



CITY OF MERCER ISLAND PLANNING COMMISSION REGULAR VIDEO MEETING MINUTES

Wednesday, November 3, 2021

CALL TO ORDER

The Planning Commission was called to order by Chair Hubbell at 6:01pm from a remote location.

PRESENT

Chair Daniel Hubbell

Commissioner Carolyn Boatsman

Commissioner Jordan Friedman

Commissioner Michael Murphy

Commissioner Victor Raisys

Vice Chair Ted Weinberg

All Commissioners participated in the meeting remotely.

ABSENT

Commissioner Tiffin Goodman was absent.

STAFF PRESENT

Jeff Thomas, Interim CPD Director, Alison Van Gorp, Deputy CPD Director, Sarah Bluvas, Economic Development Coordinator and Bio Park, City Attorney participated in the meeting remotely.

PUBLIC APPEARANCES

There were no public appearances

PUBLIC HEARING

Agenda Item #1: Public Hearing - ZTR21-004 Town Center Commercial Requirements

Chair Hubbell opened the public hearing at 6:05pm.

There were no public comments.

Chair Hubbell closed the public hearing at 6:06pm.

REGULAR BUSINESS

Agenda Item #1: ZTR21-004 Town Center Commercial Requirements

Sarah Bluvas, Economic Development Coordinator, gave a brief presentation to the Commission on ZTR21-004 – Town Center Commercial Requirements.

The Commission deliberated about the proposed amendment.

It was moved by Boatsman; second by Weinberg to:

Adopt the draft ordinance and agree on recommendations to the City Council.

⇒ failed 0-6

It was moved by Boatsman; second by Weinberg to:
Amend the draft ordinance to add a new term: Street frontage commercial uses: Businesses that include restaurants, retail, and personal services.

⇒ Withdrawn

It was moved by Boatsman; second by Weinberg to:
amend (B) to read “street frontage commercial uses required”

⇒ Withdrawn

It was moved by Boatsman; second by Weinberg to:
amend the draft code as submitted in writing by Boatsman (see attached). With the following additions/clarifications:

- New terms should be placed in the definitions section of the code (19.16.010).
- Further amendment to Figure 2: Remove pink lines from NW corner of 77th (Chevron Station) and SW corner of 29th and 78th (Jackson Shell Station)
- Further amend the changes to subsection (B)(2) to delete “adjacent to street frontages” from Boatsman’s proposed amendment

⇒ Failed 2-4

It was moved by Boatsman; second by Weinberg to:
Amend B1b to change the minimum depth along street frontages to 32 feet

⇒ Failed 2-4

It was moved by Murphy; second by Weinberg to:
Adopt findings as submitted and revised by Murphy (items A-C) (see attached)

⇒ Passed 5-1

It was moved by Murphy; second by Weinberg to:
Recommend to the City Council the actions submitted and revised by Murphy (item D) (see attached)

⇒ Passed 5-1

It was moved by Weinberg; second by Boatsman to:
further amend (2)(b) in Murphy’s proposed recommendation to include “e.g. gas stations and grocery stores”

⇒ Failed 3-3

It was moved by Boatsman:
strike item 2d from the list of items in Murphy’s proposed recommendation

⇒ Failed due to lack of second

It was moved by Boatsman; second by Weinberg to:
in Murphy’s proposed recommendation, delete portion of item 2 related to a moratorium (first sentence).

⇒ Failed 1-5

It was moved by Boatsman; second by Weinberg to:
recommend to the City Council the actions submitted by Boatsman (items 1-4)

⇒ Failed 2-4

Boatsman requested to submit a minority report to the City Council

OTHER BUSINESS

Deputy Director's Report

Alison Van Gorp, CPD Deputy Director, gave a brief update on the schedule for the remainder of the year.

Planned Absences

There were no planned absences.

Announcements & Communications

There were no announcements & communications.

Next Scheduled Meeting: November 17, 2021

ADJOURN

The meeting adjourned at 10:38 pm

November 3, 2021

To: Mercer Island Planning Commissioners

From: Commissioner Carolyn Boatsman

Topic: Motion at tonight's meeting

I plan to make a motion, as follows, at the meeting:

Amend and adopt the draft ordinance; and

Agree on recommendations to the Council.

Introduction:

The Council adopted a moratorium on a certain part of the Town Center for a specific reason for six months. The moratorium expires on December 2, 2021. The reasons for the moratorium can best be summarized by a "whereas" phrase in the adopting ordinance, as follows: "protecting and expanding Mercer Island's retail sector is of utmost importance..." New permits and land use approvals were put on hold until sufficient progress toward this limited goal could be assured. The draft ordinance, with appropriate amendments, would make measurable and significant progress towards the limited goal.

Market forces drive what will be offered in the way of businesses in the Town Center, within limits placed by regulations. The limits should not stifle the options, i.e. prevent a lively mix of interesting and useful businesses for residents.

We are limited in our ability to determine what is wanted by residents, predict what the market will bring, and estimate how much space will be demanded. What is more important than what is predicted by this effort is that the topic be evaluated regularly and adjusted as circumstances warrant.

The motion to amend and adopt (with rationale):

New term: Street frontage commercial uses: Businesses that include restaurants, retail, and personal services. (Rationale: It is better to have a definition than continually try to list the types of businesses allowed. A separate definition lends itself to periodic amendment, as needed.)

New term: Assessed value (Staff should figure out how to define this term in 19.16. and make it clear that this is the value assigned to the property by the King County Assessor. This is a term that is probably used in other areas of the City Code and should be defined.)

New term: Gross lot area. (Staff should figure out how to define this term in 19.16. It is analogous to "gross floor area". Maybe it is used in other areas of the City Code.)

Amend B to read: "Street Frontage Commercial Uses Required." (Rationale: This way of stating it would be in concert with the new definition proposed above.)

Amend B.1 to read: “Street frontage commercial uses are required adjacent to street frontages as shown on Figure 2.”

Amend Figure 2 as follows:

Delete the pink line on the far northwest side of 77th AVE SE, which constitutes the east property line of the Chevron station. (Rationale: We need gas stations. It is not helpful to place the property owner in the position of having to offer street frontage commercial uses when extensive remodel is desired. That might well eliminate the gas station.)

Delete the pink line extending south of SE 29th ST on the east side of 77th AVE SE. (Rationale: 1) We’re trying to cluster certain types of businesses. This is an offshoot and the same sorts of businesses are not required across the street. 2) It gains only one small property where the certain types of businesses would be required since all other properties front on other streets where it is already required. 3) Forty town homes are proposed for the front of the Farmer’s property. Residents there, if it or something like it is approved, would probably be better served by a quieter street with less traffic and parking activity. 4) In general, there is little benefit from this extension, considering the downsides.)

Amend the Legend to label the pink line as “Street frontage commercial uses required”.

Amend B.2 to read:

“Parcels subject to street frontage commercial uses are required to provide a minimum Floor Area Ratio (FAR) equivalent to 0.2623 of the gross lot area for street frontage commercial uses adjacent to street frontages upon redevelopment equal to or greater than 50% of the current total assessed value.”

Delete Figure 3.

Delete 3.

Delete Figure 4.

(Rationale for previous four amendments: Owners of parcels that have redeveloped since 2005 should be subject to the same percentage of street frontage commercial use if they redevelop, which, given relatively new construction, would likely not be soon. The “same amount” is better than “no net loss” because it provides additional commercial space. Though this amendment would render the projections for commercial space inaccurate, those projections are estimates.)

Recommendations to the Council:

Recommendation 1. Direct the staff to study and recommend a more effective definition of street frontage commercial uses. (Rationale: The proposed definition, while more convenient and existing definitions in 19.16 are not sufficient to the task. There are definitions of restaurant, retail, and personal services (which are grouped under our street frontage commercial uses), but these do not allow for any number of creative and interesting options that the future could bring for our residents. Subbing in the existing definition for “services” will not work because, while we might find tailors and

amusement services acceptable, we may not want a mortuary and we seem to be trying to move away from the plethora of financial and health services that we now see in the Town Center. This is a complicated question, should involve evaluating what other cities are successfully doing, and is something best addressed by staff and consultants, as needed. This should be done as soon as possible.

(Please note: There is a definition for service (gas) stations that is separate from the definition of retail. Our limits on types of commercial use, so far, would not allow a gas station. Of our two existing Town Center gas stations, one is pink line (the Chevron, proposed for removal) and the other is not pink line. Our goal could be limited, i.e., try not to create a situation in which, if the owners of the station were to do extensive remodel, they would have to include “required street frontage commercial uses”.)

Recommendation 2: Direct staff to reassess, every five years or at other suitable interval:

1. The type of businesses present versus the types of businesses desired
2. The demand for street frontage commercial uses;
3. The amount of street frontage commercial space present; and
4. The amount of street frontage commercial space expected in the next period of measurement.

REVISED DRAFT Motion:

Distinguish findings and recommendations.

I move that the following recommendation be sent to the City Council regarding the proposed Town Center (TC) Code revisions:

- A. ~~For the following reasons:~~ The Planning Commission (PC) ~~is concerned~~ finds that the current TC proposal ~~has~~ is unlikely to solve certain unintended consequences that could result in a the potential significant loss of retail in the TC for the foreseeable future and will likely not achieve the desired results:
 - 1. Several of the existing retail intensive parcels, given their age and configuration, are likely to redevelop sooner with a significant loss of retail under the Floor Area Ratio (FAR) approach.
 - 2. The parcels that would “make up” this loss of retail are not likely to redevelop for several decades, if ever, resulting in a significant long term loss of TC retail space, despite the FAR formula.
- B. ~~For the following reasons:~~ The PC ~~is concerned~~ finds that the proposal ~~will~~ is likely to result in retail that will not be viable in either the short or long term and we are likely to see empty storefronts in future redeveloped parcels:
 - 1. The proposal does not address parking, and may actually exacerbate the parking shortage in key areas by driving it underground in redeveloped parcels. As a result of the undergrounding of parking, there will not be readily available parking for the activities we are trying to promote in the FAR designated space.
 - 2. The proposal does not address the optimal depth and configuration of viable/optimal retail and restaurant space. Optimal design is driven by factors other than a percentage of the parcel footprint. Whether the .26 FAR creates space that is practical to lease and won't create substantial unusable space has not been evaluated by industry professionals and has not been examined for the various parcels.
- C. ~~Based on the foregoing,~~ The PC ~~is concerned~~ finds that the City may be forced to revisit this issue in 2-3 years if the concerns bear out,

resulting in another long moratorium and more resources again diverted to the TC plan.

~~D. The PC is mindful of the work done to date, and the desire not to unduly prolong this process or reinvent the wheel.~~

~~E.A.~~ Based on the ~~foregoing concerns~~findings, the PC recommends the following actions:

1. A joint CC / PC study session to promote better coordination and thereby facilitate a faster adoption of TC code revisions.
2. A 4-month TC wide moratorium to consider more fully these issues and a possible mix of options to mitigate the concerns. Those options should be derived primarily from the prior options considered by the Council, including the following:
 - a) A modified “no net loss” requirement for retail/commercial in a new TC-C (“Commercial”) overlay zone.
 - b) Review and refine the categories of retail/commercial that the City wants to encourage in the overlay zone.
 - c) For Parcels in a new TC-C overlay zone without existing retail/commercial, or which were developed after 2005, require future redevelopment to have an amount of commercial space expressed as a FAR of building footprint on the ground floor(s) for growth.
 - d) Frontage dedication or similar condition to accommodate angle parking on streets with retail requirements.
 - e) Secure professional input for criteria like optimal frontage depth of commercial space and FAR percentage.
 - f) Review “pink line map” as part of process.

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REVISED DRAFT Motion as approved:

I move that the following recommendation be sent to the City Council regarding the proposed Town Center (TC) Code revisions:

- A. The Planning Commission (PC) finds that the current TC proposal is unlikely to solve the potential significant loss of retail in the TC for the foreseeable future and will likely not achieve the desired results:
 - 1. Several of the existing retail intensive parcels, given their age and configuration, are likely to redevelop sooner with a significant loss of retail under the Floor Area Ratio (FAR) approach.
 - 2. The parcels that would “make up” this loss of retail are not likely to redevelop for several decades, if ever, resulting in a significant long term loss of TC retail space, despite the FAR formula.
- B. The PC finds that the proposal is likely to result in retail that will not be viable in either the short or long term and we are likely to see empty storefronts in future redeveloped parcels:
 - 1. The proposal does not address parking, and may actually exacerbate the parking shortage in key areas by driving it underground in redeveloped parcels. As a result of the undergrounding of parking, there will not be readily available parking for the activities we are trying to promote in the FAR designated space.
 - 2. The proposal does not address the optimal depth and configuration of viable/optimal retail and restaurant space. Optimal design is driven by factors other than a percentage of the parcel footprint. Whether the .26 FAR creates space that is practical to lease and won't create substantial unusable space has not been evaluated by industry professionals and has not been examined for the various parcels.
- C. The PC finds that the City may be forced to revisit this issue in 2-3 years if the concerns bear out, resulting in another long moratorium and more resources again diverted to the TC plan.

- A. Based on the findings, the PC recommends the following actions:
1. A joint CC / PC study session to promote better coordination and thereby facilitate a faster adoption of TC code revisions.
 2. A 4-month TC wide moratorium to consider more fully these issues and a possible mix of options to mitigate the concerns. Those options should be derived primarily from the prior options considered by the Council, including the following:
 - a) A modified “no net loss” requirement for retail/commercial in a new TC-C (“Commercial”) overlay zone.
 - b) Review and refine the categories of retail/commercial that the City wants to encourage in the overlay zone.
 - c) For Parcels in a new TC-C overlay zone without existing retail/commercial, or which were developed after 2005, require future redevelopment to have an amount of commercial space expressed as a FAR of building footprint on the ground floor(s) for growth.
 - d) Frontage dedication or similar condition to accommodate angle parking on streets with retail requirements.
 - e) Secure professional input for criteria like optimal frontage depth of commercial space and FAR percentage.
 - f) Review “pink line map” as part of process.