



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

**AB 6082
May 17, 2022
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6082: 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 second reading and adopt 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 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 May 3, 2022, the City Council conducted the required Public Hearing on the ordinance and received testimony from one speaker.
- The current moratorium expires June 2, so the Council must vote to extend the moratorium for it to remain in effect while the associated legislative work continues.
- If adopted, the ordinance will take effect on June 1 and expire on December 2, 2022.
- Staff will return on June 21, 2022, for a fourth reading of Ordinance No. 22C-09 (formerly Ord. No. 21C-28) and seek adoption of the proposed development code amendment. At that time, staff will also present a mechanism for exiting the moratorium.

BACKGROUND

The current Town Center development regulations were established in June 2016 ([Ordinance No. 16C-06](#)). Per MICC 19.11.020(B), major new development located north of SE 29th Street in the Town Center must provide ground floor street frontage commercial space for retail, restaurant, or personal services (e.g., barber shop, nail salon, and fitness center) uses. 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 uses; 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 May 3, 2022, the City Council conducted a Public Hearing on Ordinance No. 22-03 ([AB 6067](#)) and moved the ordinance to a second reading. Staff continue to refine the draft proposal to amend MICC 19.11.020(B) and plan to return to the Council on June 21 for a fourth reading of Ordinance No. 22C-09 (formerly Ord. No. 21C-28) and to seek adoption of the proposal. Since legislative action on the draft code amendment will not be complete before the current moratorium expires, staff recommend that the Council adopt Ordinance No. 22-03, extending the moratorium for another six months.

NEXT STEPS

If adopted, Ordinance No. 22-03 will take effect on June 1 and extend the Town Center moratorium through December 2, 2022. Staff will return on June 21 to conduct a fourth reading of the draft proposal to amend MICC 19.11.020(B). At that time, staff will also present a mechanism for exiting the moratorium.

RECOMMENDED ACTION

Adopt Ordinance No. 22-03 extending the Town Center moratorium for an additional six-month period.