 21C-27 extending the Town Center moratorium for an additional six-month period.