PLANNING COMMISSION
REGULAR MEETING AGENDA

CALL TO ORDER & ROLL CALL

APPEARANCES

This is the time set aside for members of the public to speak to the Commission about issues of concern. If you wish to speak, please consider the following points:

• Speak audibly into the podium microphone
• State your name and address for the record
• Limit your comments to three minutes

The Commission may limit the number of speakers and modify the time allotted. Total time for appearances: 15 minutes

APPROVAL OF MINUTES

Minutes from May 2, 2012

REGULAR BUSINESS

Agenda Item #1: Zoning Code Text Amendment (ZTR12-001) – Ground floor use in the Town Center Zone

Continuation of the Open Record Public Hearing from May 2, 2012 and recommendation to the City Council for amendments to Title 19 of the Mercer Island City Code (MICC) to modify regulations pertaining to the use of building space adjacent to street frontage on the ground floor of buildings within the Town Center zone.

Agenda Item #2: Zoning Code Text Amendment (ZTR12-002) – “No Net Loss” requirement in the Town Center Zone

Open Record Public Hearing and recommendation to the City Council for amendments to Title 19 of the Mercer Island City Code (MICC) to remove the requirement that there shall be no net loss to the existing square footage of ground floor retail and restaurant uses in the Town Center.

OTHER BUSINESS

Council Liaison Report
Staff Comments
Planned Absences for Future Meetings
Announcements & Communications
Next Regular Meeting: June 6, 2012

ADJOURN

AGENDA TIMES ARE APPROXIMATE
CALL TO ORDER:
Chair Adam Cooper called the meeting to order at 7:00 PM in the Council Chambers at 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL:
Chair Adam Cooper, Vice-Chair Jon Friedman, Commissioners Bryan Cairns, Steve Marshall, Craig Olson, Kristin Orndorff, and Richard Weinman were present, as was Council Liaison Debbie Bertlin. City staff was represented by George Steirer, Principal Planner, and Shana Crick, Planner.

APPEARANCES:
No members of the public requested to speak.

MINUTES:
Commissioner Orndorff motioned to approve the minutes from March 21, 2012. Commissioner Cairns seconded the motion. The Commission unanimously approved the minutes.

REGULAR BUSINESS:
Agenda Item #1: Ground Floor Use in the Town Center
Principal Planner, George Steirer, gave the staff presentation and responded to questions from the Commission.

Councilmember Bertlin spoke to the Planning Commission about the City Council's intent in regard to the proposed ordinance.

Chair Cooper opened the open record public hearing at 7:21 PM.

Monica Wallace of Wallace Properties at 330 112th Avenue NE, Bellevue, WA 98004 spoke to the Commission regarding the proposal.

Kathryn Armstrong of 4109 SW Orchard Street, Seattle, WA 98136 addressed the Planning Commission.

Councilmember Bertlin provided additional comments to the Planning Commission regarding the possibility of a sunset provision in the proposed ordinance.

Jim Bodoia of 152 Galer Street, Seattle, WA 98109 provided testimony to the Commission regarding the proposal.

James Cassan of 2737 76th Avenue SE, Mercer Island, WA 98040 addressed the Planning Commission.
Principal Planner Steirer responded to addition questions from the Planning Commission concerning the proposed public parking requirement.

The Planning Commission asked questions of Monica Wallace of Wallace Properties.

The Planning Commission discussed the proposed zoning text amendments.

Jay Azose of Morris Piha Real Estate Services at 14100 SE 36th Street, Suite 200, Bellevue, WA 98006 responded to questions from the Planning Commission.

The Planning Commission directed staff to bring the following to the May 16, 2012 meeting:
   1) Minutes from the City Council meeting and Planning Commission reflecting the discussion and adoption of the “40/60 rule” along with other associated data from the ad-hoc committee.
   2) Opinions from the members of the defunct ad-hoc committees regarding the origination for the threshold percentage for certain ground floor uses.
   3) A creative proposal that would facilitate shared parking in the Town Center.
   4) Data conveying the proportions of uses on the ground floor of buildings viewed during the May 2, 2012 walking tour.

The open record public hearing is held open until the May 16, 2012 Planning Commission meeting.

Agenda Item #2: “No Net Loss” Requirement in the Town Center Zone
This item was postponed until the May 16, 2012 Planning Commission meeting.

COUNCIL LIAISON REPORT:
None

STAFF COMMENTS:
Staff informed the Planning Commission that an additional item has been added to the 2012 Work Plan.

PLANNED ABSENCES FOR FUTURE MEETINGS:
None

ANNOUNCEMENTS AND COMMUNICATIONS:
None

NEXT REGULAR MEETING:
The next Planning Commission meeting is scheduled for May 16, 2012.

ADJOURNMENT:
The Planning Commission meeting was adjourned at 9:36 PM.

Respectfully submitted by Shana Crick, Planner
AGENDA ITEM NO. 1
To: Planning Commission and Council Member Bertlin
From: George Steirer, Principal Planner
Subject: Agenda Item 1 – Draft Retail Mix Ordinance
Date: May 10, 2012 for the May 16, 2012 Planning Commission Meeting

Exhibits: 1. 40/60 Rule Ordinance Option 1 – Service added, public parking required
2. 40/60 Rule Ordinance Option 2 – Retail Service added, public parking required
3. Allowed Uses by Ordinance & Associated Town Center Use Definitions
4. Minutes from the City Council and Planning Commission meetings regarding the ‘40/60’ rule.
5. Existing Use Classification Data for Certain Town Center Buildings
6. Letter from Michael Christ to the Planning Commission, received on May 10, 2012

Background:
The City Council has requested that the Planning Commission look at an ordinance that:
1. Adds retail services as a type of land use; and
2. Reduces owner-created, location-based parking restrictions, which could generate additional walk in customers and more pedestrian activities on the street.

After a walking tour of the Town Center, the Planning Commission’s review of the two draft ordinances, and input from the public on May 2, 2012, the Planning Commission examined the types of uses. The Planning Commission requested additional options for providing public parking, as well as three other items. The complete list of items is in bold below:

1) Minutes from the City Council meeting and Planning Commission reflecting the discussion and adoption of the “40/60 rule” along with other associated data from the ad-hoc committee.

Minutes from the Planning Commission and City Council discussions are included as Exhibit 4. Minutes and packets from the 2002 and 2006 the ad hoc committees were not preserved. However, the origination of the rule appears to be within the code adopted in 2002 that required that “no more than 40% of the ground floor street frontage shall be occupied by office uses for SE 27th St.”

2) Opinions from the members of the defunct ad-hoc committees regarding the origination of the threshold percentage for certain ground floor uses.

Staff understands the intent of the request was to ascertain the origination of percentage, the considerations, and discussion. Additional research shows that the 40% requirement came out of the 2002 ad hoc committee that looked at making significant changes to the Design Commission regulations. Staff at that time recommended an ordinance with the 40% maximum requirement. I spoke with the former Development Services Director, Richard Hart, to inquire about his recollection for the origination of the maximum 40% allowance. The staff recommendation was based on discussions with Mark Hinshaw of LMN Architects, John Owen of Maker Architecture and Design, Bill Stalzer of Stalzer & Associates, and others. The 40% maximum number was a compromise between a desire to allow a solely market driven
mix and a vision for a retail oriented town center. There was some thought given to a 50% office/50% retail mix, but ultimately staff recommended 40% as it was a compromise. The ad hoc committee apparently looked at the 40% maximum office allowance, and recommended the provision to the Planning Commission. After a joint meeting with the Design Commission, the Planning Commission recommended the maximum allowance to the City Council, who adopted it by ordinance number 02C-04. According to Mr. Hart, there was not a detailed market analysis, mathematical model, or hard numerical analysis for the 40% allowance. The 2002 ad hoc committee consisted of Council Members Susan Blake and Dan Grausz, Design Commissioners Fred Glick and Don McDonald, Planning Commissioners Orm Sherwood and Steve Bryan, and developer and former Council Member Peter Orser. The history of the process is outlined within the documents contained in Exhibit 4.

The history and implications for revising the percentages will be discussed further during the staff presentation at the May 16th meeting.

3) A creative proposal that would facilitate shared parking in the Town Center.

Staff intends to discuss options at the May 16th meeting, while focusing on the direction from council, which was to “…reduce owner-created location-based parking restrictions which could generate additional walk in customers and more pedestrian activity on the street.”

4) Data conveying the proportions of uses on the ground floor of buildings viewed during the May 2, 2012 walking tour.

Existing use classification data for certain Town Center buildings are included as Exhibit 5.

40/60 Draft Ordinances:
The discussion with City Council was to examine the options for broadening the types of use to meet the minimum 60% requirement on the ground floor, with the possible requirement for public parking. Simply for a reference, staff has included as Exhibit 3 the summary of uses for the minimum 60% requirement for the current code, ordinance option 1, and ordinance option 2.

Planning Commission Action:
Continue the public hearing as needed, and make a recommendation to the City Council.

Recommended Motion:
Move to recommend Exhibit 2 [or Exhibit 1] of the May 16, 2012 staff memorandum regarding the retail mix requirements to the City Council for adoption.

Alternative Recommended Motion:
Move to recommend Exhibit 2 [or Exhibit 1] of the May 16, 2012 staff memorandum regarding the retail mix requirements to the City Council for adoption, provided that the City Council determines the obligations for the public parking component.
CITY OF MERCER ISLAND
ORDINANCE NO. 12C-__

AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON,
AMENDING MICC 19.11.020.C.1 TO AMEND THE REQUIREMENT FOR THE
GROUND FLOOR USES IN THE TOWN CENTER.

WHEREAS, the City of Mercer Island Municipal Code (MICC) contains Title 19, the Unified Land
Development Code (ULDC), adopted on May 21, 2007 as Ordinance No. 07C-02; and

WHEREAS, Ordinance No. 07C-02 was codified as MICC 19.11.020.C.1; and

WHEREAS, a portion of MICC 19.11.020.C.1 requires 60% or more of the ground floor street to be
occupied by retail, restaurants or personal services; and

WHEREAS, a portion of MICC 19.11.020.C.1 requires 40% of the ground floor street to be occupied by
a hotel, motel, public facilities, services, or office; and

WHEREAS, the provision in MICC 19.11.020.C.1 restricts certain types of businesses from being located
in certain building within the Town Center; and

WHEREAS, there is an increasing number of vacant retail and office spaces within the Mercer Island
Town Center; and

WHEREAS, vacant retail and office spaces in the Town Center has a negative affect on the welfare of
business owners, property owners, and the welfare of the citizens of Mercer Island; and

WHEREAS, Land Use Goal 6.3 of the City of Mercer Island Comprehensive is to “Create an
environment for private investment that relies on economic incentives as the primary mechanism for
achieving the Downtown Vision.”; and

WHEREAS, Land Use Goal 6.7 of the City of Mercer Island Comprehensive is to “Create a healthy
economic environment where downtown businesses can serve the needs of Mercer Island residents as
well as draw upon broader retail and commercial market areas.”; and

WHEREAS, Transportation Goal 11.1 of the City of Mercer Island Comprehensive states “The City of
Mercer Island will continue to implement flexible parking requirements for Town Center development
based on the type and intensity of the proposed development; the site location, the potential for impacts
on the adjacent uses; the opportunities for transit, carpooling or share parking; and the objective to
enhance the pedestrian environment in the site design.”; and

WHEREAS, on May 2, 2012, the Mercer Island Planning Commission held a public hearing, considered
the draft ordinance, and made a final recommendations on the draft ordinance; and

WHEREAS, the Mercer Island City Council conducted a 1st reading on July 2, 2012 and a 2nd reading on
September 4, 2012 during which the City Council considered the Planning Commission’s
recommendations, held a public meeting, and adopted the code changes set forth in this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON,
DO ORDAIN AS FOLLOWS:
Section 1. Amendments to MICC 19.11.020.C.1 Street Classifications. MICC 19.11.020.C.1 “Street Classifications” is hereby amended as follows:

19.11.020 Town Center Development – General

... C. Required Ground Floor Uses.

1. Street Classifications. Within the Town Center, there shall be two types of street classifications as shown in Exhibit 2 with the following required ground floor use:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Location</th>
<th>Ground Floor Use Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1 Street</td>
<td>All of SE 27th St.</td>
<td>• 60% or more of the ground floor street shall be occupied by one or more of the following permitted uses: retail, restaurant or personal services. Services are also an allowed use if an owner provides either an onsite or shared parking stall for each parking stall required by MICC 19.11.110(B)(1)(a), and if the required stall(s) is/are clearly marked as a public parking stall(s);</td>
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<tr>
<td></td>
<td>All of SE 29th St.</td>
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<td></td>
<td>SE 28th St. west of 80th Ave. SE</td>
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<td>All of 77th Ave. SE</td>
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<td></td>
<td>All of 78th Ave. SE</td>
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<td></td>
<td>76th Ave. SE north of SE 27th St.</td>
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<td></td>
<td>SE 32nd St. west of 78th Ave. SE</td>
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</tr>
<tr>
<td>Type 2 Street</td>
<td>All of Sunset Highway</td>
<td>• There shall be no net loss to the square footage of existing ground floor retail and restaurant, in the aggregate, based upon the maximum retail and restaurant square footage existing during the immediately preceding three years on the site.</td>
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... Section 2: Severability. If any section, sentence, clause or phrase of this ordinance or any municipal code section amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause or phrase of this ordinance or the amended code section.
Section 3: **Ratification.** Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 4: **Effective Date.** This Ordinance shall take effect and be in force on 30 days after its passage and publication.

PASSED by the City Council of the City of Mercer Island, Washington at its regular meeting on the _____ day of ______________, 20____ and signed in authentication of its passage.

CITY OF MERCER ISLAND

________________________________
Bruce Bassett, Mayor

ATTEST:

______________________________
Allison Spietz, City Clerk

Approved as to Form:

______________________________
Katie Knight, City Attorney

Date of Publication: ________________
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Section 2. **Amendments to MICC 19.16.010 Definitions.** MICC 19.16.010 Definitions is hereby amended as follows:

R

…

Restoration or restore: Actions performed to return a critical area to a state in which its functions approach its unaltered state as closely as possible.
Retail Service: An establishment that provides healthcare services or financial and insurance services.

Retail Use: An establishment engaged in selling goods or merchandise and rendering services incidental to the sale of such goods.

1. Small Scale Retail: A retail establishment occupying a space of 20,000 square feet or less.
2. Large Scale Retail: A retail establishment occupying more than 20,000 square feet.
3. Outdoor Retail: The display and sale primarily outside a building or structure of the following: vehicles, garden supplies, gas, tires, boats, aircraft, motor homes, building and landscape materials, and lumber yards.

Section 3: Severability. If any section, sentence, clause or phrase of this ordinance or any municipal code section amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause or phrase of this ordinance or the amended code section.

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ATTEST:

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Approved as to Form:

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Katie Knight, City Attorney

Date of Publication: ________________
<table>
<thead>
<tr>
<th>Services</th>
<th>Current Code</th>
<th>Exhibit 1 Services</th>
<th>Exhibit 2 Retail Services</th>
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<tbody>
<tr>
<td>Retail Use</td>
<td>Allowed</td>
<td>Allowed</td>
<td>Allowed</td>
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<tr>
<td>i.e. selling goods or merchandise</td>
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<td>Restaurant</td>
<td>Allowed</td>
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<td>includes catering services</td>
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<td>Personal Services</td>
<td>Allowed</td>
<td>Allowed</td>
<td>Allowed</td>
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<td>i.e. barber, spas, fitness centers</td>
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<td>Healthcare Services</td>
<td>Allowed*</td>
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<td>i.e. dentist, doctors, optometrists</td>
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<td>Financial &amp; Insurance Services</td>
<td>Allowed*</td>
<td>Allowed*</td>
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<td>i.e. banks, stock broker, underwriter</td>
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<td>Mortuary Services: preparation of the dead for burial or internment</td>
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<td>including conducting funerals, transporting the dead, and selling</td>
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<td>caskets &amp; related merchandise</td>
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<td>Tailors</td>
<td>Allowed*</td>
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<td>Not defined</td>
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<td>Educational Services</td>
<td>Allowed*</td>
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<td>Not defined</td>
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<td>Repair Services</td>
<td>Allowed*</td>
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<td>i.e. locksmith, appliance &amp; shoe repair</td>
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<td>Amusement Services</td>
<td>Allowed*</td>
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<td>Not defined</td>
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<td>Membership Organizations</td>
<td>Allowed*</td>
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<td>Not defined</td>
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<td>Professional Scientific, and Technical Services</td>
<td>Allowed*</td>
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<td>i.e. legal services, accounting, architectural, computer, consulting,</td>
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<tr>
<td>research, real estate sales, veterinary</td>
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</tbody>
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* Allowed use if an owner provides one on site or shared parking stall for each parking stall required by MICC 19.11.110(B)(1)(a), and if the required stall(s) is/are clearly marked as a public parking stall(s)

The examples above are not an exhaustive list. Please see Exhibit 3 and MICC 19.16.010 for a complete list of definitions.
CERTAIN APPLICABLE DEFINITIONS

Section 19.16.010 of the Mercer Island City Code includes the following definitions. Definitions that have an asterisk (*) are currently required uses to meet the 60% requirement in MICC 19.11.010.C.1:

Service:
An establishment primarily engaged in providing assistance as opposed to products. Examples include but are not limited to personal services, business, financial and insurance services, mortuary services, tailors, healthcare services, educational services, repair services, amusement services, membership organizations, and other professional, scientific, and technical services. [Emphasis added for defined terms]

*Personal Services:
A business that provides services relating to personal grooming and health. Uses include barber shops, hair stylists, spas, fitness centers and nail salons.

Financial and Insurance Services:
Establishments primarily engaged in financial transactions and/or in facilitating financial transactions. Examples include banks, credit unions, stock brokers, and insurance underwriters.

Mortuary Services:
The preparation of the dead for burial or internment including conducting funerals, transporting the dead, and selling caskets and related merchandise.

Healthcare Services:
Establishments providing outpatient health care services directly or indirectly to ambulatory patients. Examples include offices for doctors, dentists, optometrists, and mental health professionals. This use does not include medical and diagnostic laboratories.

Repair Services:
The repair and maintenance of personal and household goods, including locksmithing, appliance repair, furniture reupholstery, and shoe repair.

Professional, Scientific, and Technical Services:
Establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training and include legal services; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; real estate sales services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

*Retail Use:
An establishment engaged in selling goods or merchandise and rendering services incidental to the sale of such goods. …

*Restaurant:
An establishment where food and drink are prepared and consumed. Such establishment may also provide catering services.

The following is the proposed definition for Retail Services provided in two draft ordinances:
An establishment that provides healthcare services or financial and insurance services.
MINUTES FROM CITY COUNCIL AND PLANNING COMMISSION MEETINGS REGARDING THE ‘40/60’ RULE
# TABLE OF CONTENTS

**FILE NO. ZTR12-001**

<table>
<thead>
<tr>
<th>PAGE</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>May 2, 2002 Planning Commission Minutes</td>
</tr>
<tr>
<td>4</td>
<td>May 20, 2002 City Council Minutes</td>
</tr>
<tr>
<td>5</td>
<td>June 3, 2002 City Council Minutes</td>
</tr>
<tr>
<td>8</td>
<td>June 18, 2002 City Council Minutes</td>
</tr>
<tr>
<td>12</td>
<td>June 6, 2005 City Council Minutes</td>
</tr>
<tr>
<td>15</td>
<td>Memo from the Ad Hoc Committee dated February 3, 2006</td>
</tr>
<tr>
<td>18</td>
<td>Agenda Bill 4102 to the City Council for the June 19, 2006 Meeting</td>
</tr>
<tr>
<td>24</td>
<td>Agenda Bill 4103 to the City Council for the June 19, 2006 Meeting</td>
</tr>
<tr>
<td>29</td>
<td>December 6, 2006 Planning Commission Minutes</td>
</tr>
<tr>
<td>30</td>
<td>February 21, 2007 Planning Commission Minutes</td>
</tr>
<tr>
<td>32</td>
<td>March 21, 2007 Planning Commission Minutes</td>
</tr>
<tr>
<td>34</td>
<td>Planning Commission Staff Report for File No. ZTR06-001 dated March 21, 2007</td>
</tr>
<tr>
<td>45</td>
<td>April 2, 2007 City Council Minutes</td>
</tr>
<tr>
<td>47</td>
<td>April 16, 2007 City Council Minutes</td>
</tr>
<tr>
<td>50</td>
<td>May 21, 2007 City Council Minutes</td>
</tr>
<tr>
<td>54</td>
<td>Ordinance No. 07C-02 Adopted May 21, 2007</td>
</tr>
</tbody>
</table>
FIRST AD HOC COMMITTEE

ZONING TEXT
AMENDMENT
#ZTR02-001

PROPOSED AMENDMENTS TO
THE EXISTING TOWN CENTER
DISTRICT DEVELOPMENT AND
DESIGN REQUIREMENTS
City of Mercer Island
Planning Commission

Minutes of Special Joint Meeting
With the Design Commission
May 15, 2002

City Hall Council Chambers
9611 SE 36th Street
Mercer Island, Washington

1. **Call to Order:**
   Chairman Bryan called the meeting to order at 6:40 PM.

2. **Roll Call:**
   PRESENT: Planning Commission: Fox, Lewis, Sherwood, Huff, Ledbetter, Chapman (9:45pm) and Chairman Bryan. Design Commission: Dawson, Glick (7:00pm) Sandler, Witman, and Chairman McDonald. ABSENT: Design Commission: Atilla Laszlo.

3. **Staff Present:**
   Senior Planner, Ann Marie Rennick; Development Services Director, Richard Hart; City Attorney, Londi Lindell; Assistant City Attorney, Janet Reis; Associate Planner, Elizabeth Arnesen.

4. **Minutes:**
   None Available

5. **Regular Business:**
   **Action Item #1 ZTR02-001 Proposed amendments to the existing Town Center District Development and Design Requirements.**

   Ann Marie Rennick, Senior Planner, presented the staff report to the Planning Commission and Design Commission. She submitted new pages 23 – 26 titled “administration”.

   Richard Hart, Development Services Director, gave a Power Point presentation on a summary of the changes that are proposed.

   Chairman Bryan opened the public comment period.

   Amanda Clark, 4319 86th Ave SE, Vice-Chair for the Mercer Island Arts Council proposed specific wording she would like to see added to page 10, section 2, third paragraph.

   Dan Grausz, 9520 SE 61st Place, commented on the parking provision and submitted specific wording for consideration to put in the revised code.

   George Ma, 8425 SE 34th Place, submitted a letter to the Planning Commission and reviewed the suggestions he spelled out in that letter. In addition, he raised a concern that the Town Center property owners were not adequately notified of the meeting.

   Bill Stalzer, Stalzer & Associates, 603 Stewart Street, Suite 419, Seattle, WA, discussed the importance of getting direction from the Design Commission on height limits, mid-block pedestrian connections, provisions for design departure, expiration of approvals, underground parking requirements, and other site features.

   Chairman Bryan admitted the following exhibits:

   - Exhibit 5 – May 15, 2002 draft of Administrative section
   - Exhibit 6 – Underground Parking code options
   - Exhibit 7 – Dan Grausz option 4 for underground parking code
Chairman Bryan closed the public comment period. Londi Lindell, City Attorney, responded to the concerns that were given during the public comment period.

The Planning Commission and Design Commission discussed the proposed changes to the Town Center Design requirements. The topics discussed were:

- Opportunity Sites for mid-block connections
- Gateway and Mixed Use focus areas
- Allowed building heights
- Definition of “construction costs”
- Adding “structured parking” to definition section
- Expiration of design review to be 2 years instead of one year.
- Parking regulations
- Review of graphics and photographs before sending them to Council

The Design Commission left to allow the Planning Commission to vote on the proposed changes. The Planning Commission voted on specific changes to the proposed regulations:

- Add other locations to the suggested pedestrian connections. (5-1 against)
- Underground parking option #2 (6-0 in favor)
- Extension of Design approval time limits to 2 years plus a 1 year extension (4-2 in favor)

Commissioner Ledbetter moved to recommend that the City Council approve the proposed amendments to the Town Center Development and Design Standards, as presented in Exhibit 1 with the modifications made at the meeting as follows:

1. Clarification of opportunity sites and use of mid-block pedestrian connections,
2. Adding better definitions for underground, structured and surface parking,
3. Addition of one more large block (the Cassan Site along SE 27th Street) for location of a mid-block pedestrian connection,
4. Adding a definition of construction costs for the 1% value of any private art proposed as a site feature,
5. Deletion of the use of “ivy” as an acceptable form of landscaping,
6. Increasing the time period for valid approval of a Design Commission decision from one year to 2 years before a completed building permit must be submitted,
7. Strengthening the requirement for signs by prohibiting all new internally lit awning signs.

Seconded by Commissioner Sherwood.

APPROVED: 6-0

6. Other Business:

Election of Chair:

Commissioner Lewis nominated Chairman Bryan, seconded by Commissioner Fox.

Commissioner Ledbetter nominated Commissioner Lewis, seconded by Chairman Bryan.

Chairman Bryan elected 6-1. (Ledbetter)
CALL TO ORDER: Mayor Merkle called the meeting to order at 6:05 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL: City Councilmembers Susan Blake, Sven Goldmanis, Dan Grausz, El Jahncke, Jim Pearman, and Mayor Alan Merkle were present. Councilmember Bryan Cairns was absent.

STUDY SESSION

(1) AB 3664 Town Center Design Guideline Amendments

The City Council, Planning Commission and the Ad Hoc Committee for the Downtown Design Regulations met to discuss the amendments to the Town Center Design Guidelines. Development Services Director Richard Hart, Ad Hoc Committee Chair Peter Orser, and Planning Commission Chair Steve Bryan gave a brief overview of the history of the specific issues that had been defined as problem areas and the proposed amendments to the Town Center Design format.

After discussion and debate, Council asked the Ad-Hoc Committee to meet once more to discuss and finalize the amendments regarding underground parking in the guidelines.

Because of time restraints, Council scheduled another Study Session for the next Regular Meeting of June 3, 2002.

The Study Session was adjourned at 7:20 pm. The Regular Meeting reconvened at 7:40 pm.

It was moved by Councilmember Pearman; seconded by Councilmember Blake to:

Add Agenda Bill 3665, Group Home Moratorium Ordinance, as the first item of Regular Business.

The Chair put the question on the motion; Motion Passed 6-0.

APPEARANCES:

Scott McMurray, 3623 74th Ave SE, stated to the Council that 72nd Ave SE will continue to have safety issues with or without stop signs.

Paul Barlin, 5702 80th Ave SE, Striver's Organization President, urged the Council to consider the programs for seniors on Mercer Island when planning and constructing a facility for community use. His organization cannot function to its full capacity because of the high rates for renting rooms at the Community Center at Mercerview.

John Rose, 3066 67th Ave SE, expressed his concerns regarding the reallocation of funds for Parks and Recreation programs.
CALL TO ORDER: Deputy Mayor Cairns called the meeting to order at 6:03 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL: City Councilmembers Susan Blake, Sven Goldmanis, Dan Grausz, El Jahncke, Jim Pearman (arrived at 6:42), and Deputy Mayor Bryan Cairns were present. Mayor Alan Merkle was absent.

STUDY SESSION:
(1) AB 3672 Town Center Design Guideline Amendments

Continuing from the Study Session of May 20, 2002, Council discussed the proposed amendments to the Design Regulations for the Town Center.

Due to time the Council decided to continue reviewing the amendments during the Regular Business item scheduled for later in the meeting.

The Study Session was adjourned at 7:15 pm. The Regular Meeting reconvened at 7:35 pm.

SPECIAL BUSINESS:

Parks & Recreation Director Pete Mayer introduced Sue Abbott and Reid Wait from Lakes to Locks Water Trail. They described the history and successes of the program and Mercer Island’s involvement for the last two years. Awards that were won regionally and nationally were presented to the City Council.

APPEARANCES:

Sue Stewart, 3205 84th Ave SE, Citizens to Preserve Upper Luther Burbank Park, urged the Council to look for other locations for Affordable Housing such as the Town Center. She also presented a petition with 1,110 signatures from all over the Island asking for no development at Upper Luther Burbank Park.

Ira Appelman, 6213 83rd Place SE, recounted Councilmembers’ personal involvement in protecting Mercer Island Parks. He asked the Council to stop considering how to convert parkland to housing.
It was moved by Councilmember Jahncke; seconded by Councilmember Goldmanis to:

Award the 2002 Water Service and Fire Hydrant Replacement project to Bonner Brothers Construction, Inc. in the amount of $244,322.16. Appropriate $8,000 from the Water Fund to the project, and set the total project budget at $308,000, and authorize staff to administer the contract.

Direct Staff to continue with design of Cedar Cove and finish the design and construction of the Septimus Water System this year. Appropriate $254,000 from the water fund for these two projects. Total additional appropriation is $262,000 from the Water Fund.

The Chair put the question on the main motion; Motion Passed 6-0.

(6)  AB 3670 Public Hearing: Ordinance Amending ULDC for Town Center Design Standards

Development Services Director Richard Hart and City Attorney Londi Lindell reviewed Ordinance No. 02C-04: Amending the Unified Land Development Code for Town Center Design Standards. The City Council asked questions regarding specific items in the Ordinance.

The Deputy Mayor opened the public hearing.

Steve Bryan, 2426 70th Ave SE, expressed his concern about the word “preferred” versus “required” in Section 19.11.050(B)(1)(a). He feels that “preferred” is not strong enough for the major site features description.

George Ma, 8425 SE 34th Place, expressed that the height limitations have played preference to some owners and given some disadvantage to others. He indicated that the additional setback on 78th Ave is unfair.

Bill Stalzer, 603 Stewart Street, Seattle, noted that the proposed amendments are a vast improvement over the current design regulations. He suggested 4 specific amendments to site features, street-facing façade elements, compact parking, and preliminary design review process.

Myra Lupton, 3443 72nd Place SE, requested that compact parking spaces be segregated from the regular parking spaces. She also asked questions regarding federal and local funds that were allocated to give a face-lift to downtown city streets.

Bill Vivian, 3404 4th Ave SE, Seattle, Operator of Rite Aid Shopping Center, stated that the 39’ height limit is constraining. He also stated that the 50% of structure value for interior improvement limitation is a disincentive not only to development but also to proper maintenance.

The Deputy Mayor closed the public hearing.

It was moved by Councilmember Pearman; seconded by Councilmember Blake to:

Leave Section 19.11.050 (2)(A), Minor Site Features, as is.

The Chair put the question on the main motion; Motion Passed 6-0.
It was moved by Councilmember Grausz; seconded by Councilmember Jahncke to:

Approve amendment to 19.11.050(2)(B)(1)(a)

i. The two (2) blocks bordered by 77th and 78th Avenues SE, and SE 27th and 29th Streets.

ii. The two (2) blocks bordered by 78th and 80th Avenues SE, and SE 28th and 30th Streets.

And remove sub headings from Section 19.11.050 (2)(B)(1).

The Chair put the question on the main motion; Motion Passed 6-0.

It was moved by Councilmember Pearman; seconded by Councilmember Blake to:

Leave Section 19.11.060(2)(A), Street-Facing Façade Elements, as is.

The Chair put the question on the main motion; Motion Passed 5-1 (Councilmember Jahncke Dissenting).

It was moved by Councilmember Grausz; seconded by Councilmember Jahncke to:

Page 30, 19.11.110 (2)(A) 4. Parking Lot Configuration,

Parking lot design should conform to the standard stall diagrams set out in Appendix A to this Chapter, unless alternative design standards are approved by the Design Commission and the City Engineer. No more than 50% of the required off-street parking spaces for office and residential use and no more than 25% of the required off-street parking spaces for all other uses may be designed for accommodating compact vehicles. Such parking spaces must be clearly designated as compact stalls.

The Chair put the question on the main motion; Motion Passed 6-0.

It was moved by Councilmember Grausz; seconded by Councilmember Blake to:

Approve Ordinance No. 02C-04 as amended amending the Town Center District Development and Design Standards as submitted by the Planning Commission.

The Chair put the question on the main motion; Motion Passed 6-0.

(7) AB 3667 Yakima Long Term Jail Contract

City Attorney Loni Lindell described the history and current status of the Interlocal Agreement between Yakima County and Mercer Island for the housing of inmates in the Yakima County Jail and the Interlocal Agreement among cities.

It was moved by Councilmember Goldmanis; seconded by Councilmember Blake to:

Direct the City Manager to enter into the Yakima Long Term Jail Contract and Interlocal Agreement among Cities.

The Chair put the question on the main motion; Motion Passed 6-0.
CALL TO ORDER: Deputy Mayor Cairns called the meeting to order at 7:35 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL: City Councilmembers Susan Blake, Sven Goldmanis, Dan Grausz, El Jahncke, and Deputy Mayor Bryan Cairns were present. Mayor Alan Merkle and Jim Pearman were absent.

SPECIAL BUSINESS:

Public Safety Director Jan Deveny introduced Dean Quigley, Chairman of the DARE Spaghetti Dinner, who on behalf of the Masons and the VFW presented a check to the City Council for $1842 to support the Mercer Island DARE Program. This money was raised at the dinner and was a 58% increase over last year’s amount.

APPEARANCES:

Sue Stewart, 3205 84th Ave SE, Citizens to Preserve Upper Luther Burbank Park, urged the City Council to separate parkland and affordable housing. She submitted more petition signatures to make the total 1,649.

Craig Walker, 8236 SE 30th Street, suggested to the Council to have an open forum meeting regarding affordable housing and Upper Luther Burbank Park to help citizens understand the issues.

Kathy Wales, 3215 84th Ave SE, asked the Council to preserve Upper Luther Burbank Park for the children of Mercer Island and those to come.

Richard Ferse, 3203 84th Ave SE, asked if the proposed affordable housing idea is to promote teacher retention or recruitment, then why is the interest survey being done after the idea was presented?

Marie Lewis, 3030 80th Ave SE, Landlord of the Landmark Condos, stated that there is already affordable housing on Mercer Island. She believes that the City should not be in competition with landlords or developers.

Deputy Mayor Cairns asked the City Manager to put an item on an upcoming agenda for the City Council to vote on whether or not to consider Upper Luther Burbank Park as a site for Workforce Housing.

Neal & Natasha Lekwa, 3719 88th Ave SE, explained to the Council the reasons why Bounce (a new cybercafe run by teens) is needed in this community. They want it to be a safe place for teens to hang out with friends.

Jenny Moller, 4288 Shoreclub Drive, stated the importance of having a safe place to relax and have fun and that Bounce is the place for that.
Street Engineer Clint Morris answered questions from the Council regarding the Street Fund and the total project budget of the 2002 Roadway Improvements.

*It was moved by Councilmember Jahncke; seconded by Councilmember Blake to:*

Award Schedules ‘A’, ‘B’, ‘C’, and ‘D’ of the 2002 Roadway Improvements project to Lakeridge Paving Company. Allocate an additional $160,583 from the street fund to the project for a total project budget of $599,983. Authorize staff to administer the contract.

*The Chair put the question on the motion; Motion Passed 5-0.*

(4) AB 3679 Covenant Shores TEFRA Hearing (No Presentation)

Councilmember Goldmanis thanked the Assistant City Attorney Wayne Stewart, various Covenant Shores Representatives, and citizens for their hard work on the passing of the resolution.

*It was moved by Councilmember Blake; seconded by Councilmember Goldmanis to:*

Pass Resolution No. 1296 approving the issuance of Colorado Health Facilities Revenue Bonds to be used by Covenant Retirement Communities in constructing facilities at 9109 and 9111 Fortuna Drive, Mercer Island, Washington.

*The Chair put the question on the motion; Motion Passed 5-0.*

(5) AB 3675 Pioneer Park Improvements Bid Award (No Presentation)

Parks & Recreation Director Pete Mayer and Parks Arborist Paul West answered questions from the Council regarding specific components of the bid alternates.

*It was moved by Councilmember Blake; seconded by Councilmember Jahncke to:*

Award the base bid and bid alternates 1-4 to Golf Landscaping in the amount of $213,000 and authorize the City Manager to execute the contract. Set the project budget at $365,673.

*The Chair put the question on the main motion; Motion Passed 5-0.*

(6) AB 3676 Town Center Design Guidelines Underground Parking Public Hearing

Development Services Director Richard Hart and City Attorney Londi Lindell presented the final version of the Town Center Design Standards Amendments. These amendments reflect changes from the June 3, 2002 Council Meeting and the decisions on parking in the Town Center from the Ad-hoc Committee’s meeting on June 4, 2002.

*The Deputy Mayor opened the Public Hearing.*

Bill Stalzer, 603 Stewart Street, Seattle, supports the proposed changes. He feels that the language gives flexibility with underground parking and it clarifies that the interior modifications on a structure are not subject to design reviews.

*The Deputy Mayor closed the Public Hearing.*
It was moved by Councilmember Grausz; seconded by Councilmember Blake to:

Approve Ordinance No. 02C-05 amending the Town Center District Development and Design Standards and other applicable code sections of the Unified Land Development Code relating to underground parking requirements and non-conforming development.

The Chair put the question on the main motion; Motion Passed 5-0.

(7) AB 3678 Group Home Moratorium Ordinance Public Hearing

City Attorney Loni Lindell explained to the City Council that Chapter 25A.63 RCW authorizes the City Council to adopt a six (6) month moratorium if a public hearing is held within sixty (60) days. The Council was asked to reaffirm Ordinance No. 02-03 and continue the group home moratorium to allow staff sufficient time to properly research and analyze group home regulations.

The Deputy Mayor opened the Public Hearing.

City Attorney Lindell indicated a letter was submitted to DSG Director Richard Hart from Providence House that should be received as part of public testimony.

Deputy Mayor Cairns tabled (7) AB 3678 until the conclusion of agenda item (8) AB 3674, so that staff could locate and distribute said letter.

(8) AB 3674 Transfer of Cable Franchise from AT&T to Comcast

Deputy City Manager Deb Symmonds gave background information on AT&T Broadband combining with Comcast. She also detailed Staff's correspondence with AT&T Broadband to determine whether or not AT&T Comcast will have the financial, legal and technical capabilities according to the FCC Transfer Process.

The two items before the Council were (1) AT&T’s request to transfer the cable franchise to Comcast and (2) AT&T’s decision to not pay franchise fees or utility taxes on cable modem services.

Deputy City Manager Symmonds introduced Kathy Nelson from AT&T Broadband to answer questions from the City Council.

It was moved by Councilmember Goldman; seconded by Councilmember Blake to:

Authorize the City Attorney to send the demand letter included here as Exhibit 5 and direct staff to continue negotiating a side letter of agreement with AT&T subject to conditions agreeable to the City (Transfer Option 2 described above). (Effect: Staff will return with a side letter/transfer document for Council approval on July 1st).

The Chair put the question on the main motion; Motion Passed 5-0.
SECOND AD HOC COMMITTEE

ZONING TEXT AMENDMENT
#ZTR06-001

PROPOSED AMENDMENTS TO THE TOWN CENTER DEVELOPMENT AND DESIGN STANDARDS
CALL TO ORDER: Mayor Alan Merkle called the meeting to order at 6:04 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL: Deputy Mayor Bryan Cairns (arrived 6:06 pm), City Councilmembers Sven Goldmanis, Dan Grausz, El Jahncke, Steve Litzow and Jim Pearman and Mayor Merkle were present.

STUDY SESSION:

(1) AB 3986 Planning Commission Work Program

Development Services Director Richard Hart introduced Planning Commissioners Steve Schnoor, Dave Chappelle, Douglas Rigby, Jarrod Lewis, Anne Fox, Melinda Huff, and Chairman Bill Chapman and presented the 2005 Planning Commission Work Program for the Council’s approval as follows:

2005 Planning Commission Work Program
1. Revisions to Critical Areas Ordinance to Meet GMA Requirements Under Remand from City Council (Summer 2005)
2. Study and Proposal of Code Amendments for Size/Scale of Homes Relative to Lot Size (Fall 2005)
3. Study of Sustainability Issues to define their applicability to possible future amendments to the City’s Comprehensive Plan, development regulations and other applicable standards (Summer and Fall 2005)
4. Revisions to Development Standards for Day Care and Preschool Facilities

Future Planning Commission Work Program Priorities
1. Revisions to Noise Standards and Thresholds for all Zones
2. Revisions/Modifications to Sign Regulations (Permanent and Temporary Signs)

The Study Session was adjourned at 7:04 pm. The Regular Meeting reconvened at 7:36 pm.

APPEARANCES:

Virginia Hale, 2425 62nd Avenue SE, supports the continued acceptance of safe and sane fireworks on Mercer Island. She spoke about the problems surrounding fireworks in the City of Auburn.

Myra Lupton, 3443 72nd Place SE, encouraged the Council to not continue to permit fireworks so Mercer Island can become a safe and sensible community.

Art Pozner, 8539 SE 79th Street, Past President of Kiwanis Club, spoke about the effects the Kiwanis sales of fireworks on Mercer Island and how they benefit the community.

Liz Lisicich, 1006 North Laurel Lane, Tacoma, WA, TNT Fireworks Sales Associate, encouraged the Council not to ban fireworks on Mercer Island. She explained the safety program that the City of Kent uses.

Scott Milburn, 7480 81st Place SE, spoke about his concerns with the enforcement of the City’s existing fireworks regulations.

Bob Brown, 2120 Milwaukee Way, Tacoma, WA, TNT Fireworks, doesn’t believe that bans on fireworks are effective.
these initiatives would be to reduce the use of illegal fireworks and limit their use to private property. He also suggested that a survey be conducted to get a consensus of what the citizens in our community desire.

*It was moved by Councilmember Litzow; seconded by Councilmember Goldmanis to:*

*Retain the current ordinance and direct staff to increase public education and enforcement of regulations prohibiting fireworks discharge on public properties and conduct a public survey.*

*The Chair put the question on the motion; Motion Passed 6-1 (Mayor Merkle dissented).*

(8) **AB 3990**  
**Design Alternatives for SE 24th Street Improvements**

City Manager Rich Conrad described the SEPA/NEPA evaluation and decision process for the Mercer Island Park-and-Ride project features and the mitigations for each of the issues.

Councilmember Goldmanis stated that he wants to hold Sound Transit accountable for actions at Park-and-Ride and that the City should have an agreement to protect City's interest now and in the future to ensure Sound Transit's compliance with various issues (noise, air quality, etc.)

Streets Engineer Clint Morris reviewed the basic project improvements for SE 24th Street and presented three bicycle design alternatives:
- Bicycle Route Signage
- Widened Roadway
- Shared-Use Path

He recommended incorporating the Widened Roadway Option into the project with Sound Transit contributing funds for bicycle improvement.

*It was moved by Deputy Mayor Cairns; seconded by Councilmember Litzow to:*

*Approve final design of the SE 24th Street improvements to include wide lanes to accommodate bicycle traffic. Authorize staff to proceed with final project design work and advertise project for construction bids.*

*The Chair put the question on the motion; Motion Passed 7-0.*

Councilmember Grausz requested that buttons be used instead of painted lines and that the sidewalk on the South side of the road is not widened or enhanced.

(9) **AB 3987**  
**Pedestrian Connections in the Town Center**

Development Services Director Richard Hart introduced Design Commission Chairman Fred Glick who presented information on mid-block pedestrian connections in the Town Center to the City Council.

Susan Blake, 3206 80th Avenue SE, thanked Commissioner Glick for bringing the issue forward to the Council and urged the Council to study it further as the Town Center develops.

The City Council decided to take no action, as existing design standards address pedestrian circulation adequately, but may look into it in the future.

(10) **AB 3992**  
**Evaluation of Recent Town Center Projects Meeting Applicable Design Standards and Determining Need for Future Modifications**

Development Services Director Richard Hart gave a historical context of development in the Town center in the last five years. He proposed certain areas of study and recommends creating an ad hoc committee to discuss the following:
- Improved ways to require increased upper story modulation to reduce the perceived mass and bulk of large or long buildings and increase upper story setbacks.
• Ways to increase sidewalk width from the current 12 and 15 feet requirements thereby increasing pedestrian usability, encouraging more outdoor retail activity, and reducing the sense of building mass and scale.
• Improved methods of pedestrian circulation through long blocks via some technique of mid-block pedestrian connections.
• Ways to encourage more public private partnerships to benefit public use of right-of-way.
• Methods to focus on the public realm streetscape, which is the 20 foot width and 20 foot height along any building street frontage.
• Methods to more strongly encourage affordable housing units.
• Methods to retain or expand commercial/retail space.

It was moved by Councilmember Litzow; seconded by Councilmember Grausz to:

Direct the Mayor (with the Council's concurrence) to establish an Ad Hoc Committee with membership as outlined in Agenda Bill 3992 for study of existing design standards and any potential modifications limited to the proposed areas of study.

The Chair put the question on the motion; Motion Passed 5-2 (Councilmembers Goldmanis & Jahncke dissented).

It was the consensus of the City Council to determine the scope of the areas to be studied once a mission statement is created.

OTHER BUSINESS:

COUNCILMEMBER ABSENCES:
Deputy Mayor Cairns will be absent from the June 20th Meeting.
Councilmember Grausz will be absent from the August 1st Meeting.

PLANNING SCHEDULE:
City Manager City Conrad stated that the Boys & Girls Club is looking at coming before the Council at the September 6th Meeting to discuss the Peak project.

BOARD APPOINTMENTS:
It was moved by Councilmember Grausz; seconded by Councilmember Litzow to:

Confirm the Mayor's 2005 Board & Commission appointments as presented.

The Chair put the question on the motion; Motion Passed 7-0.

Arts Council
Cathye Carnes, Position 7, Term 2009
Peter Langmaid, Position 8, Term 2009

Building Board of Appeals
Roxanne Navrides, Position 1, Term 2008
David Chappelle, Position 2, Term 2008

Design Commission
Emmett Maloof, Position 5, Term 2009
Carla Weinheimer, Position 6, Term 2009

Open Space Conservancy Trust
Bruce Bassett, Position 4, Term 2009

Planning Commission
Mario Issac, Position 4, Term 2008
Anne Fox, Position 5, Term 2009

Utility Board
David Laub, Position 3, Term 2009
John Ewald, Position 4, Term 2009
Robert Sexton, Position 5, Term 2009

Youth & Family Services Advisory Board
Mark Coen, Position 2, Term 2006
Joyce Hedlund, Position 9, Term 2008
Karin Miller, Position 10, Term 2008
Bob Gelb, Position 11, Term 2008
Candy Weber, Position 12, Term 2008
Brianna Burrows, Term 2007
Rory Lubner, Term 2007
Lauren Head, Term 2007
Trishna Velamoor, Term 2007
Jason Tolkin, Term 2007
Ahbra Williams, Term 2007
Memo

To: Ad Hoc Committee for Review of Town Center Design Standards  
From: Richard Hart, AICP, Development Services Director  
       Gabe Snedeker, AICP, Principal Planner  
Date: February 3, 2006  
Re: Summary of Process and Discussion to date, including issues discussed, group consensus, points of departure and issues remaining

Meeting Recap
In Meeting #1, the Ad Hoc Committee reviewed the task assignment, review process and the format of our final work product as contained in item #8 of the packet. The group elected Peter Orser as Chair and Bruce Lorig as Vice Chair. The general group consensus was that while there was room for improvements, “the original vision appears to be working” in the Town Center. The group generally agreed that the vision of this pedestrian oriented mixed-use town center within a bedroom community was still valid, and that refinements, rather than significant changes to this vision were an appropriate objective. The group also refined the meeting schedule topics, times and dates.

At Meeting #2, the Ad Hoc Committee looked at seven projects in the Town Center which have been completed, are under construction, or have been approved by the Design Commission. Models, plans, pictures and project summaries were reviewed. The group used the issues identified by the Council to guide the discussion:

1. Ways to improve upper story modulation  
2. Ways to increase sidewalk width  
3. Ways to improve pedestrian circulation through mid-block pedestrian connections  
4. Ways to encourage more public/private partnerships that benefit use of rights-of-way  
5. Ways to strongly encourage affordable housing in future Town Center projects  
6. Ways to retain and expand more retail uses and diversity in Town Center projects  
7. Ways to focus more amenities in the public realm of the streetscape

The group discussed Council Issue #1 as it related to the Town Center projects. The consensus of the group was that a specified, numerical standard for “vertical modulation” or a stepping down...
and back of heights and floors within a project or building was not needed in the Town Center. Most members of the group concluded that five story buildings brought to the sidewalk would create “canyons” in the Town Center. Other members pointed out the challenges such a requirement would place in terms of building design, architectural freedom, engineering, cost, development review uncertainty, building code and exiting requirements and other factors.

It was acknowledged by the Committee that the least successful project from a design perspective is the Avellino Apartments. The narrow and long site, combined with an inability to combine access with adjoining properties made for a design solution difficult for this site. Discussion of this project prompted consideration by the committee regarding whether there was a need to require a minimum width, Floor Area Ratio or other control to deal with this type of narrow site. In the end, the Committee did not achieve consensus on this point, but did agree that the project did not contain enough street level retail (Issue #6), and that landscaping and street features were weak on this project (Issue #7). Island Market Square was regarded as the most successful design and several members pointed to Newell Court as a successful design as well.

The group also felt that the Design Commission should focus more on the larger issues of bulk and scale and less on issues such as materials, color, downspouts and balcony railings. The group suggested that stronger and more detailed streetscape standards might be needed to ensure a coordinated and quality streetscape for Town Center projects. The group commented that streetscape design as opposed to sidewalk width (as listed in Issue #2) might be a more valid concern.

The group did discuss the partial mid-block connection (The Paseo) that will be developed as part of The Mercer. Some members questioned whether this feature would become a meaningful connection. It was pointed out that when the Travel Lodge site is redeveloped by the same owner, the connection to Sunset Highway must be made, and that accommodations for this feature were required in the Aljoya House project. While the group did not discuss Issue #3 at the length, some members expressed the opinion that stronger steps, including better identification of potential connections in the City’s design regulations and/or planning documents, should be taken to forward this goal. A future meeting should be devoted to the topics of mid-block pedestrian connections and ways to engage in public/private partnerships to ensure this important pedestrian feature is included in future projects.

The Ad Hoc Committee expressed positive comments about the roof forms at the proposed 7700 Central and was very interested in the proposed streetscape improvements on 78th Ave SE between the proposed 7800 Plaza and 7700 Central. Several members of the group also expressed support for the proposed improvements to the lid park adjacent to Sunset Highway and public access to the courtyard that is being developed as part of the Aljoya House Project. The consensus of the group was that the City could do a better job of identifying opportunity sites for proposed plazas, courtyards and public spaces and other public/private partnerships with joint funding of such sites by the City and private developer (Issue #4).

Summary Points
- Group consensus was that we are largely achieving our vision for the Town Center through the new projects; however, improvements can be made to the design review process.
- Design Commission should focus more on basic elements of bulk and scale and less time on color, materials and minor building details.
- Many in the group felt that the Design Commission should be empowered to say “no” to projects such as Avellino, that did not do a good enough job of addressing basic concerns of bulk and scale.
- Nearly all members of the group felt that key issues were ensuring enough street level details and a coherent menu or set of standards for streetscape improvements, rather than simply needing wider sidewalk widths (quality vs. quantity).
- Most members of the group wanted to see stronger requirements to ensure an acceptable amount of street level retail, but some members wondered whether the market was there for so much space and recognized the limitations on some sites, such as Avellino (more discussion of this will occur with identified experts at future meetings).
- The Committee feels that better identification of “opportunity sites” in city codes and plans is needed.
- Several members feel that simply allowing developers to select from the menu of major site features led to a somewhat random and unfocused set of amenities in and adjacent to the public rights of way and that better planning and identification of location specific needs could yield a much better sum of the development parts, for example: mid-block connections and public plazas in places where they will serve the most good in the Town Center.
- The Committee feels that the system of incentives was not producing certain things, such as affordable housing, that the community wanted and therefore was not entirely successful.
- At this time, no clear direction is suggested on the potential need for controls relating to bulk and scale in general or issues relating to the development of narrow or small lots (e.g. Avellino).
- Some members of the group suggested using Floor Area Ratio to better control bulk and scale, and at least one member felt that the limit might be an FAR approaching 3.
- Nearly all members of the group did not feel that there is a need for increased standards for “upper story modulation”, i.e. stepped heights, also referred to as “vertical modulation”.
- Encouraging a diversity of roof forms, including pitched roofs, was widely acknowledged as an important thing and could perhaps be further refined in the design standards.

The group was briefed that Meeting #4 on February 7 would be centered around a discussion of ways in which the City can “strongly encourage affordable housing in future Town Center projects” (Issue #5). Art Sullivan, Program Manager for A Regional Coalition for Housing (ARCH), will lead the discussion.
REPORT OF COUNCIL APPOINTED AD HOC COMMITTEE TO REVIEW EXISTING TOWN CENTER DESIGN STANDARDS AND RECOMMEND ANY POTENTIAL CODE TEXT AMENDMENTS

Proposed Council Action:
Discussion and recommendations to City staff for preparing specific design standard code text amendments.

DEPARTMENT OF
Development Services Group, (Richard Hart)

COUNCIL LIAISON
Steve Litzow  Dan Grausz

EXHIBITS
1. Town Center Issue Discussion and Decision Matrix

APPROVED BY CITY MANAGER

<table>
<thead>
<tr>
<th>AMOUNT OF EXPENDITURE</th>
<th>$</th>
<th>n/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMOUNT BUDGETED</td>
<td>$</td>
<td>n/a</td>
</tr>
<tr>
<td>APPROPRIATION REQUIRED</td>
<td>$</td>
<td>n/a</td>
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</tbody>
</table>

SUMMARY

In Agenda Bill 3987, on June 2, 2005, the City Council was presented information from Design Commission Chairman Fred Glick requesting the Council to study improved pedestrian connections in the Town Center. On the same night in Agenda Bill 3992, the Development Services Director presented a summary of past and current Town Center development projects and possible areas of study for modification of Town Center Development and Design Standards. As a result of both of those Agenda Bills, the City Council, in November 2005, unanimously appointed a 9-member Ad Hoc Committee to investigate seven (7) specific areas for potential Town Center design code text amendments.

The membership of the Ad Hoc Committee included:
- Dan Grausz, City Council Member
- Steve Litzow, City Council Member
- Emmett Maloof, Past President of the Chamber of Commerce & Design Commission Member
- Carla Weinheimer, Architect & Design Commission Member
- Peter Orser, Quadrant Homes
- Bruce Lorig, Mixed-Use Project Developer
- Bill Kreager Architect, Mithun Architects
- Don McDonald, Architect, LMN Architects
- Bob Thorpe, RW Thorpe & Associates, Planners and Landscape Architects

The specific charge given to the Ad Hoc Committee was to investigate the following seven specific issues and develop recommendations on areas of study for any potential Town Center code text amendments to MICC 19.12. It was not the responsibility of the Committee to actually develop the code text amendments.
The Ad Hoc Committee was charged with investigating the following issues:

1. Ways to Improve Upper Story Building Modulation
2. Ways to Increase Sidewalk Width
3. Ways to Focus More Amenities in the Public Realm of the Streetscape
4. Ways to strongly Encourage Affordable Housing in future Town Center Projects
5. Ways to Retain and Expand More Retail Uses and Diversity in Town Center Projects
6. Ways to Improve Pedestrian Circulation Mid-Block Pedestrian Connections
7. Ways to Encourage More Public/Private partnerships that Benefit Use of Rights-of-Way

The Ad Hoc Committee met 7 different times from January through May, 2006 to discuss the seven issues and develop recommendations for presentation to City Council. Summary discussions and recommendations from the Ad Hoc Committee to Council are contained in Exhibit #1 attached to this Agenda Bill. Members of the Ad Hoc Committee will be present at the Council meeting to assist in presentation of the recommendations and answer questions.

City Staff will follow the desired direction of City Council for areas of implementation with code text amendments and begin development of actual proposed code text language for presentation to both the Design Commission and Planning Commission. Since any proposed change to 19.11 Town Center Development and Design Standards is a legislative action, it must be first presented to the Planning Commission for a public hearing and eventual recommendation back to the Council for your consideration and adoption.

**RECOMMENDATION**

*Development Services Director, Richard Hart*

**MOVE TO:** Direct the Development Services Director and City Attorney to prepare specific code text amendments to MICC 19.11, Town Center Development and Design Standards, for specific designated issues (Council to pick from list of Ad Hoc Committee recommendations).
**Town Center Ad Hoc Committee: Issue Discussion and Decision Matrix**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Dates Discussed</th>
<th>Majority Opinion</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ways to improve upper story modulation</td>
<td>1/10/06 1/17/06 2/7/06</td>
<td>No change recommended.</td>
<td>The strong consensus of the group was that a specified, numerical standard for “vertical modulation” or a stepping down and back of heights and floors within a project or building was not needed in the Town Center. Most members of the group concluded that five story buildings brought to the sidewalk would not create “canyons” in the Town Center. Other members pointed out that such a “step-down” requirement would increase challenges to building design, architectural freedom, engineering, project cost, development review uncertainty, building code requirements and other regulatory factors.</td>
</tr>
<tr>
<td>2. Ways to increase sidewalk width</td>
<td>1/17/06 2/7/06</td>
<td>No change recommended to required sidewalk width, but city staff should support development of specific streetscape design standards that would strengthen the pedestrian environment of sidewalks.</td>
<td>The group commented that streetscape design as opposed to sidewalk width is a more valid concern, and encouraged city staff to develop a specific streetscape design standard in the future. Avellino was pointed to as a challenging site where some in the group felt the streetscape had not been appropriately addressed. The group suggested that stronger and more detailed streetscape standards would ensure a coordinated and quality streetscape for Town Center projects, especially on narrow sites. Such standards should allow substantial design freedom as long as performance goals are met and basic design elements (e.g. street trees, adequate and useable sidewalk width, and pedestrian furniture) are included in every project. The city should continue to support and invest in public improvements along sidewalks.</td>
</tr>
<tr>
<td>3. Ways to focus more amenities in the public realm of the streetscape</td>
<td>2/7/06</td>
<td>Better identification of opportunity sites by City within design standards and a more coordinated plan for public spaces and streetscape design standards are recommended.</td>
<td>The group consensus was that simply allowing developers to select from the menu of major site features/amenities could lead to a somewhat random and unfocused set of amenities in and adjacent to the public rights-of-way. Better planning and identification of specific community needs and a more coherent design for streetscape improvements would be a benefit. Several members of the group expressed support for the proposed improvements to the lid park adjacent to Sunset Highway and public access to the courtyard that is being developed as part of The Aljoya Assisted Living Project, as well as the proposed street improvements on 78th Ave. SE, north of SE 27th Street, as good examples &amp; models.</td>
</tr>
<tr>
<td>4. Ways to strongly encourage affordable housing in future Town Center mixed-use projects</td>
<td>2/7/06 4/19/06 5/11/06</td>
<td>Increased range and value of incentives for affordable housing needed in the Town Center, including height/unit bonus in current 2, 3 and 4 story zones and reduced parking requirements for affordable units.</td>
<td>The group consensus was that the City should create a broader and deeper incentive program to offset the financial burden of creating affordable housing units. Under the existing Code, affordable housing is never chosen as a means to receive additional height, as the other options are more economical. While the Committee does not believe affordable housing should be mandatory for 5-story residential structures, it did conclude that receiving the 5th story in a project should be dependent on the developer electing to either include affordable housing or another public amenity of similar community value such as public open space in the Town Center. The Committee was divided on whether creating affordable housing outside the Town Center could be an alternative means of getting extra height. The majority of the Committee felt that using affordability assumptions at 80% or 70% of the King County median income was probably appropriate. The Committee also felt the design standards should be modified to provide height and unit bonuses in the 2, 3 and 4 story focus areas of the Town Center, in exchange for inclusion of affordable housing or another equally valuable public amenity. Except under the circumstances described in 6 and 7 below, the group also agreed not to increase heights or stories in the 5 story focus areas. ARCH will assist the city with this affordable housing component to better reflect market conditions and local preferences.</td>
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<tr>
<td>5. Ways to retain and expand more retail uses and diversity in Town Center projects</td>
<td>2/28/06 5/11/06</td>
<td>No specific recommendation for change of existing standards. The group did agree that the requirements for ground floor retail should be extended the entire length of 78th Ave. SE.</td>
<td>The consensus of the group was that the Town Center vision was being achieved on the larger projects. Concerns largely focused on limited retail in Avellino and Newell Court and the potential loss of retail space should certain existing retail areas be converted to solely residential uses (e.g., Rite Aid property). Several members of the Committee felt that we needed a policy which ensured at least no net loss of retail space. Many people in the group had concerns that the potential benefits of requiring more retail might be outweighed by the constraints it places on developer flexibility and market realities, such as higher costs of providing additional parking for desirable food uses. Currently non-residential uses are required on 100% of the ground floor street frontage in the Gateway, Mixed-Use and Mid-Rise Office Focus areas. In addition, in the Gateway and Mixed-Use areas, no more than 40% of the ground floor street frontage can be office. Several members of the Committee questioned whether certain types of office use were appropriate for ground floor space in the Town Center. Several members wanted to see the requirements strengthened and expanded and not risk any overall loss of retail space in the Town Center. A majority of the Committee...</td>
</tr>
</tbody>
</table>
agreed the design standards should be amended to require ground floor retail on all projects that fronted onto 78th Ave SE for its entire length south to Mercerdale Park at SE 32nd St. Some members believed that the Council needs to consider whether to further extend this requirement to other areas as well, such as 77th Ave. SE.

<table>
<thead>
<tr>
<th>6. Ways to improve pedestrian circulation through mid-block pedestrian connections</th>
<th>3/21/06 5/11/06</th>
<th>The majority of the Committee felt that mid-block pedestrian connections should be added to the requirements of the design standards but only if the city would provide an equal amount of $ value to the private property owner in the way of additional height, units or reduced parking.</th>
</tr>
</thead>
</table>
| | | The majority of the Committee felt mid-block pedestrian connections were a needed element within the overall Town Center vision, and if they are not reserved now, the opportunity would be lost forever. Most on the Committee felt the resulting loss in floor area from instituting a 15-20 foot mid-block pedestrian connection across private property must be given back to the private property developer in some form, such as monetary compensation, additional height or unit density, reduction of certain other required amenities, or lower parking requirements. The Committee was split about whether the City should designate the general location of pedestrian connections within a long block, or leave the exact location and design up to the Design Commission. Most felt connections were logical somewhere between 250-350 feet east-west across long blocks. Two on the Committee suggested the City should give a tax abatement incentive to developers who were required to place a mid-block pedestrian connection across their development, which is a model successfully used by Renton. Eventually a majority felt that if such pedestrian connections were going to be required that it was taking away usable private property and value that needed to be replaced with some other value or benefit to the property owner, such as additional height, additional units or some reduction in parking. The group did discuss the partial mid-block connection (The Paseo) that will be developed as part of “The Mercer”. Some members questioned whether this feature would become a meaningful connection. Others pointed out it would benefit those walking from 27th to the linear park/sculpture garden. It was pointed out that when the Travel Lodge site is redeveloped by the same owner, the pedestrian connection to Sunset Highway must be made for this connection to be worthwhile. The final consensus of the Committee was that:
| | | • A mid-block connection could be an appropriate public amenity that would justify receiving the 5th story (to be judged as comparable to affordable housing)
| | | • That the City (possibly through the City Council) needed to have the final say on where mid-block connections should be if the developer is
asking that the mid-block connection be considered the public amenity offered in exchange for additional height. This would have to be a discretionary City decision based on the specific facts and circumstances at the time.

- Certain types of mid-block connections may be strategically-enough located and of sufficient size as to be considered a substantial public amenity that would justify awarding the developer a 6th story. This decision would be made by the City Council on a case-by-case basis. It is unlikely this would be permitted for more than one building.

<table>
<thead>
<tr>
<th>7. Ways to encourage more public/private partnerships that benefit use of rights-of-way</th>
<th>1/17/06 3/21/06 5/11/06</th>
<th>The Committee concluded that the design standards could better emphasize some central plaza or major public feature in the Town Center to provide a major gathering place for people and events. Several members of the group felt that the City could do a better job of identifying opportunity sites for proposed plazas, courtyards and a major public plaza or gathering place for people and events. However, other members felt that such space would again take away major dollar value from any specific private property site. Thus some incentive should be developed to encourage a developer to propose and dedicate such a public space. In return, if a developer provided such a major public gathering space, they should again be given additional height (6th story), additional bonus units, reduced parking requirements, or possibly joint funding for development of such sites by the City along with the private developer. The Committee viewed this as a one-time event that would be given to the first developer who makes a suitable proposal to the City Council.</th>
</tr>
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<tbody>
<tr>
<td>8. Parking</td>
<td>2/28/06 5/11/06</td>
<td>No specific parking issue was assigned by Council. The Committee believes that the high cost of parking significantly impacts nearly every other issue and therefore discussed parking as it related to other elements. The majority of the group felt that we needed to have a system in the Town Center which encouraged people to walk, rather than drive, between retail establishments. This could be facilitated by using on-street parking as a retail enabler (2-hour parking rather than parking taken by commuters), finding other public venues for parking that developers could support in lieu of providing on-site parking in their building, or ensuring that on-site parking is not restricted in a way which requires people to immediately move their vehicles after shopping in the specific building. To encourage expanded retail, some members suggested that the City investigate ways to allow parking requirements to be met off-site, potentially through pooling of developer parking costs and partial city subsidy to provide for the development of consolidated off-site parking opportunities.</td>
</tr>
</tbody>
</table>
TOWN CENTER PARKING ANALYSIS

Proposed Council Action:
Review and discuss parking analysis and provide direction to staff.

DEPARTMENT OF
Development Services Group, (Richard Hart)

COUNCIL LIAISON
n/a

EXHIBITS
1. Table & Map of Town Center Projects

APPROVED BY CITY MANAGER

<table>
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<tr>
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**SUMMARY**

**BACKGROUND:**

This item was originally presented to the Council at the May 19, Council Meeting. At that time the Council asked that it be delayed and brought back at the June 19, 2006 Meeting for discussion at the same time as the Ad Hoc Committee recommendations on Town Center Modifications to the Design Standards.

At the City Council Annual Planning Session in January, City staff was asked to study the current parking situation in the Town Center in light of the recent, new construction of mixed-use projects and additional ground floor retail uses being added to the downtown core.

As you may recall, the Development Services staff has been working with a Council appointed Ad Hoc Committee on potential code amendments to the Town Center Design standards. The Ad Hoc Committee is chaired by Peter Orser and members include Councilmember Litzow, Councilmember Grausz, Design Commission members Emmett Maloof and Carla Weinheimer, former Design Commission member Don McDonald, Bruce Lorig, Bill Kreager, and Bob Thorpe.

As part of that work the issue of adequate parking in the Town Center has been raised and discussed as it relates to several of the seven specific topics assigned to the Committee for study, in particular the issue of encouraging adequate ground floor retail uses. In general, the majority of the Ad Hoc Committee believes the existing City codes require reasonable and adequate amounts of parking to meet the needs of retail uses. The Ad Hoc Committee did ask that the City consider looking at the possibility of increasing the number of on-street parking spaces as we move forward with additional mixed-use development projects.

In addition in 2001 and 2002, the Council amended the City’s Town Center parking requirements in the land use code in two areas. First, the Council increased the number of parking spaces for new mixed-use
development projects. Second, the Council increased parking requirements for non-conforming tenant improvements that failed to meet existing parking standards. Both of those code amendments were directed at past deficiencies in parking for the Town Center and brought our parking standards up to a level commensurate with other communities in the region with similar types of development.

PERCEPTION OF PARKING NEEDS:

As part of the effort to evaluate the perception of parking needs in the Town Center, staff has obtained feedback from island residents at numerous public meetings and at the DSG public information booth during recent Summer Celebration events. There is a small group of island residents who believe there currently is not and will never be enough parking in the Town Center. Some others feel there may be enough parking, but it’s in a garage and not convenient. Some residents also seem to fear the inconvenience and delay of driving into a garage or the loss of convenience of parking on a surface lot directly in front of a business. The reality of future parking availability versus these perceptions will only be known after a few years’ experience using the garage parking spaces associated with our new mixed-use developments.

Several of the owners and developers of our new mixed-use projects have told us that the current parking code requirements for food uses, (8-11 spaces per 1,000 sq. ft.) limits the amount of area they will dedicate to ground floor retail space for new food establishments, because the cost of a garage parking space for that food use can be as high as $35,000 per space. The analysis suggests that if they allocate ground floor space to a general retail use (4 spaces per 1,000 sq. ft.), it costs them $140,000 for the 4 required parking spaces for a 1,000 sq. ft. tenant space. If they allocate that same ground floor square footage to a food use, (8-11 spaces per 1,000 sq. ft.), it costs them more than double for the required parking, or $315,000 for the 9 required parking spaces. Thus, they tend to limit the amount of space they devote to food uses, simply because of the cost of the garage parking spaces. Therefore, it’s a delicate balance among requiring more parking, the high cost of providing that parking and still wanting to encourage developers to plan for the much desired food uses within the mixed-use projects.

As part of the 2002 parking code amendments, the City Council did pass a code change that requires any new tenant space that increases parking demand by its change of use from one category to a higher category, to provide the additional parking spaces, either on site or through an off-site lease. This provision has caused the city on two occasions, to deny tenant improvements which wanted to change an existing use to a new food use or a new medical/service use that had higher parking requirements than the previous use. However, those spaces were eventually filled by similar uses with the same parking requirements. Staff feels this parking code change for tenant improvements has worked well to safeguard a balance between parking demand and parking spaces available for tenant use changes.

Development Services staff also questioned several developers of our new mixed–use projects in the Town Center about whether they felt there was adequate parking in their new projects, if they felt our codes were adequate, and if there was a big need for additional parking in the Town Center. The developers of the largest projects indicated they thought there was no need to change the existing parking requirements in the Town Center. Several felt there was still a perception by the public that there could be a parking shortage, primarily because very visible surface parking has been replaced by parking in garages, projects are not yet completed, and the public has not had a chance to use the new parking facilities and become familiar with their availability when shopping. All felt the parking was adequate to meet demand based on their experience with past projects, and it was just a matter of time for people to become comfortable with the new parking organization in our Town Center. An existing use such as Tabbit Square, where there is still inadequate parking because of old parking standards, can influence public perception that there is not enough parking in the Town Center.

Staff also met directly with Bill Stalzer, representing SECO Development, Franco Mola, representing Dollar Development, and Emmett Maloof, representing the Chamber of Commerce to discuss their opinions about parking in the Town Center. Staff asked both SECO Development and Dollar Development if they would be interested in building additional underground parking spaces as part of their existing project not yet
constructed or any new projects. SECO Development declined, and Dollar Development indicated they might consider an arrangement of building an above-ground parking structure, but only if it meant they would not have to build underground parking already contemplated. No figures of cost or definitive plans were discussed or provided by this developer.

Staff also has had direct discussion with several other large property owners in the Town Center who have indicated an interest in pursuing other mixed-use projects in the future and who have said they might entertain the idea in the future of a partnership to increase parking. All current Town Center project representatives and the Chamber of Commerce did suggest the City might consider the possibility of providing additional on-street spaces in parking pull-outs similar to those already existing along 78th Ave SE. Adding more parking pull-outs could require relocation of street lights and street trees as well are narrow the sidewalks in many areas so it’s achieving a balance between competing needs. Some developers suggested the City might provide similar on-street parking along 77th Ave S.E. and Sunset. In general, the development community felt the City had done a good job managing parking in the Town Center at this time for all the new mixed-use projects and suggested the City continue to have a dialogue with the public, City officials and the private development community as the Mercer Island Town Center grows and progresses in the future.

**SUMMARY AND CONCLUSION:**

After staff research, feedback from the public at Summer Celebration, meetings with developers of our Town Center mixed-use projects and the Chamber of Commerce, and discussion with the Ad Hoc Committee, the DSG staff conclusion is that the vast majority of participants in the development process are satisfied with parking in the Town Center. They feel that the City code requirements for parking are adequate to meet demand, are similar to those in other communities, actually balance the competing needs of everyone, and do not need to be changed. The actual number of parking spaces required in the Town Center was increased in 2002 for all types of retail uses and substantially increased for food and beverage uses. DSG staff believes it’s a current perception by many members of the public that there is a parking problem in the Town Center, and perceptions may well change as new projects are completed and people become familiar with where parking is available and how to navigate its access.

DSG staff would recommend that no change be made to any of the parking standards for the Town Center at this time. Further, we would not recommend any further pursuit of joint public/private partnerships for construction of new parking spaces within the Town Center for at least 3 years. In 3 years most of the currently approved projects will be completed, residents will have had a chance to use numerous parking garages in the mixed-use projects, and businesses will have had a chance to gauge parking space supply versus demand. City staff will have also had an opportunity to gauge parking availability and patterns of parking use in the Town Center. At that time we can provide a better evaluation of the new character of our Town Center and the whole parking scenario. DSG thinks the new parking standards are adequate to meet the parking demand at this time for our Town Center.

**RECOMMENDATION**

*Richard Hart, AICP, Development Services Director*

MOVE TO: No Action Required. Receive report and provide feedback.

Alternative: Direct staff to conduct further research or provide further information (state such research or information).
## MERCER ISLAND
### TOWN CENTER DEVELOPMENT PROJECTS
#### In Review/Under Construction

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CURRENT ZONING</th>
<th>SITE SIZE</th>
<th>RESIDENTIAL</th>
<th>COMMERCIAL</th>
<th>PARKING SPACES</th>
<th>PROJECTED START/FINISH DATES</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Island Square</td>
<td>2758 78th Ave. SE</td>
<td>TC 5 flrs.</td>
<td>2.61 ac.</td>
<td>251,342 sq. ft. 235 apt. units (as of 5/11/05) 5 Story Mixed-Use</td>
<td>11,000 sq.ft. office 31,000 sq. ft. retail</td>
<td>493</td>
<td>Start: 5/04 End: 07/06</td>
<td>Under Construction</td>
</tr>
<tr>
<td>The Mercer (formerly Gateway Commons) Cassan Development Site</td>
<td>7650 SE 27th St.</td>
<td>TC 5 flrs.</td>
<td>2.7 ac.</td>
<td>264,635 sq. ft. 235 apt. and live/work units 5 Story Mixed-Use</td>
<td>18,000 sq. ft.</td>
<td>398</td>
<td>Start: 2/05 End: 10/06</td>
<td>Under Construction</td>
</tr>
<tr>
<td>7800 Plaza Condos (Four Seasons Cleaners Site)</td>
<td>7800 SE 27th St.</td>
<td>TC 5 flrs.</td>
<td>.35 ac.</td>
<td>27,000 sq. ft. 24 condos 5 Story Mixed-Use</td>
<td>9181 sq. ft.</td>
<td>91</td>
<td>Start: 7/06 End: 12 Months</td>
<td>Building Plans in Review</td>
</tr>
<tr>
<td>Aljoya at Mercer Island Town Center (ERA Care Senior Housing)</td>
<td>2430 76th Ave SE</td>
<td>TC 5 flrs.</td>
<td>1.29 ac.</td>
<td>130,305 sq. ft. 112 independent and assisted living units None (24,829 sq. ft. resident amenities only)</td>
<td></td>
<td>105</td>
<td>Start: 6/06 End: 15 Months</td>
<td>Building Plans in Review</td>
</tr>
<tr>
<td>7700 Central (Caldwell Banker Bain Site)</td>
<td>2650 77th Ave SE</td>
<td>TC 5 flrs.</td>
<td>1.5 ac.</td>
<td>150,000 sq. ft. 189 residential units with underground parking 18,000 sq. ft. Ground Floor Retail</td>
<td></td>
<td>316</td>
<td>Early – 2007</td>
<td>Final Design Approved</td>
</tr>
<tr>
<td>Sound Transit MI Park &amp; Ride</td>
<td>8000 N Mercer Way</td>
<td>Public</td>
<td>2.21 ac.</td>
<td>Two-level Park &amp; Ride Parking Garage</td>
<td>NA</td>
<td>250</td>
<td>Start: 03/06 End: 12 Months</td>
<td>Under Construction</td>
</tr>
</tbody>
</table>

**Disclaimer:** Information provided is preliminary and estimated figures only. The City does not warrant information as factual. There is no guarantee projects will be completed as proposed. Three projects are completed, and four are under construction. For more details, please contact the Development Services Department at (206) 236-3593.
## MERCER ISLAND
### TOWN CENTER DEVELOPMENT PROJECTS
#### Completed

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CURRENT ZONING</th>
<th>SITE SIZE</th>
<th>RESIDENTIAL</th>
<th>COMMERCIAL</th>
<th>PARKING SPACES</th>
<th>PROJECTED START/FINISH DATES</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montesano Condos</td>
<td>7549 SE 29th St</td>
<td>MF-2 36 ft. hgt.</td>
<td>.687 ac.</td>
<td>42,000 sq. ft 23 Condo Units 3 Story Residential</td>
<td>None</td>
<td>49</td>
<td>Start: 2001 End: 12/2003</td>
<td>Completed</td>
</tr>
<tr>
<td>Island Crest Plaza Office</td>
<td>8005 SE 28th St.</td>
<td>TC 2 flrs.</td>
<td>.378 ac.</td>
<td>None</td>
<td>2 Story Office</td>
<td>17,561 sq. ft.</td>
<td>Start: 2001 End: 06/2003</td>
<td>Completed</td>
</tr>
<tr>
<td>Starbucks Coffee Shop and Drive-Thru</td>
<td>7620 SE 27th St.</td>
<td>TC 5 flrs.</td>
<td>.30 ac.</td>
<td>None</td>
<td>1 Story Retail</td>
<td>1,800 sq. ft.</td>
<td>Start: 02/2004 End: 09/2004</td>
<td>Completed</td>
</tr>
<tr>
<td>Avellino Apartments</td>
<td>2836 78th Ave. SE</td>
<td>TC 5 flrs.</td>
<td>.413 ac.</td>
<td>38,889 sq. ft 23 apt. Units 5 Story Mixed-Use</td>
<td>2,600 sq. ft.</td>
<td>43</td>
<td>Start: 9/02 End: 04/05</td>
<td>Completed with Occupancy</td>
</tr>
<tr>
<td>Newell Court Apts.</td>
<td>3011 78th Ave. SE</td>
<td>TC 3 flrs.</td>
<td>.459 ac.</td>
<td>39,277 sq. ft 40 apt. units 3 Story Mixed-Use</td>
<td>2,542 sq. ft.</td>
<td>59</td>
<td>Start: 2/04 End: 04/05</td>
<td>Completed with Occupancy</td>
</tr>
</tbody>
</table>

**Disclaimer:** Information provided is preliminary and estimated figures only. The City does not warrant information as factual. There is no guarantee projects will be completed as proposed. Three projects are completed, and four are under construction. For more details, please contact the Development Services Department at (206) 236-3593.
Call to Order:
Chair Chapman called the regular meeting to order at 7:30 P.M. in the Council Chambers, 9611 SE 36th Street, Mercer Island, Washington.

Roll Call:
Chair Bill Chapman, Vice-Chair Steve Schnoor, Commissioners Adam Cooper, Barry Massoudi, Dave Chappelle, Ann Nielsen and Douglas Rigby were present. Council Liaison Steve Litzow was present. City Attorney Londi Lindell was present. Development Services Group staff present included Interim Director Kirsten Taylor and Principal Planner Jeff Thomas.

Minutes:
NONE. Meeting minutes from the previous meeting of November 1, 2006 were not yet prepared.

REGULAR BUSINESS:

Agenda Item #1: Joint Study Session with the Design Commission on proposed Town Center design standard code amendments, MICC Chapter 19.12 and 19.16.

The Planning Commission conducted a joint study session with the Design Commission on proposed Town Center design standard code amendments, Mercer Island City Code Chapter 19.12 and 19.16.

Other Business:
The next regularly scheduled meeting is December 20, 2006.

Adjournment: 9:10 P.M.

Respectfully submitted by Jeff Thomas
CALL TO ORDER:
Chair Chapman called the regular meeting to order at 7:50 P.M. in the Council Chambers, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL:
Chair Bill Chapman, Vice-Chair Steve Schnoor, Commissioners Adam Cooper and Ann Nielsen were present. Commissioners Barry Massoudi, Dave Chappelle, and Douglas Rigby were excused. Council Liaison Steve Litzow was present. Development Services Group staff present included planners Jeff Thomas and Rick Beeler.

MEETING MINUTES:
Meeting minutes from November 1, 2006 were approved. Meeting minutes from December 6, 2006 were approved as amended.

REGULAR BUSINESS:

**Agenda Item #1: Town Center Code Amendments (ZTR06-001)**

Rick Beeler provided a brief summary of the proposed Town Center code amendments. He noted that an economic analysis supporting the proposed amendments was not available but would be shortly.

Chairman Chapman opened the public hearing.

Amy Kosterlitz, Buck & Gordon, 2025 1st Ave., Seattle, WA, spoke representing the proposed BRE mixed use project in the Town Center. She requested the Planning Commission not act until the economic analysis has been reviewed. She asked for affordable housing to be located near support services and more incentives be explored. She asked that the BRE project be vested when a complete application is filed for Design Commission review.

John Stevens, BRE Properties, 525 Market St., San Francisco, CA, said his proposed apartments are affordable in the Mercer Island market. He recommended careful economic analysis of affordable housing incentives because such housing can be uneconomical in mixed use projects. He said the existing Town Center requirements work well and do not need a no net loss of retail provision.

Jim Bedoia, Mithun, 1201 Alaskan Way, Seattle, WA, representing BRE Properties, stated the economic justification of mixed use projects requires the fifth floor in the buildings. Requiring affordable housing, he felt, would necessitate elimination of the desirable pedestrian public plazas. He said the existing Town Center requirements perform better than the proposed amendments.

Steve Bryan, 2426 70th Ave. SE, Mercer Island, WA, recommended affordable housing be allowed anywhere in the Town Center and that existing incentives be retained. He encouraged more pedestrian plazas and pedestrian connectors in anticipation of future parking shortages and less driving to businesses. Instead of determining height by the number of stories, he recommended only using a fixed height dimension. He also felt the existing Town Center requirements work well.
Chairman Chapman closed the public hearing and asked if the Planning Commissioners had any questions or discussion on the proposal.

The Planning Commission agreed that to be able to move forward with the Town Center code amendments by reopening the public hearing, they needed a redrafted ordinance that was easier to understand, a completed economic analysis that supports the code amendments, a completed SEPA review and the redrafted ordinance needed to emphasize maximum incentive for mid-block pedestrian connectors that are required for a fifth story.

Chairman Chapman reopened and continued the public hearing to March 21, 2007.

**Agenda Item #2: Discussion of Proposed Planning Commission 2007 Work Plan**

The Planning Commission reviewed the proposed 2007 Work Plan that included a number of items proposed by the City Council at their planning retreat in January, continued work on sustainability and a rollover item from the 2006 Work Plan examining multiple land use actions on a single site. Council Liaison Litzow briefed the Planning Commission on discussion to date by the City Council regarding sustainability.

**OTHER BUSINESS:**

**Next Regular Meeting:** March 7, 2007

**Planned Absences:** Chair Chapman, Vice Chair Schnoor

**Adjournment:** 10:05 P.M.

Respectfully submitted by Rick Beeler
Call to Order:
Chairman Chapman called the regular meeting to order at 7:30 P.M. in the Council Chambers, 9611 SE 36th Street, Mercer Island, Washington.

Roll Call:
Chair Bill Chapman, Vice-Chair Steve Schnoor, Commissioners Dave Chappelle, Ann Nielsen, and Douglas Rigby were all present, and Commissioner Adam Cooper and Barry Massoudi were excused. Council Liaison Steve Litzow was absent, but Councilman Dan Grausz was present. City staff was represented by Londi Lindell, City Attorney, Jeff Thomas, Principal Planner, and Rick Beeler, Senior Planner. City consultants present were Mark Hinshaw, Urban Designer, and Art Sullivan, ARCH.

Minutes:
Meeting minutes from the previous meeting of February 21, 2007 were approved.

Executive Session:
At the request of Londi Lindell the Planning Commission adjourned to an executive session to discuss pending litigation. Chairman Chapman reconvened the meeting.

REGULAR BUSINESS:

Agenda Item #1: Town Center Code Amendment (ZTR06-001).

Londi Lindell provided a brief summary of the proposed Code amendment and the history of its creation. Councilman Grausz summarized the City Council’s priorities of the amendments. Mark Hinshaw added that amendments to these regulations are normal to town centers, especially soon after initial developments are constructed. Art Sullivan stated the affordable housing incentives are overall generous and increase the rate of return on investment in mixed use projects.

Citizen Ad Hoc Committee members Bill Kraeger and Bob Thorpe spoke. Mr. Kraeger felt the proposed 1,500 square foot significant plaza was too small, and that the proposal could lessen the feasibility of affordable housing. Bob Thorpe recommended pedestrian connections and affordable housing be performance driven, office uses on ground floors should be permitted as transitional uses, and advocated for more landscaping in streetscapes.

Chairman Chapman opened the public hearing.

Amy Kosterlitz, Buck & Gordon, Seattle, WA, representing BRE, expressed concern for vesting of BRE with a complete application for a preliminary hearing before the Design Commission. She stated that an agreement was being developed with the City Attorney.

John Stevens, BRE, San Francisco, CA, summarized the BRE proposed redevelopment of the Safeway site in the Residential Northwest Focus Area.

Steve Bryan, Mercer Island, WA, felt affordable housing incentives needed to be more aggressive. He favored use of a maximum building height dimension instead of confusing inclusion of “story”
He recommended connecting SE 24th St eastward to Sunset Highway. Future parking demand will exceed the supply being provided in his opinion.

The public hearing was closed at 8:55 PM.

After discussion of individual Commissioner concerns, the Commission focused on three issues:

1. Ground floor retail uses retention should be more responsive to market driven usage by requiring 60% retail on ground floors.
2. More flexibility for location of significant plazas outside of Sites 1 and 2, including the northwest corner of the Town Center.
3. Flexible location of significant pedestrian connections to be determined by the Design Commission review process.

These issues were discussed and direction given for the City Attorney to prepare revisions to the proposed ordinance accordingly.

Commissioner Neilsen moved to recommend to the City Council approval of the ordinance as proposed with the modifications and corrections proposed by the City Attorney in response to the discussion with the Planning Commission. Commissioner Rigby seconded the motion. The motion passed unanimously. Those modifications and corrections were:

1. Add spas and fitness centers to definition of Personal Services in MICC 19.16.010 and eliminate dry-cleaning, tailors and health care services.
2. Change required ground floor use required along Type 1 Streets to 60% retail, restaurant and Personal Services; delete Type 2 Streets; change Type 3 Streets to Type 2 Streets and require no net loss of retail or restaurants existing during the last three years in MICC 19.11.020(C).
3. Retain fee waiver of affordable housing in MICC 19.11.020(F).
4. Add Opportunity Site 3 to Exhibit 3 and MICC 19.11.050(B) including changing the requirement from “identified” to “approved by the Design Commission” for no subsequent development of significant public plazas.
5. Add a provision for Significant Pedestrian Connections to be flexibly located by the Design Commission based upon the alternative location having an equal or greater public benefit in MICC 19.11.050(B)(2).

Adjournment: 10:50 P.M.

Respectfully submitted by Rick Beeler
<table>
<thead>
<tr>
<th>File No.:</th>
<th>ZTR 06-001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td><strong>Town Center Code Text Amendments</strong>&lt;br&gt;Continued public hearing and consideration of revised code text amendments to Chapters 19.11 (Town Center Development and Design Standards) and 19.16 (Definitions) modifying required amenities for maximum building height, encouraging affordable housing, retaining and expanding retail space, and improving mid-block pedestrian circulation.</td>
</tr>
<tr>
<td>Sponsor:</td>
<td>Mercer Island City Council</td>
</tr>
<tr>
<td>Liaison</td>
<td>Councilmember Steve Litzow&lt;br&gt;(Councilmember Dan Grausz will attend for Councilmember Litzow)</td>
</tr>
<tr>
<td>Attachments:</td>
<td>1. Revised draft Town Center Code Amendment Ordinance&lt;br&gt;(Clean and Legislative formats)&lt;br&gt;2. Staff Report to the Planning Commission for the February 21, 2007 public hearing&lt;br&gt;3. Economic Analysis Report prepared by Greg Easton</td>
</tr>
<tr>
<td>Staff Contact:</td>
<td>Lendi Lindell, City Attorney</td>
</tr>
</tbody>
</table>

**BACKGROUND**

**Ad Hoc Committee Work.** In November 2005, the City Council appointed an Ad Hoc Committee comprised of Councilmembers Grausz and Litzow, Design Commissioners, architects and Town Center developers to study the following seven (7) specific areas for potential Town Center design code text amendments in the Mercer Island City Code (MICC):

1. Ways to improve upper story building modulation;
2. Ways to increase sidewalk width;
3. Ways to focus more amenities in the public realm of the streetscape;
4. Ways to strongly encourage affordable housing in future Town Center projects;
5. Ways to retain and expand more retail uses and diversity in Town Center projects;
6. Ways to improve pedestrian circulation mid-block pedestrian connections; and
7. Ways to encourage more public/private partnerships that benefit use of rights-of-way.
City Council Further Direction. Upon receiving the Ad Hoc Committee’s recommendations in the above seven areas, the City Council added the following further direction which became the basis for staff’s preparation of a draft ordinance attached as Exhibit 1:

1. **Encourage Affordable Housing and Significant Public Amenities.** Council directed staff to provide a developer incentive of one additional building story in zones allowing 2 or 3 stories (2 to 3 stories; 3 to 4 stories) and only allowing the 5th story in zones allowing a maximum of 5 stories in exchange for a significant public amenity (significant public plaza, pedestrian connection or affordable housing). This significant public amenity needed to benefit the public more than the current public amenities identified as “major site features”. Council directed that these code amendments not change the existing maximum building height of 5 stories (65 feet).

2. **Retain and Expand Retail Uses on the Ground Floor.** Council directed staff to prepare a code amendment imposing a “no net loss” standard for existing retail square footage and implementing the same retail regulations on 77th Avenue between 27th and 29th that currently exist for 78th Avenue. In addition, Council directed staff to consider excluding professional services from allowed ground floor use.

3. **Designation of Pedestrian Connections.** Council directed staff to designate the location of mid-block connections and in exchange for a developer providing this amenity, the developer would receive one additional story of building height described above.

4. **Designation of Public Plazas.** Council directed staff to designate the location of significant public plazas as part of the code amendment and in exchange for a developer providing this amenity, the developer would receive one additional story of building height described above.

Council concurred with the Ad Hoc Committee’s recommendation to do nothing regarding Town Center building modulation. Council directed staff to consider development of specific streetscape design standards during 2008 as part of staff’s code revision work.

A joint meeting of the Planning Commission and Design Commission was held in December 2006 and staff received further direction to refine the code text amendments, including strengthening the requirement for canopies and weather protection in the Town Center. On February 21, 2007, the Planning Commission held a public hearing to receive public comment and consider the Ordinance. Following public testimony and discussion among Commissioners, the public hearing was continued to March 21, 2007 to receive an economic analysis (Exhibit 3), complete the SEPA threshold determination, and revise the code text amendments to incorporate Commission suggestions.
I. ORDINANCE

Exhibit 1 contains both an ordinance in legislative format (underlining to indicate new text and strike lines to indicate deleted text) and an ordinance in a “clean” format for ease of Commission review ("Ordinance"). The Ordinance incorporates all prior Ad Hoc Committee, City Council, Joint Study Session and Planning Commission comments and direction.

Planning Commission Direction. On February 21, 2007, the Planning Commission directed staff to make the following revisions to the Ordinance (Planning Commission directed modifications are shown in italics in the legislative format Ordinance, where possible):

- Retain the fee waiver incentive for including affordable housing in mixed use projects.
- Make the ordinance easy to understand.
- Allow public plazas anywhere on Type 1 and 2 Streets.
- Allow developer height bonus equally to all property owners and not just those owning property on a designated public plaza or pedestrian plaza.
- Eliminate the inconsistency between the use of “shall” and “should”.

In response to the foregoing Planning Commission direction, staff made the following modifications to the Ordinance:

- Fee Waiver Retained. Staff has included the fee waiver provision for affordable housing in MICC 19.11.020 and 19.11.050 in order to promote affordable housing consistent with the Commission’s direction.
- Make Ordinance Easy to Understand
  Definitions Added. In response to the Commission’s request to make the ordinance easier to read, staff has included some new definitions for “significant public amenity”, “significant public plaza” and “affordable housing”. In prior Ordinance drafts, these public amenities were referred to as “major” plazas and connections. This term caused confusion because a “major” public plaza was distinguishable from a “major” site feature. In addition, staff has included existing MICC definitions in the Ordinance for Commission reference. For example, the Commission questioned the meaning of the term “story” in a provision that prohibits either a public plaza or pedestrian connection from being covered by a “roof, story or skybridge”. The existing definition of “story” has been included in the Ordinance.
  Major Site Features and Significant Public Amenities. The drafting challenge in this Ordinance is separately describing two different types of public plazas and two different types of pedestrian connections. These public amenities are included as both major site features that provide a developer incentive to achieve a maximum of 4 stories and as significant public amenity to allow the final 5th story in a development. The design requirements are identical as a major site feature or significant public amenity with the exception of the required size. In order to simplify the regulatory scheme, the Ordinance now adopts the design and development standards by
reference in these overlapping provisions. The City Attorney agrees with the Commission that the developer incentive or credit sections could use a major overhaul but staff was not directed to modify the minor or major site features except as they relate to the new “significant public amenities”.

- **Public Plazas – Type 1 and 2 Streets – Significant Public Amenities.** Staff has not included amendments regarding this Commission discussion. Staff believes this direction is inconsistent with the scope of work approved by the City Council. The Council directed staff to designate specific sites for the large public plazas and connections. The Commission’s approved 2007 work plan is to implement the Ad Hoc Committee’s recommendations. The Committee’s direction was to equally incentivize affordable housing, public plazas and connections. As evidenced by the Economic Analysis attached as Exhibit 3, allowing a developer to choose between a significant public plaza, pedestrian connection or affordable housing would likely result in a developer always choosing a public plaza over affordable housing and would greatly reduce the opportunity for affordable housing in the Town Center.

**Other Significant Ordinance Provisions.** The Ordinance also modifies the existing Chapter 19.11 MICC as follows:

- **Reduction in Maximum Building Height in Exchange for Site Features.** Currently, developments in the Gateway, Mixed Use, Mid-Rise Office and Residential Northwest may go up to 5 stories upon providing 3 minor site features and 1 major site feature. The proposed amendment only authorizes these developments to build to a maximum of 4 stories in exchange for 3 minor site features and 1 major site feature. These developments can receive the 5th story in exchange for a significant public amenity which has been defined to include a significant public plaza, pedestrian connection or affordable housing.

- **Allowing Additional Building Height in Exchange for Significant Public Amenity.** An additional story of building height is being proposed in the Residential-Central (4 to 5 stories), Residential-South (3 to 4 stories) and auto-oriented (2 to 3 stories) focus areas in exchange for significant public amenities.

- **Opportunity Sites Designated.** The designated significant public plazas (sites 1 and 2) and pedestrian connections are shown on Exhibit 3 to the Ordinance. Mark Hinshaw, Urban Planner assisted the City in locating the designated public amenities and sought to locate one plaza near the center of the Town Center and a second plaza located near a planned public plaza to be built through a public private partnership on 78th Ave SE between SE 27th Street and Sunset Highway. This planned plaza is also identified on Exhibit 3. The various proposed locations of significant pedestrian connections were controlled by prior Planning Commission and Council direction set forth in MICC 19.11.050 seeking mid block connections on the super blocks bordered by 77th and 78th Ave SE and SE 27th and 29th streets and bordered by 78th and 80th Ave SE and SE 28th and 30th Streets. The proposed pedestrian connections were located so they covered as many separate legal parcels are possible to encourage construction of such pedestrian connections as part of future redevelopments. The locations were also determined by connectivity to existing east/west streets such as SE 28th street and SE 30th Street.
proposed major pedestrian connections were located approximately in the middle of the super block.

- **Requirements for Major Public Plaza and Major Pedestrian Connection.** A new provision (MICC 19.11.050) sets forth the minimum size and design requirements for a significant public plaza and pedestrian connection.

- **Requirements for Affordable Housing Units.** The Ordinance establishes a minimum ratio of 1-3 (1 affordable housing unit for every 3 regular dwelling units or 3 additional square feet of building area bonus for every 1 square foot of affordable housing unit) in order to qualify for the one additional story of building height allowed for providing affordable housing.

- **No Net Loss of Existing Retail and Imposition of Same Ground Floor Requirements to 77\textsuperscript{th} Avenue.** A new standard mandates no net loss of existing retail uses. New text and a new chart have been added to classify streets as Types 1, 2 or 3 and list the corresponding ground floor use requirements.

### II. PROCEDURAL REQUIREMENTS

Mercer Island City Code (MICC) Section 19.15.010(C)(1) and (2) requires the Planning Commission to make a recommendation to the City Council for final action on “land use regulation” such as the code amendment under consideration. MICC 19.15.010(D)(4) requires an open record public hearing on the amendment. MICC 19.15.010(E) stipulates for code amendments the Planning Commission is to hold a public meeting and make a recommendation to the City Council which will hold the open record public hearing and make the final decision.

In this instance, the City elected to broaden the Planning Commission’s public meeting to an open record public hearing to elicit as much public comment as possible. Public notice was so given.

A State Environmental Policy Act (SEPA) review for a non-project action as defined by WAC 197-11-704 (2)(b)(i) is required for a proposed code amendment. A SEPA checklist has been prepared for this proposal. A SEPA Threshold Determination of Mitigated Determination of Non-Significance was issued on March 5, 2007, requiring mitigation measures of:

1. All applicable code amendments shall be adequately founded and supported by an Economic Analysis completed by a qualified professional.

2. The fee waiver provision for affordable housing shall be preserved by any code amendments contained in this proposal.

On March 16, 2007 an Economic Analysis was submitted by Greg Easton (Exhibit 3) justifying the development incentives for significant public plazas, significant pedestrian connections and affordable housing.

The following table is a chronology for the proposed revised code amendments:
<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2, 2005</td>
<td>Design Commission Chairman requested the City Council study improved pedestrian connections in the Town Center.</td>
</tr>
<tr>
<td></td>
<td>Development Services Director summarized existing mixed use developments and possible Town Center code amendment issues for study.</td>
</tr>
<tr>
<td>November 2005</td>
<td>City council appointed a 9-member Ad Hoc Committee to investigate potential code amendments.</td>
</tr>
<tr>
<td>June 9, 2006</td>
<td>Ad Hoc committee presented its recommendations to the City Council.</td>
</tr>
<tr>
<td>September 5, 2006</td>
<td>City Council directed staff to develop 4 specific areas of code amendments.</td>
</tr>
<tr>
<td>December 6, 2006</td>
<td>Planning Commission and Design Commission jointly were briefed on draft code amendments.</td>
</tr>
<tr>
<td>March 5, 2007</td>
<td>Staff issues SEPA Mitigated Determination of Non-Significance.</td>
</tr>
<tr>
<td>March 21, 2007</td>
<td>Planning Commission re-opens the public hearing on a revised draft code amendments.</td>
</tr>
<tr>
<td>April 2, 2007</td>
<td>City Council first reading of the recommended code amendments.</td>
</tr>
<tr>
<td>(Tentative)</td>
<td></td>
</tr>
<tr>
<td>April 16, 2007</td>
<td>City Council second reading and adoption of the recommended code amendments.</td>
</tr>
<tr>
<td>(Tentative)</td>
<td></td>
</tr>
</tbody>
</table>

### III. FINDINGS & ANALYSIS

City staff drafted the Ordinance as directed by the Planning Commission on February 21, 2006 and March 21, 2007, the Ad Hoc Committee, the Design Commission and the City Council. The SEPA threshold determination has been issued. The Economic Analysis has been completed and supports the proposed Ordinance. The recommendation of the Planning Commission will be brought before the City Council, tentatively scheduled for April 2, 2007.

### IV. PLANNING COMMISSION OPTIONS

Following the open record public hearing, the Planning Commission will continue deliberation on the proposed revised Town Center code amendments for the purpose of making a recommendation to the City Council. The Planning Commission has the following recommendation options:
1. Recommend that the City Council adopt the proposed revised Town Center code amendments included in the Ordinance.

2. Recommend that the City Council adopt the proposed revised Town Center code amendments included in the Ordinance with amendment(s) after considering public comments.

3. Recommend that the City Council does not adopt the proposed revised Town Center code amendments included in the Ordinance.

V. Staff Recommendation

Based on the analysis and findings included herein, staff recommends the Planning Commission select option (1.) from above.
Allowing Additional Building Height in Exchange for Major Public Plaza, Major Pedestrian Connection or Affordable Housing

An additional story of building height is being proposed in the Residential-Central (4 to 5 stories), Residential-South (3 to 4 stories) and auto-oriented (2 to 3 stories) focus areas in exchange for either a major public plaza, major pedestrian connection or affordable housing.

Opportunity Sites Identified

An illustration of the approximate locations for a major public plaza and major pedestrian connections is proposed. The location of the major public plaza was placed near the center of the Town Center and/or adjacent to a planned public plaza located on 78th Ave SE between SE 27th Street and Sunset Highway. This potential public plaza is also identified on Exhibit 2. The various proposed locations of major pedestrian connections were controlled by prior Planning Commission and Council direction set forth in MICC 19.11.050 seeking mid block connections on the super blocks bordered by 77th and 78th Ave SE and SE 27th and 29th streets and bordered by 78th and 80th Ave SE and SE 28th and 30th Streets. The proposed pedestrian connections were located so they covered as many separate legal parcels are possible to encourage construction of such pedestrian connections as part of future redevelopments. The locations were also determined by connectivity to existing east/west streets such as SE 28th street and SE 30th Street. The proposed major pedestrian connections were located approximately in the middle of the super block.

Requirements for Major Public Plaza and Major Pedestrian Connection

New provisions are set for the minimum size and design requirements for a major public plaza and major pedestrian connection.

Requirements for Affordable Housing Units

New definitions are made for “affordable housing units” as well as proposing to separately define units that are owner occupied vs. units that are occupied by renters. A minimum ratio of 1-3 (1 affordable housing unit for every 3 regular dwelling units or 3 additional square feet of building area bonus for every 1 square foot of affordable housing unit) has been proposed in order to qualify for the one additional story of building height allowed for providing affordable housing. This ratio may change following ongoing economic analysis.

No Net Loss of Existing Retail and Imposition of Same Ground Floor Requirements to 77th Avenue

A new standard mandates no net loss of existing retail uses. New text has been added to the focus area description to require 100% of the ground floor of a mixed use project be used for retail, restaurant, hotel/motel, public facility or restaurant. The text further removes “services” and “recreation” from allowable ground floor use on 77th Avenue, 78th Avenue and SE 27th Street.

II. PROCEDURAL REQUIREMENTS

Mercer Island City Code (MICC) Section 19.15.010(C)(1) and (2) requires the Planning Commission to make a recommendation to the City Council for final action on “land use regulation” such as the code amendment under consideration. MICC 19.15.010(D)(4) requires an open record public hearing on the amendment. MICC 19.15.010(E) stipulates for code amendments the Planning Commission is to hold a public meeting and make a recommendation to the City Council which will hold the open record public hearing and make the final decision.
In this instance, the City elected to broaden the Planning Commission's public meeting to an open record public hearing to elicit as much public comment as possible. Public notice was so given.

A State Environmental Policy Act (SEPA) review for a non-project action as defined by WAC 197-11-704 (2)(b)(l) is required for a proposed code amendment. A SEPA checklist has been prepared for this proposal. A SEPA Threshold Determination will not be issued until after the Planning Commission has closed the public hearing to ensure that all appropriate written and oral comments are adequately documented and considered.

The following table is a chronology for the proposed code amendments:

<table>
<thead>
<tr>
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<tbody>
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</tr>
<tr>
<td>February 21, 2007</td>
<td>▪ Planning Commission to hold open record public hearing on the draft code amendments.</td>
</tr>
<tr>
<td>February 26, 2007 (Tentative)</td>
<td>▪ Staff issues SEPA Threshold Determination.</td>
</tr>
<tr>
<td>March 19, 2007 (Tentative)</td>
<td>▪ City Council first reading of the recommended code amendments.</td>
</tr>
<tr>
<td>April 2, 2007 (Tentative)</td>
<td>▪ City Council second reading and adoption of the recommended code amendments.</td>
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III. FINDINGS & ANALYSIS

The Ad Hoc Committee was given the following seven specific issues to study and develop recommendations to the City Council in finding ways to:

1. Improve upper story building modulation.
2. Increase sidewalk width.
3. Focus more amenities in the public realm of the streetscape.
4. Encourage affordable housing in future Town Center projects.
5. Retain and expand more retail uses and diversity in Town Center projects.
7. Encourage more public/private partnerships that benefit use of rights-of-way.

It was not the responsibility of the Committee to actually develop the code text amendments. City Council purposely limited the scope of the Ad Hoc Committee's review and expressly did not want to reopen other issues or potential code amendments covering the Town Center. The Committee met seven different times in 2006 from January through May to develop recommendations for presentation to City Council.

The Ad Hoc Committee's recommendations were considered by the City Council on June 19, 2006 and September 5, 2006 at Council's regular City Council meetings. The City Council, by motion, recommended staff prepare code text amendments as follows:

1. **Encourage Affordable Housing and Significant Public Amenities.** Council selected a developer incentive of allowing one additional building story in zones allowing 2 or 3 stories (2 stories would increase to 3 stories and 3 stories could increase to 4 stories) and only allowing the 5th story in zones allowing a maximum of 5 stories in exchange for affordable housing or a significant public amenity (major public plaza or major pedestrian connection). Council directed that these code amendments not change the existing maximum building height of 5 stories (65 feet).

2. **Retain and Expand Retail Uses on the Ground Floor.** Council directed staff to prepare a code amendment imposing a "no net loss" standard for existing retail square footage and implementing the same retail regulations on 77th Avenue between 27th and 29th that currently exist for 78th Avenue. In addition, Council directed staff to consider excluding professional services from allowed ground floor use.

3. **Designation of Major Pedestrian Connections.** Council directed staff to designate the location of mid-block connections and in exchange for a developer providing this amenity, the developer would receive one additional story of building height.

4. **Designation of Major Public Plazas.** Council directed staff to designate the location of major public plazas as part of the code amendment and in exchange for a developer providing this amenity, the developer would receive one additional story of building height.

Council concurred with the Ad Hoc Committee's recommendation to do nothing regarding Town Center building modulation. Council directed staff to consider development of specific streetscape design standards during 2007 as part of staff's code revision work. These standards are not yet developed for Commission review.

City staff drafted the attached proposed code text amendments as directed by the Council. Following the Planning Commission public hearing, the Commission will adopt a recommendation to the Council. Staff will consider the input from the public hearing in making the final SEPA Threshold Determination. At the conclusion of the SEPA process, the recommendation of the Planning Commission will be brought before the City Council, tentatively scheduled for March 19, 2007.
IV. PLANNING COMMISSION OPTIONS

Following the open record public hearing, the Planning Commission may begin deliberation on the proposed Town Center code amendments for the purpose of making a recommendation to the City Council. The Planning Commission has the following recommendation options:

1. Recommend that the City Council adopt the proposed Town Center code amendments included herein.

2. Recommend that the City Council adopt the proposed Town Center code amendments included herein with amendment(s) after considering public comments.

3. Recommend that the City Council does not adopt the proposed Town Center code amendments.

V. STAFF RECOMMENDATION

Based on the analysis and findings included herein, staff recommends the Planning Commission select option (1.) from above.
CALL TO ORDER:

Mayor Bryan Cairns called the meeting to order at 6:02 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL:

City Councilmembers Sven Goldmanis, Mike Grady, Dan Grausz (arrived 6:15 pm), El Jahncke, Steve Litzow (arrived 6:33 pm), Deputy Mayor Jim Pearman (arrived 6:23 pm) and Mayor Bryan Cairns were present.

STUDY SESSION:

(1) AB 4172 SE 40th Street Corridor Alternatives

City Engineer Patrick Yamashita, Street Maintenance Manager Bill Sansbury and Joe Giacobazzi from KPG Engineering presented two alternatives for the SE 40th Street Corridor Projects including cost estimate for each alternate will include right of way acquisition, construction, contingency, and associated engineering and project administration costs.

SPECIAL BUSINESS:

City Manager Rich Conrad introduced new City Attorney Bob Sterbank.

The Mayor recognized City Clerk Ali Spietz as she was elected President-Elect of the Washington Municipal Clerks Association in March 2007.

(2) Community Preparedness Week Proclamation

The Mayor read a proclamation declaring April 22-29, 2007 Community Preparedness Week. The City's Disaster Preparedness Program, Fire Department, Police Department and Youth and Family Services have joined with Communities That Care, the Mercer Island Business Neighborhood Association, Mercer Island Radio Operators, the Mercer Island Reporter and other key community organizations create awareness of preparing for natural disasters, preparing youth to handle social pressures and preparing homes against fire and theft through events and activities to build a happy, healthy and safe community during the week.

APPEARANCES:

Bill Hirt, 2615 170th Ave SE, Bellevue, urged the Council to tell Sound Transit that they must make changes to the current East Link proposal as it should focus on the 520 corridor for long-term requirements for expansion rather that the I-90 corridor.

MINUTES:

(3) It was moved by Councilmember Grady; seconded by Councilmember Goldmanis to: Approve the Regular Meeting Minutes of March 19, 2007. Motion passed 7-0.
CONSENT CALENDAR:

(4) Payables: $906,205.26  Payroll: $610,335.81

It was moved by Councilmember Goldmanis; seconded by Councilmember Grady to: Approve the Consent Calendar and the recommendations contained therein. Motion passed 7-0.

REGULAR BUSINESS:

(5) AB 4176  Public Hearing: Town Center Code Amendments (1st Reading)

The Mayor opened the Public Hearing at 7:15 pm.

Deputy City Manager Londi Lindell, Mark Hinshaw, the City’s contract urban planner, Greg Easton from Property Counselors, the City’s contract economist and Arthur Sullivan, Executive Director of ARCH presented amendments to the Town Center code in order to provide better public amenities in the Town Center and provide affordable housing.

Following the staff presentation the Mayor invited citizens to testify. There being no comments the Mayor closed the Public Hearing at 8:48 pm.

Staff was directed to make the following changes to the proposed Town Center Code Amendments and bring it back to the Council for a second reading at the April 16, 2007 Council Meeting:

- Draft definitions for “major site feature” and “minor site feature”.
- Change requirement for “numerous” pedestrian amenities to “sufficient” pedestrian amenities “as determined by the Design Commission”.
- Council was divided on the issue of location for pedestrian connections and also whether or not the Design Commission should continue to decide such location. Staff was directed to suggest language at second reading and provide alternatives for the Council’s consideration. Councilmembers wanted at minimum, criteria for the Design Commission if it was tasked with deciding the location of Pedestrian Connections.
- Council requested staff clarify the Ordinance to identify to a developer which “significant public amenity” a developer must provide in order to qualify for the maximum building height.
- Affordable Housing Ratio. Councilmember Jahncke requested the provision describing the affordable housing ratio be modified to more clearly describe the ratio and clarify that the formula is only calculated on the square footage of the highest allowable story of the development and not the square footage of the entire development.

(6) AB 4174  Sewer Lake Line – Bid Authorization

Maintenance Director Glenn Boettcher and Assistant City Engineer Anne Tonella-Howe presented the history and background information on the Sewer Lake line project for Council to authorize staff to advertise the Project for construction, contingent upon receipt of the remaining permits and the finalization of construction documents.

It was moved by Councilmember Litzow; seconded by Councilmember Grady to: Authorize staff to place a call for bids for the Sewer Lake Line Replacement Project construction upon completion of remaining tasks and receipt of remaining permits and approvals. Motion passed 7-0.

(7) AB 4175  Communities That Care Update
CITY COUNCIL MINUTES
REGULAR MEETING
APRIL 16, 2007

CALL TO ORDER: Mayor Bryan Cairns called the meeting to order at 7:06 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL: City Councilmembers Sven Goldmanis, Mike Grady, Dan Grausz, El Jahncke, Steve Litzow, Deputy Mayor Jim Pearman and Mayor Bryan Cairns were present.

SPECIAL BUSINESS:

(1) Native Plant Appreciation Week Proclamation: The Mayor read a proclamation declaring April 29 – May 5, 2007, Native Plant Appreciation Week on Mercer Island.


APPEARANCES:

Rita Moore, 4509 Ferncroft Road, spoke about mitigation that is needed for the paving over storm water drains on the Mercer Ways as it increases the impervious surface on the Island by about 4 acres and causes pollution and stream level issues.

Denny Morrison, 8840 SE 60th Street, spoke to the Council about raccoons that destroyed his yard and his frustration with not being able to trap them. He thanked City staff for helping him in solving his problems. He asked the Council to review the current laws regarding trapping on Mercer Island to make it easier for residents who have raccoon issues.

Sam Hobson, 8828 SE 77th Place and Ralph Jorgenson, 8040 84th Avenue SE spoke about the proposed trail on the west side of Island Crest Way between SE 71st Street and SE 78th Street. They are concerned that it will not provide any additional security to pedestrians since there is no separation other than a painted line. They asked that a planted strip be added to separate pedestrians from vehicle traffic.

MINUTES:

(2) It was moved by Councilmember Goldmanis; seconded by Councilmember Litzow to:
Approve the Study Session & Regular Meeting Minutes of April 2, 2007.
Motion passed 7-0.

CONSENT CALENDAR:

(3) Payables: $245,331.44 Payroll: $528,723.59

It was moved by Councilmember Litzow; seconded by Councilmember Goldmanis to:
Approve the Consent Calendar and the recommendations contained therein.
Motion passed 7-0.

REGULAR BUSINESS:
Park Arborist Paul West introduced Rita Moore, Chair of the Open Space Conservancy Trust who presented the Trust’s 2006 Annual Report. She spoke about the effects of the December Storm on Pioneer Park, the status of encroachment agreements, board trainings, volunteer events and other programs the Trust is handling.

Following questions the Council accepted the 2006 Open Space Conservancy Trust Report.

Policy Analyst Linda Herzog presented a Memorandum of Understanding between the City of Mercer Island and the City of Renton, laying out the intentions for continued collaboration, and describing in particular the conduct of the noise study and broad dissemination of the results regarding the expansion of the Renton Municipal Airport. The Renton City Council unanimously adopted the Memo of Understanding at its April 9, 2007 meeting.

It was moved by Councilmember Goldmanis; seconded by Councilmember Litzow to:
Adopt Resolution No. 1388 approving the Memorandum of Understanding stating the intentions of Mercer Island and Renton to collaborate on future information-gathering, community participation and advice to decision-makers on the Renton Municipal Airport Master Plan.

It was moved by Councilmember Grady; seconded by Councilmember Grausz to:
Amend Resolution No. 1388:
B. The Mercer Island City Council seeks to minimize noise impacts, public safety impacts, and environmental impacts for Mercer Island residents whose homes are affected by noise from landings and take-offs at Renton Airport.
Motion to amend passed 7-0.

Main motion passed 7-0.

The Mayor opened the Public Hearing at 8:10 pm.

Deputy City Manager Londi Lindell presented the amendments to the Town Center code including amendments proposed by the Council at the April 2nd, 2007 Council meeting.

Following the staff presentation the Mayor invited citizens to testify.

Rita Moore, 4509 Ferncroft Road, asked Council to insure the appropriate collection of storm water and protect Lake Washington from contamination from storm water being dispersed into the lake.

Maretta Holden, 8221 SE 24th Street, objected to any height over the existing maximum building height of 5 stories.

Marguerite Sutherland, 5425 96th Avenue SE, asked if the City would provide public parking with the new building construction. Deputy City Manager Lindell responded that there is a requirement for developments to provide public parking spots.

There being no comments the Mayor closed the Public Hearing at 8:28 pm.

Arthur Sullivan, ARCH answered questions from the Council regarding median incomes to determine affordable housing.

Following discussion and debate of the items listed below the Council accepted the amendments from the April 2, 2007 meeting and then directed staff to prepare further amendments (noted below) to Ordinance...
No. 07C-02, continue the Public Hearing until May 7, 2007 for third reading and adoption of the Ordinance.

- Councilmember Grady Amendment: This amendment requires undergrounding of utility and equipment cabinets unless the developer places them inside of a building.
- Councilmember Goldmanis Amendment: This amendment allows buildings in the Gateway, Mixed Use and Mid-rise Office Focus Areas an additional story of building height for a maximum building height of 6 stories if the developer provides an additional 5 feet in sidewalk width. Council debated this amendment and directed staff not to include this amendment in the Ordinance.
- Councilmember Jahncke Amendment: This amendment changes the definition of “affordable housing” to be based upon the median income of City of Mercer Island and Mercer Island School District full time employees. Council debated this amendment and directed staff to return with text that would accomplish Councilmember Jahncke’s objective of setting the affordable housing standard at the median income of public employees on Mercer Island.
- Councilmember Jahncke Amendment: This amendment changes the word “may” to “shall” and would require the City to waive permit fees when a developer selected the affordable housing option for a significant public amenity or major site feature. Staff recommended Council consider some additional text clarifying the amount of permit fees to waive if the decision was no longer discretionary with staff. Council directed staff to prepare an amendment requiring the waiver of permit fees but limiting the amount of fees waived to the pro rate portion of the permit fees related to the highest story of the building.
- Councilmember Grausz Amendment: Amend Exhibit 3 entitled “Lots Eligible for Significant Public Plazas and Significant Pedestrian Connections to eliminate the pedestrian connection on the block bordered by SE 27th Street, SE 29th Street, 77th Ave. SE and 78th Ave SE. Council referred to this City block as the “Albertson” block in reference to a current use on the subject block.
- Councilmember Jahncke Amendment: Delete prohibition on skybridges over pedestrian connections but include height and width limitations for the skybridge.

OTHER BUSINESS:

Councilmember Absences:
Councilmember Grausz will be absent May 7th.

Planning Schedule:
Add agenda item regarding trapping.

Board Appointments:
There were none.

Councilmember Reports:
Councilmember Litzow spoke regarding (1) Sound Transit’s budget proposal for the November ballot of $13.5 billion and RTID at $7 million; (2) The support for Roads & Transit and the cost per household; and (3) Sound Transit II Plan working draft (520, tolling, I-90 corridor transit).
Councilmember Grady spoke regarding (1) a meeting with 520 project team; (2) Alaskan Way viaduct is on hold; and (3) Seattle Times Climate Change Challenge.
Deputy Mayor Pearman spoke regarding tolling on 520 and I-90.

ADJOURNMENT: 9:55 pm

Attest:

Bryan Cairns, Mayor

Allison Spietz, City Clerk
CALL TO ORDER: Mayor Bryan Cairns called the meeting to order at 6:06 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

ROLL CALL: City Councilmembers Sven Goldmanis, Mike Grady, Dan Grausz, El Jahncke, Steve Litzow, Deputy Mayor Jim Pearman and Mayor Bryan Cairns were present.

EXECUTIVE SESSION:

The Council recessed into Executive Session at 6:06 pm to discuss potential litigation per RCW 42.30.110(1)(i) for approximately 60 minutes.

The Regular Meeting reconvened at 7:02 pm.

APPEARANCES:

Jason King, 4128 93rd Ave SE, commended staff and Council on the proposed Emergency work plan. He stated that there is nothing more important on the Island than communications (e.g. cell towers, wireless communications). He suggested equipping cell towers and wireless communication facilities with generators as being proposed for the gas stations.

Sarah Ford, 2748 73rd Ave SE, testified in favor of sidewalks on First Hill and commitment to put in paved and curved sidewalk on 72nd Ave SE.

John Ewald, 4103 Boulevard Place, commended staff on Emergency work plan but suggested that the Council brings this up again in 2007 to report on implementation. Also discuss level of staffing necessary and emphasize public involvement with the Neighborhood Preparedness Program.

Reiner Fink, 2453 72nd Ave SE, advocates for a raised sidewalk in his neighborhood to keep people safer as they go to Lid Park.

Carolyn Boatsman, Mercer Island resident, advocates for a raised sidewalk along 72nd Ave SE as the divots for driveways, storm drainage and sewer create problems.

Jessica Branom-Zwick, Mercer Island resident, would prefer a curb sidewalk on 72nd Ave SE and believes the sidewalk is safety issue. She asked the Council to approve project as soon as possible.

Frank Fernandes, 3220 72nd Ave SE, rides Metro bus and would like a safe pathway on First Hill to the bus stop. He advocates for sidewalks on 72nd Ave SE and encouraged Council to move project up to earlier time period.

Jim Larus, 8020 SE 59th Street, is in favor of traffic light at Merrimount and Island Crest Way, as there is a lot of high school traffic and street is dangerous.

Erin Koehler, 2247 72nd Ave NE, expressed concern about speeding would like the TIP to address speeds. She requested that a sidewalk is added north of 24th on 72nd Avenue SE, because of high traffic from the Roanoke and the Lid Park.

Dan Sadler, 6021 West Mercer Way, stated that it is hard to get across 4 lanes of Island Crest Way at Merrimount. He is in favor of signal, stop signs or police to stop traffic so people can get across the intersection.
Diana Stone, 8020 SE 59th Street, testified that she witnessed an injury accident at Island Crest Way & Merrimount. She urged Council to expedite traffic light project earlier than 2010 since a City study rated this intersection as most dangerous on the Island.

MINUTES:

(1) It was moved by Councilmember Litzow; seconded by Councilmember Goldmanis to:
    Approve the Regular Meeting Minutes of May 7, 2007 as written.
    Motion passed 7-0.

CONSENT CALENDAR:

(2) Payables: $ 1,083,591.51     Payroll: $569,486.06

    It was moved by Councilmember Goldmanis; seconded by Councilmember Litzow to:
    Approve the Consent Calendar and the recommendations contained therein.
    Motion passed 7-0.

REGULAR BUSINESS:

The Mayor announced that he was going to have item #6 (Town Center code text amendments go before Item #5 (TIP)

(3) AB 4190 Replacement Vessel Purchase for Marine Patrol

    Police Chief Ed Holmes, Marine Patrol Sergeant McDonough and Commander Jokinen briefed Council on the existing marine patrol vessels and operational challenges from the operation of the 23 foot boat with an open cabin known as Patrol 12 (limited foul water operation) and it has neither dewatering or fire capabilities. Staff also briefed Council on the sinking of Patrol 11 and the insurance proceeds received to refurbishment Patrol 11. Staff recommends refurbishing Patrol 11 and replacing Patrol 12 with a covered vessel utilizing insurance proceeds and replacement reserves. Council discussed service with contract cities and the need to be able to cover any additional operating costs as a result of this boat purchase. Council requested an additional briefing to the Public Safety Committee regarding level of service for marine patrol. Some Council also supported an expansion of marine patrol services.

    It was moved by Councilmember Litzow; seconded by Councilmember Goldmanis to:
    Approve appropriation of $450,000 for the refurbishment of Patrol 11 and the early replacement of Patrol 12.
    Motion passed 7-0.

(4) AB 4191 First Quarter Financial Status Report & Budget Amending Ordinance (no presentation)

    Council asked Director Chip Corder questions regarding the Financial Status Report including questions regarding the $450,000 adjustment for the prior Agenda Bill, questions regarding unpredicted sales tax revenue, and NORCOM cost projections and sewer lake line costs.

    It was moved by Councilmember Grausz; seconded by Councilmember Litzow to:
    Suspend the City Council Rules of Procedure 5.2.
    Motion passed 7-0.

    It was moved by Councilmember Grausz; seconded by Councilmember Litzow to:
    Adopt Ordinance No. 07-05, amending the 2007-2008 budget.
    Motion passed 7-0.

(6) AB 4182 Public Hearing: Town Center Code Amendments (3rd Reading)
The Mayor opened the Public Hearing at 8:05 pm.

Deputy City Manager Londi Lindell presented Ordinance No. 07C-02 and advised Council that Council's amendments from second reading had been incorporated into the Ordinance. Ms. Lindell also presented a staff proposed change to the affordable housing ratio that is not a substantive change but makes the ordinance easier to read. Finally, Ms. Lindell briefed Council on Engrossed Senate House Bill 1910 which provides a tool to provide additional incentives for affordable housing and requested Council's direction as to whether or not they wished staff to returns with additional information regarding this option.

Following the staff presentation the Mayor invited citizens to testify. No citizens testified.

The Mayor closed the Public Hearing at 8:15 pm.

Council asked staff questions regarding the E2SHB and the potential property tax exemption for affordable housing. Further questions were asked regarding affordable housing definitions.

It was moved by Councilmember Grausz; seconded by Councilmember Litzow to:

*Adopt Ordinance No. 07C-02 (Exhibit 1 to AB 4182) amending the Town Center Code adopting the clarifying amendment regarding affordable housing ratio in 19.11.050(B)(5)(a) and 19.11.060(B)(2)(d) as follows:*

In order to qualify as significant affordable housing (major site feature) and in order to qualify for the development height bonus described in MICC 19.11.040, a development must provide affordable housing in at least the following ratios: (i) 1 square foot of affordable housing area in the development for every 3 (4 for major site feature) additional square feet of market rate building area provided on the highest story; or (ii) 1 affordable housing unit in the development for every 3 (4 for major site feature) additional market residential units on the highest story, whichever is greater. In no event shall there be less than two affordable housing units.

Motion passed 6-1 (Councilmember Goldmanis dissented).

It was moved by Councilmember Grady; seconded by Councilmember Goldmanis to:

*Reconsider the previous motion.*

Motion Failed 4-2 (Councilmember Grady and Goldmanis proponents of motion).

Staff was directed to return with information on a property tax exemption for providing affordable housing at a future City Council meeting for Council's consideration.

(5) AB 4186 Public Hearing: Transportation Improvement Plan (TIP)

The Mayor opened the Public Hearing at 8:37 pm.

City Engineer Patrick Yamashita briefed the Council on the 2008-2013 Six-Year Transportation Improvement Plan. Mr. Yamashita highlighted the "Residential Street Preservation Programs, "Town Center Street Improvements", Arterial Street Improvements, Mercer Ways shoulder expansion and "Pedestrian and Bicycle Facilities".

Council asked questions of staff regarding level of service on various roads.

Following the staff presentation the Mayor invited citizens to testify:

Maretta Holden testified about sharing road among bicycles, cars and pedestrians near the park and ride construction. What are the rules of the road? Do bicycles need to stop at stop signs?

Debbie Bertlin discussed a petition of citizens for improvements on 72nd Ave SE. She states that drains need to be removed from walkway whether it's a raised curb or not, add parking pockets and paved continuous surface that people will not park on to address safety concerns.

Stowe Sprague testified about Merrimount intersection and requested clarification regarding Hybrid 4.
ORDINANCE

NO. 07C-02

ADOPTED

MAY 21, 2007
AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON
AMENDING CHAPTER 19.11 OF THE MERCER ISLAND CITY CODE TITLED
“TOWN CENTER DEVELOPMENT AND DESIGN STANDARDS”; AND
AMENDING SECTION 19.16.010 OF THE MERCER ISLAND CITY CODE
RELATING TO DEFINITIONS.

WHEREAS, during the early 1990s, the City Council engaged the citizens in discussion and
debate resulting in a vision for the Town Center development as set forth in the Town Center
Development and Design Standards (Design Regulations);

WHEREAS, in 2002, the Mercer Island City Council appointed an Ad Hoc Committee to
review the Design Regulations and make recommendations to the City Council on revisions to the
Design Regulations.

WHEREAS, by Ordinance No.02C-04, the City Council adopted amendments to the Design
Regulations;

WHEREAS, in November 2005, the City Council appointed an Ad Hoc Committee, including
representative members of the Design Commission and City Council to meet to consider and develop
recommendations for potential Town Center code text amendments

WHEREAS, the Ad Hoc Committee met seven times between January 2006 and May 2006 to
discuss and develop recommendations for the City Council;

WHEREAS, the Ad Hoc Committee recommendations were presented to the City Council at its
June 19, 2006 and September 5, 2006 regular City Council meetings;

WHEREAS, Chapter 19.11 MICC has been recommended to be amended in order to focus
more amenities in the public realm of the streetscape, to encourage affordable housing in future Town
Center projects; retain and expand retail uses and diversity in Town Center projects and improve
pedestrian circulation through mid-block connections;

WHEREAS, a joint study session of the Design Commission and Planning Commission was
held on December 6, 2006 at which public testimony was heard and the Commissions had an
opportunity to discuss and debate the proposed amendments;

WHEREAS, the Planning Commission held public hearings on February 21, 2007 and March
21, 2007 and after hearing all public testimony, made its recommendation to the City Council that it
adopt the proposed code text amendments to the Design Regulations;

WHEREAS, the City Council held a public hearing and conducted a first reading on April 2,
2007 and a second reading on April 16, 2007 to consider the proposed amendments to the Design
Regulations;
WHEREAS, the City complied with all public notice requirements for the Planning Commission public meeting and the City Council public meeting;

WHEREAS, in compliance with the State Environmental Policy Act, the proposed code text amendments were found not to have any significant adverse impacts on the environment and the City issued a Determination of Non-significance on March 6, 2007;

WHEREAS, after considering all public testimony and written comments, and the recommendation of the Planning Commission, the City Council adopts the following Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1: Amend Chapter 19.16 MICC Definitions. Chapter 19.16 covering “Definitions” shall be amended to revise or add the following definitions (the definitions that have not been amended have been included for the City Council’s reference in reviewing Section 2, “Town Center Development and Design Standards”):

19.16.010 Definitions.

Words used in singular include the plural and the plural the singular.

A

Adult Entertainment: An adult retail establishment or adult theater. “Adult entertainment” shall not be considered to be included under any other permitted use in this code as either a primary or accessory use, and is not permitted in any zone unless specifically stated. For purposes of adult entertainment, the following definitions apply:

1. Adult Retail: An establishment in which 10 percent or more of the stock in trade consists of merchandise distinguished or characterized by a predominant emphasis on the depiction, description, simulation or relation to specified sexual activities or specified anatomical areas for observation by patrons therein. Structures housing panorams, peep shows, entertainment studios or topless or nude dancing are included in this definition.

2. Adult Theater: A facility used for presenting for commercial purposes motion picture films, video cassettes, cable television, live entertainment or any other such material, performance or activity, distinguished or characterized by a predominant emphasis on depiction, description, simulation or relation to specified sexual activities or specified anatomical areas for observation by patrons therein. Structures housing panorams, peep shows, entertainment studios or topless or nude dancing are included in this definition.

Affordable Housing Unit:

1. Owner Affordable Housing Unit. An owner-occupied dwelling unit affordable to households with household income not exceeding ninety percent (90%) of the King County median income, adjusted for household size.

2. Rental Affordable Housing Unit. A renter-occupied dwelling unit affordable to households whose income does not exceed sixty percent (60%) of the King County median income, adjusted for household size.

3. King County Median Income. The median yearly income for the average sized family in the Seattle Metropolitan Statistical Area as published by the United States Department of Housing and Urban Development from time to time. In the event such income determination is no longer published, or has not been updated for a period of at least eighteen (18) months, the City may use or develop such other reasonable method as
it may choose in order to determine the income for families in King County at the median yearly income for King County.

B
Bar: A premises used primarily for the sale or dispensing of liquor by the drink for on-site consumption and where food may be available for consumption on the premises as accessory to the principal use.

Building Height: The vertical distance measured from the average building elevation to the highest point of the roof structure excluding appurtenances. A mezzanine need not be counted as a story for determining the allowable number of stories when constructed in accordance with the requirements of the construction codes set forth in MICC Title 17.

C
Care Services: The provision of rooms, meals, personal care and health monitoring assistance other than in special needs group housing. Other support may be provided as an adjunct to the provision of care services, including recreation, social, counseling, transportation and financial services. Examples include daycare services, nursing homes, assisted living facilities and retirement homes.

Code Official: The director of the development services group for the city of Mercer Island or a duly authorized designee.

Commercial Zone: Any area located within a Town Center, business, planned business or multifamily zone, or any area located on property in a single-family zone containing a nonresidential use.

Conditional Use: A use listed among those permitted in any given zone but authorized only after a conditional use permit has been granted.

D
Development:

1. A piece of land that contains buildings, structures, and other modifications to the natural environment; or

2. The alteration of the natural environment through:

a. The construction or exterior alteration of any building or structure, whether above or below ground or water, and any grading, filling, dredging, draining, channelizing, cutting, topping, or excavation associated with such construction or modification.

b. The placing of permanent or temporary obstructions that interfere with the normal public use of the waters and lands subject to this code.

c. The division of land into two or more parcels, and the adjustment of property lines between parcels.

Dwelling:

1. Dwelling Unit: A part of a multiple-family dwelling containing only one kitchen, that houses not more than one family, plus any live-in household employees of such family (See also “Accessory Dwelling Unit”).

2. Multiple-Family Dwelling: A building, other than a single-family dwelling with an accessory dwelling unit, containing two or more dwelling units.

3. Single-Family Dwelling: A building designed and/or used to house not more than one family, plus any live-in household employees of such family.

4. Single-Family Dwelling – Detached: A single-family dwelling that is not attached to any other structure by any means and is surrounded by open space or yards.

5. Single-Family Dwelling – Semi-Detached: A single-family dwelling that is attached to another dwelling unit by a common vertical
wall, with each dwelling unit located on a separate lot.

**F**
Facade: Any exterior wall of a structure, including projections from and attachments to the wall. Projections and attachments include balconies, decks, porches, chimneys, unenclosed corridors and similar projections.

Financial and Insurance Services: Establishments primarily engaged in financial transactions and/or in facilitating financial transactions. Examples include banks, credit unions, stock brokers, and insurance underwriters.

**G**
Gross Floor Area: The total square footage of floor area bounded by the exterior faces of the building.

1. The gross floor area of a single-family dwelling shall include:
   a. The main building, including but not limited to attached accessory buildings.
   b. All garages and covered parking areas, and detached accessory buildings with a gross floor area over 120 square feet.
   c. That portion of a basement which projects above existing grade as defined and calculated in Appendix B of this development code.

2. In the Town Center, gross floor area is the area included within the surrounding exterior finish wall surface of a building, excluding courtyards and parking surfaces.

**H**
Hotel/Motel: A facility offering temporary accommodations for a fee to the general public and which may provide additional services such as restaurants, meeting rooms, entertainment, and recreational facilities.
allowed building height over the base building height of two stories.

Manufacturing: An establishment engaged in the mechanical or chemical transformation of materials or substances into new products. Uses which create or involve the production of hazardous materials or objectionable noise, odor, dust, smoke, cinders, gas fumes, noise, vibration, refuse or water carried waste are not allowed. Manufacturing uses are limited to 10,000 square feet or less of gross floor area.

Minor Exterior Modification: Any exterior modification to an existing development or site that does not constitute major new construction.

Minor Site Feature. The public development amenities listed in MICC 19.11.060 that an applicant of major new construction in the Town Center must include regardless of the building’s height.

Office Uses: The use of a room or group of rooms for conducting the affairs of a business, profession, service, or government and generally furnished with desks, tables, files and communication equipment.

Parking: A public or private area, under, within or outside a building or structure, designed and used for parking motor vehicles including parking lots, garages, and driveways. For the purposes of this definition only:

1. “Parking structure” shall mean a building or structure consisting of more than one level and used for the temporary parking and storage of motor vehicles.

2. “Underground parking” shall mean the location of that portion of the parking structure located below the existing grade of the ground abutting the structure.

Pedestrian-Oriented Uses: Uses that stimulate pedestrian activity along the sidewalk frontage of a building. Uses include, but are not limited to, small scale retail, restaurants and theaters.

Pedestrian Walkway: A walkway used exclusively for pedestrian trafficway, which may be covered or enclosed.

Personal Services: A business that provides services relating to personal grooming and health. Uses include barber shops, hair stylists, spas, fitness centers and nail salons, dry-cleaning, tailoring, and healthcare services provided by licensed practitioners.

Professional, Scientific, and Technical Services: Establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training and include legal services; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; real estate sales services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

Public Access: A means of physical approach to and along the shoreline, or other area, available to the general public. Public access may also include visual approach.

Public Facility: A building, structure, or complex used by the general public. Examples include but are not limited to assembly halls, schools, libraries, theaters and meeting places.

Recreation: In the Town Center, recreation includes a place designed and equipped for the conduct of leisure-time activities or sports.

Repair Services: The repair and maintenance of personal and household goods, including
locksmithing, appliance repair, furniture reupholstery, and shoe repair.

Residential Dwelling: A home, abode or place that is used for human habitation.

Restaurant: An establishment where food and drink are prepared and consumed. Such establishment may also provide catering services.

Retail Use: An establishment engaged in selling goods or merchandise and rendering services incidental to the sale of such goods.

1. Small Scale Retail: A retail establishment occupying a space of 20,000 square feet or less.

2. Large Scale Retail: A retail establishment occupying more than 20,000 square feet.

3. Outdoor Retail: The display and sale primarily outside a building or structure of the following: vehicles, garden supplies, gas, tires, boats, aircraft, motor homes, building and landscape materials, and lumber yards.

Rooming House: A home or other facility, other than special needs group housing or social service transitional housing as provided in MICC 19.06.080(A) and (B), that provides room or room and board to seven or more persons unrelated to the operator, and does not include persons with handicaps or persons with familial status within the meaning of the FHAA.

§

Scale: The height, width and general proportions of a structure or features of a structure in relationship to its surroundings. Human or pedestrian scale is building form or site design that is intimate, comfortable and understandable from the perspective of an individual walking.

Service: An establishment primarily engaged in providing assistance as opposed to products. Examples include but are not limited to personal services, business, financial and insurance services, mortuary services, tailors, healthcare services, educational services, repair services, amusement services, membership organizations, and other professional, scientific, and technical services.

Service Stations: Establishments retailing automotive fuels (e.g., gasoline, diesel fuel, gasohol) and automotive oils. These establishments may also provide repair and maintenance services for automotive vehicles and/or and convenience store retailing.

Significant Affordable Housing. Affordable housing in the Town Center meeting the requirements of MICC 19.11.050(B)(5).

Significant Pedestrian Connection or. A pedestrian connection in the Town Center meeting the requirements of MICC 19.11.050(B)(3).

Significant Public Amenity or Amenities. The public development amenities listed in MICC 19.11.050 that an applicant must provide in order to be permitted the maximum allowed building height in the Town Center.

Social Service Transitional Housing: Noninstitutional group housing facilities for unrelated persons, other than special needs group housing or rooming houses, that are privately or publicly operated, including those facilities required to be licensed by the state or federal governments as well as those that may not be required to be licensed, that provide temporary and transitional housing to meet community social service needs including, but not limited to, work-release facilities and other housing facilities serving as an alternative to incarceration, halfway houses, emergency shelters, homeless shelters, domestic violence shelters and other such crisis intervention
facilities. Social service transitional housing excludes institutional facilities that typically cannot be accommodated in a single-family residential structure.

Special Needs Group Housing: Noninstitutional group housing that primarily supports unrelated persons with handicaps or persons protected by familial status within the meaning of the FHAA, but not including individuals whose tenancy would constitute a direct threat to the health and safety of other individuals or whose tenancy would result in substantial physical damage to the property of others. Special needs group housing includes, but is not limited to, foster family homes, adult family homes and residential care facilities as provided in Chapter 70.128 RCW, but excludes facilities that typically cannot be accommodated in a single-family residential structure such as hospitals, nursing homes, assisted living facilities and detention centers.

Story: Story is that portion of a building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a usable or unused under-floor space is more than six feet (1,829 mm) above grade for more than 50 percent of the total perimeter, or is more than 12 feet (3,658 mm) above grade at any point, such usable or unused under-floor space shall be considered as a story. Grade is measured as the lowest point on the property within a distance of five feet from the exterior wall.

Theaters: Establishments primarily engaged in either (1) producing live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists or (2) exhibiting motion pictures or videos.

Transportation/Utility: A facility primarily engaged in providing transportation services, including automobile service stations and transit stations; the generation, transmission, distribution of energy; or the collection of waste and recycled materials.

Warehousing: A building used primarily for the storage of goods and materials, including facilities available to the public for a fee.

Warehousing: The storage of goods and materials, including facilities available to the public for a fee.

Section 2: Chapter 19.11 MICC Town Center Development and Design Standards. MICC 19.11.010, “General”, 19.11.020 “Town Center Development-General”, 19.11.040, “Building Height” and 19.11.050 “Site Features” of the “Town Center Development and Design Standards” are hereby amended; new section 19.11.050 “Significant Public Amenities” is hereby added and the following code sections are renumbered in Chapter 19.11 MICC Town Center Development and Design Standards, as follows:

19.11.010(B)(1)

d. Opportunity Sites. The city has identified several opportunity sites that would accommodate major public improvements such as civic plazas, underground public parking and pedestrian mid-block connections. One such opportunity site is the development of a public space on 78th Avenue SE between 27th Avenue SE and Sunset Highway. Envisioned in this area is a public-private partnership project with street improvements to create a viable civic gathering area that encourages public space amenities on adjacent private property with special pedestrian-oriented features that
may accommodate vehicular traffic but could be closed off for community events. It is hoped that this space, combined with the art park, can become the key downtown plaza within the Town Center. Other opportunity sites for three significant public plazas and significant pedestrian connections to break up existing large blocks are shown in Exhibit 3 and provide developer incentives of one additional story of building height in exchange for development of either a significant public plaza or significant pedestrian connection.

19.11.020 Town Center development—General.
A. Focus Areas. The following specific focus areas have been established in the Town Center to meet the land use objectives of the comprehensive plan (see location map, Exhibit 1).

1. Gateway Focus Area. The purpose of the gateway focus area is to create a focused commercial core, oriented toward pedestrian connections and regional transit access. The broadest mix of land uses is allowed, including retail, office, residential, service, restaurant, entertainment, lodging and community facilities. Buildings are to be oriented toward the street and public spaces.

2. Mixed Use Focus Area. The purpose of the mixed use focus area is to provide mixed retail, office, and residential uses at a level of intensity sufficient to support transit service.

3. Mid-Rise Office Focus Area. The purpose of the mid-rise office focus area is to provide an area for office use with ground floor retail in close proximity to transit and the Interstate 90 corridor.

4. Residential Focus Areas. The purpose of the residential focus areas is to encourage low-rise, high-density housing around the commercial core. A mix of housing types is anticipated including townhouses, condominiums and apartments. Office and retail uses are also allowed. A minimum of 50 percent of the occupiable space above two stories shall be dedicated to residential use. Ground floor retail and restaurant uses are encouraged along 77th and 78th Avenues SE. Three residential focus areas (Northwest, Central and South) are established with varied height restrictions for transition to the single-family uses to the south.

5. Auto-Oriented Focus Area. The purpose of the auto-oriented focus area is to provide a location for commercial uses that are dependent on automobile intensive uses.

B. Permitted Uses.

1. By Focus Area. Permitted uses for each focus area are as follows:

<table>
<thead>
<tr>
<th>Permitted Use</th>
<th>Gateway</th>
<th>Mixed Use</th>
<th>Mid-Rise Office</th>
<th>Residential NW</th>
<th>Residential Central</th>
<th>Residential South</th>
<th>Auto-Oriented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult entertainment</td>
<td>C</td>
<td>N</td>
<td>C</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Bar</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Care services</td>
<td>N</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Hotel/motel</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>C</td>
<td>P</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>N</td>
<td>C</td>
<td>C</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>P</td>
</tr>
<tr>
<td>Activity</td>
<td>Use in All Focus Areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>-------------------------------</td>
<td>----------------------------------------------</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>C    C    P    C    C    C    P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public facility</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential dwelling</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurant</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail – small scale</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail – large scale</td>
<td>Conditional use</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail – outdoors</td>
<td>N    N    N    N    N    N    N    C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rooming houses</td>
<td>Permitted as provided in MICC 19.06.080</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>Permitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social service transitional housing</td>
<td>Conditional use as provided in MICC 19.06.080</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special needs group housing</td>
<td>Permitted as provided in MICC 19.06.080</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theater</td>
<td>P    P    P    C    C    C    C    P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Transportation/utilities</td>
<td>Permitted, except *(see below)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehousing</td>
<td>N    N    N    N    N    N    N    C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**C – CONDITIONAL USE**

**P – PERMITTED**

**N – NOT ALLOWED**

*Transportation use shall not be allowed on 78th Avenue SE between SE 27th Street and SE 32nd Street, except for bus stops and shelters or other minor facilities that support transit and bicycle use.

C. Required Ground Floor Uses

1. Street Classifications. Within the Town Center, there shall be two types of street classifications as shown in Exhibit 2 with the following required ground floor use:
<table>
<thead>
<tr>
<th>Classification</th>
<th>Location</th>
<th>Ground Floor Use Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1 Street</td>
<td>All of SE 27&lt;sup&gt;th&lt;/sup&gt; St</td>
<td>• 60% or more of the ground floor street shall be occupied by one or more of the following permitted uses: retail, restaurant or personal services;</td>
</tr>
<tr>
<td></td>
<td>All of SE 29&lt;sup&gt;th&lt;/sup&gt; St</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SE 28&lt;sup&gt;th&lt;/sup&gt; St west of 80&lt;sup&gt;th&lt;/sup&gt; Ave SE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All of 77&lt;sup&gt;th&lt;/sup&gt; Ave SE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All of 78&lt;sup&gt;th&lt;/sup&gt; Ave SE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>76&lt;sup&gt;th&lt;/sup&gt; Ave SE north of SE 27&lt;sup&gt;th&lt;/sup&gt; St</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SE 32&lt;sup&gt;nd&lt;/sup&gt; St west of 78&lt;sup&gt;th&lt;/sup&gt; Ave SE</td>
<td></td>
</tr>
<tr>
<td>Type 2 Street</td>
<td>All of Sunset Highway</td>
<td>• No more than 40% of the ground floor street shall be occupied by one or more of the following permitted uses: hotel/motel; public facilities; services; or office;</td>
</tr>
<tr>
<td></td>
<td>76&lt;sup&gt;th&lt;/sup&gt; Ave SE south of SE 27&lt;sup&gt;th&lt;/sup&gt; St</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All of 80&lt;sup&gt;th&lt;/sup&gt; Avenue SE</td>
<td>• Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.</td>
</tr>
<tr>
<td></td>
<td>SE 32&lt;sup&gt;nd&lt;/sup&gt; St east of 78&lt;sup&gt;th&lt;/sup&gt; Ave SE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All of SE 30&lt;sup&gt;th&lt;/sup&gt; St</td>
<td>• There shall be no net loss to the square footage of existing ground floor retail and restaurant, in the aggregate, based upon the maximum retail and restaurant square footage existing during the immediately preceding three (3) years on the site.</td>
</tr>
</tbody>
</table>

2. Minimum Depth and Width for Retail Uses. All ground floor retail shall be a minimum depth of 20 feet measured from the interior walls of the retail use and a minimum width of 20 feet measured from the interior walls of the retail use.

*Rest of page intentionally left blank.*
GD. Accessory Uses.

1. Outdoor Storage and Display of Merchandise. The total area allowed for outdoor storage and/or merchandise display shall be less than five percent of the total gross square footage of the use; provided, however, that such area may exceed five percent if it is fenced, screened and located in a manner acceptable to the design commission. This standard does not apply to temporary uses such as material storage during construction or street vendors.

2. Commerce on Public Property. Commerce on public property may be allowed pursuant to MICC 19.06.050.

3. Transit Facilities. Bus parking/loading space, and shelters and facilities for transit users should be integrated in the design of major new construction. Plans should be coordinated with transit providers to maximize the interface with community-wide and regional transit systems.

4. Bicycle Facilities. Parking and facilities that support bicycle use, including racks, covered and secured bike-storage areas, and in the case of office buildings, lockers and showers, should be included in the design of major new construction.

5. Utility and Equipment Cabinets. Existing or proposed utility and equipment cabinets or boxes, including wireless communication facilities shall be placed inside a building or placed underground if physically feasible. In the event the City determines such location is not physically feasible, the utility and equipment cabinets must be screened by fencing, landscaping and/or stealth screening technologies so they are not visible.

GE. Objectionable or Hazardous Uses. No use shall be allowed which produces excessive odor, dust, smoke, cinders, gas, fumes, noise, vibration, refuse matter or water-carried waste. The standard for “excessive” shall be based on the average or normal production of these items by adjoining uses permitted in the vicinity of the proposed new use. A use is excessive if it unreasonably interferes with the ability of the adjoining property owners to utilize their property for working or living activities or if it unreasonably interferes with the ability of pedestrians and residents to remain in or enjoy the area.

EF. Affordable Housing. Affordable housing units are allowed and encouraged in all areas of the Town Center and permit fees shall be waived consistent with 19.11.050 and 19.11.060.

1. Permit Fees Waived. When there is a commitment by an applicant to provide affordable housing as a portion of a development project, the city may waive building permit and plan review fees for the entire project and provide priority to the processing of plan review and inspections. Building permit and plan review fees may be waived, and design review fees reimbursed, when the proposal meets the following standards:

   a. At least 10 percent of the units, but in no case less than five units, are affordable to households meeting the standard for affordable housing. “Affordable housing” shall be defined as the current HUD Income Guidelines for King County for households with incomes at or below 80 percent of the median income for King County; and

   b. A covenant is recorded against the property requiring the property owner to maintain the units as affordable for 20 years.

2. Development Agreement. The applicant's agreement to provide affordable housing shall be set forth in a development agreement between the city and applicant prior to the review of building permits. (Ord. 02C-04 § 1; Ord. 02C-05 § 1; Ord. 02C-08 § 1; Ord. 02C-09 § 1).

19.11.040 Building height.

A. Objectives. A pedestrian-scale environment is created through limiting building height. A base building height of two stories is established throughout the Town Center, in order to encourage such pedestrian-scale
designs, respect for views, creation of visual interest and identity and incorporation of important public amenities. In the gateway, mixed use, mid-rise office, and residential and auto focus areas, additional stories of building height may be allowed if the applicant complies with the following development and design standards.

B. Development and Design Standards.

1. Calculation of Building Height.

Building height is the vertical distance measured from the average building elevation to the highest point of the roof structure. This does not include rooftop appurtenances.

2. Base Building Height. A base building height of up to two stories (not to exceed maximum 26 feet) shall be allowed. One-story structures located adjacent to the public right-of-way shall be a minimum of 18 feet.

3. Maximum Building Height. No building shall exceed the following maximum building height in each focus area:

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Base Building Height</th>
<th>Maximum Building Height</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gateway</td>
<td>Five stories but not to exceed 65 feet</td>
<td>Five stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Mixed Use</td>
<td>Five stories but not to exceed 65 feet</td>
<td>Five stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Mid-Rise Office</td>
<td>Five stories but not to exceed 65 feet</td>
<td>Five stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Residential-Northwest</td>
<td>Five stories but not to exceed 65 feet</td>
<td>Four stories but not to exceed 52 feet</td>
</tr>
<tr>
<td>Residential-Central</td>
<td>Three stories but not to exceed 39 feet</td>
<td>Four stories but not to exceed 52 feet</td>
</tr>
<tr>
<td>Residential-South</td>
<td>Three stories but not to exceed 39 feet</td>
<td>Three stories but not to exceed 39 feet</td>
</tr>
<tr>
<td>Auto-Oriented</td>
<td>Two stories but not to exceed 26 feet</td>
<td>Three stories but not to exceed 39 feet</td>
</tr>
</tbody>
</table>

3. Additional Building Height.

a. Increase in Building Height in Exchange for Major Site Feature/Significant Public Amenity.

The following chart sets forth the increased building height available for adding a major site feature or significant public amenity to the development:

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Building Height With Major Site Feature</th>
<th>Maximum Building Height With Significant Public Amenity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gateway</td>
<td>Four Stories but not to exceed 52 feet</td>
<td>Five Stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Mixed Use</td>
<td>Four Stories but not to exceed 52 feet</td>
<td>Five Stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Mid-Rise Office</td>
<td>Four Stories but not to exceed 52 feet</td>
<td>Five Stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Residential-NW</td>
<td>Four Stories but not to exceed 52 feet</td>
<td>Five Stories but not to exceed 65 feet</td>
</tr>
<tr>
<td>Residential-Central</td>
<td>Three Stories but not to exceed 39 feet</td>
<td>Four Stories but not to exceed 52 feet</td>
</tr>
<tr>
<td>Residential-South</td>
<td>Three Stories but not to exceed 39 feet</td>
<td>Three Stories but not to exceed 39 feet</td>
</tr>
<tr>
<td>Auto-Oriented</td>
<td>Three Stories but not to exceed 39 feet</td>
<td>Three Stories but not to exceed 39 feet</td>
</tr>
</tbody>
</table>

b. Eligibility for Maximum Building Height.

Every lot in the Town Center is eligible for the maximum building height described in the above chart by providing a significant public amenity. The intent of this developer incentive is to obtain three significant public plazas in the Town Center, provide a single mid-block pedestrian connection across each large City block in the Town Center and provide affordable housing in the Town Center. The type of significant public amenity that an
applicant must provide is described in Exhibit 3 and in MICC 19.11.050(B)(1).

No building shall exceed the base building height of two stories (not to exceed 26 feet) unless the applicant satisfies the following criteria:

§4. Rooftop Appurtenances. Rooftop appurtenances are discouraged. If necessary, rooftop appurtenances may extend up to 10 feet above the maximum building height allowed, if there is a functional need for the appurtenance and that functional need cannot be met with an appurtenance of a lesser height. This provision shall not be construed to allow building height in excess of the maximum limit. Rooftop appurtenances should be located at least 10 feet from the exterior edge of any building, and together with the screening provided for below, shall not cover more than 20 percent of the rooftop area.

a. Screening of Rooftop Appurtenances. Appurtenances shall not be located on the roof of a structure unless they are hidden or camouflaged by building elements that were designed for that purpose as an integral part of the building design. All appurtenances located on the roof should be grouped together and incorporated into the roof design and thoroughly screened. The screening should be sight-obscuring, located at least 10 feet from the exterior edge of any building, and effective in obscuring the view of the appurtenances from public streets or sidewalks or residential areas located on the hillside surrounding the Town Center.

b. Wireless Communication Facilities. Wireless communication facilities (WCFs) shall be governed by MICC 19.06.040; provided, they shall be screened as required by subsection (B)(5)(a) of this section. (Ord. 02C-05 § 1; Ord. 02C-04 § 3).

a. Focus Area. The building is located in a focus area allowing additional height as set forth in the chart in subsection (B)(3) of this section, Maximum Building Height;

b. Required Uses.

i. Gateway and Mixed Use Focus Areas. One hundred percent of the ground floor street frontage (not including areas such as driveways, service and truck loading areas, parking garage entrances and lobbies) shall be occupied by one or more of the following permitted uses: hotel/motel; public facilities; retail; service; office; restaurant; or recreation; provided the design commission has the discretion to allow residential uses on the ground floor level fronting on Sunset Highway if the applicant demonstrates compelling justification. On SE 27th Street and 78th Avenue SE, no more than 40 percent of the ground-floor street frontage shall be occupied by office uses;

ii. Mid-Rise Office Focus Areas. One hundred percent of the ground floor street frontage (not including areas such as driveways, service and truck loading areas, parking garage entrances and lobbies) along SE 27th Street shall be occupied by one or more of the following permitted uses: hotel/motel; public facilities; retail; services; office; restaurant; or recreation.

iii. Residential Focus Areas. A minimum of 50 percent of the occupiable space above two stories shall be dedicated to residential use.

c. Site Features. The development shall include the major and minor site features required by MICC 19.11.050 and meet all other applicable development and design standards of this chapter, as determined by the design commission.

Rest of page intentionally left blank.
Exhibit 3: Lots Eligible For Significant Public Plazas & Significant Pedestrian Connections
19.11.050 Significant Public Amenities

A. Objectives. In order to focus more public amenities in the Town Center, to encourage affordable housing in future Town Center projects; improve pedestrian circulation through mid-block connections, the City will provide a development bonus of one additional story of building height in exchange for a significant public amenity.

B. Development and Design Standards.

1. Type of Significant Public Amenity Required
   (a) If an applicant owns a lot shown on Exhibit 3 as eligible for either a significant pedestrian connection or significant public plaza, the applicant must provide such connection or plaza to qualify for the maximum building height except as otherwise described in subsections (c) and (d) below. If an applicant owns a lot shown on Exhibit 3 as eligible for both a significant public plaza and a pedestrian connection, the Design Commission will select either a significant public plaza or connection based upon which amenity provides the greatest public benefit.
   (b) If an applicant owns a lot that is not highlighted on Exhibit 3 as eligible for a connection or plaza, then the applicant must provide significant affordable housing to qualify for the maximum building height.
   (c) Once a significant public plaza has been approved by the Design Commission on Site 1, 2 or 3 shown on Exhibit 3, no subsequent development may use a significant public plaza with respect to that Site to qualify for the maximum building height but will still be eligible for the maximum building height by providing significant affordable housing.
   (d) Once a significant pedestrian connection has been approved by the Design Commission to create a mid-block connection for a large City block shown in Exhibit 3, no subsequent development on such block may use a connection to qualify for the maximum building height but will still be eligible for the maximum building height by providing significant affordable housing.

2. Significant Public Plaza.
   a. Location and Size. Significant public plazas shall be approximately located in the areas described in Exhibit 3 as Sites 1, 2 and 3. A single plaza shall be a minimum size equal to 3% of the gross floor area of the development, but not less than 4,000 square feet in area. The plaza should be at least 20 feet in width. The Design Commission may allow a development to provide two or more plazas so long as the Design Commission determines that such multiple plazas will have an equal or greater public benefit and each plaza is at least 2,000 square feet in area. The primary purpose of the plaza shall be as a public gathering place. Other uses, including access to parking areas, lobby entrances, and stairs must be secondary to the plaza purpose and areas required for such uses shall not be included in calculating the minimum size. Areas devoted to a plaza shall be in addition to any area required as a minor site feature under MICC 19.11.060.
   b. Design Elements.
      i. The plaza shall be at the same level as the public sidewalk, serve as a focal point for pedestrian activity within the Town Center, and should be fully integrated and designed consistent with any pedestrian connection or other public amenity.
      ii. Plazas shall be designed with sufficient pedestrian amenities including seating, lighting, water features, special paving, landscaping, artwork and special recreational features, as determined by the Design Commission. At least two linear feet of seating surfaces per 100 square feet of space should be provided. To qualify, seating surfaces shall be a minimum of 18" in depth. At least half the seating should have seat backs and have surfaces made of wood, rather than metal, stone or concrete. In addition, moveable chairs should be provided and shall not be for the sole use of an adjacent retail business.
iii. Pedestrian-oriented frontage is required on at least two sides unless the space is linear in design, in which case pedestrian-oriented frontage is required on at least one side.

iv. At least 25 percent but not more than 60 percent of the open space should be landscaped with trees, groundcover or other vegetation.

v. The plaza may not be covered by a roof, story or skybridge; provided portions of the plaza may be covered for weather protection, but not enclosed.

vi. All city approvals or permits for any structure shall be reviewed for compatibility with the alignment of any existing or approved plaza.

c. Plaza Plan. The applicant shall submit a plan with a minimum scale of $\frac{1}{4}'' = 1'$ for the plaza which shall include a description of all landscaping; lighting; street furniture; color and materials; relationship to building frontage; specific location of the plaza; and the relationship to and coordination with any pedestrian connection or other public amenity.

d. Public Access. The entire plaza should be open to the public 24 hours per day. Temporary closures will be allowed as necessary for maintenance purposes. Upon City approval, portions of the plaza may be separated, as required by the State of Washington Liquor Control Board, in order to allow outdoor seating for restaurant purposes.


a. Location and Size. Connections shall be located on the lots eligible for significant public connections as shown on Exhibit 3. The actual location of the pedestrian connection on the lot shall be determined by the Design Commission based upon the following criteria: (i) the connection will connect with existing or future rights of way, other pedestrian connections and/or public plazas; (ii) the connection has the effect of dividing a large City block approximately in the middle of such block in approximately the preferred locations shown in Exhibit 3; and (iii) it is likely that the remainder of the subject connection will be developed in the future based upon development conditions on surrounding lots. The connection shall be the length necessary to provide access between existing rights of way; provided, however, that if an applicant does not own all property necessary to make the connection, this option will still be available if an easement is provided to the City for the remainder of the connection. If the applicant fails to obtain the easement after using best efforts to obtain the easement, the City may still approve the connection. The connection shall be a minimum of 20 feet wide. The area devoted to a connection shall be in addition to the area devoted to any other minor site feature required pursuant to MICC 19.11.060. The primary purpose of the connection shall be as a means for pedestrian access between rights-of-way and as a public gathering place. Other uses, including access to parking areas, lobby entrances, and stairs must be secondary to and not conflict with the connection purpose and areas required for such uses shall not be included in calculating the minimum size

b. Design Elements.

i. The connection shall be at the same level as the public sidewalk and incorporate sufficient pedestrian amenities such as seating areas, landscaping, art features, water features, weather protection and pedestrian scale lighting, as determined by the Design Commission.

ii. The connection should use special paving, such as decorative colored concrete, concrete unit brick or stone pavers and coordinated design features such as uniform treatment of signing, landscaping and lighting over the entire length of the connection.

iii. The connection must provide predominantly continuous pedestrian-oriented frontage, plazas, pedestrian ways, street arcades, landscape features, or plazas along its entire length.
iv. The connection may not be covered by a roof or story; provided portions of the plaza may be covered for weather protection, but not enclosed and skybridges connecting two buildings are allowed if the skybridge is less than 20 feet wide and less than 14 feet in height.

v. All City approvals or permits for any structure shall be reviewed for compatibility with the alignment of any existing or approved connection.

vi. The connection shall be for exclusive pedestrian use and may not be used by vehicles except as necessary for maintenance purposes.

c. Connection Plan. The applicant shall submit a plan with a minimum scale of \( \frac{1}{4}" = 1' \) for the connection which shall include a description of all landscaping; lighting; street furniture; color and materials; relationship to building frontage; specific location of the connection and the relationship to and coordination with any plaza.

d. Public Access. The entire connection should be open to the public 24 hours per day. Temporary closures will be allowed as necessary for maintenance purposes. Upon city approval, portions of the connection may be separated, as required by the State of Washington Liquor Control Board, in order to allow outdoor seating for restaurant purposes.

4. Legal Agreements Required for Significant Public Plaza and Pedestrian Connection. The owners of property to be devoted to a significant public plaza or pedestrian connection should retain fee ownership of that property but shall execute a legal agreement providing that such property is subject to a right of pedestrian use and access by the public. The agreement shall be in form and substance acceptable to the City Attorney and be recorded with the King County Division of Records and Elections and the Mercer Island City Clerk. The obligations under the agreement shall run with the land. At the end of 50 years from the date the agreement is signed, the agreement will be reviewed by the City and the agreement shall continue or change in accordance with the then-existing public need for pedestrian use and public access for subsequent 50-year terms. No modifications to either a significant public plaza or pedestrian connection shall be made without approval of the City other than ordinary repairs and maintenance.

5. Significant Affordable Housing.

a. Affordable Housing Ratio. In order to qualify as significant affordable housing and in order to qualify for the development height bonus described in MICC 19.11.040, a development must provide affordable housing in at least the following ratios: (i) 1 square foot of affordable housing area in the development for every 3 additional square feet of market building area provided on the highest story; or (ii) 1 affordable housing unit in the development for every 3 additional market residential units provided on the highest story, whichever is greater. In no event shall there be less than two affordable housing units.

b. Design Elements.

i. The affordable housing units shall be intermingled with all other dwelling units in the development and are not required to be on located on the top floor or bonus story.

ii. The type of ownership (owner vs. rental) of the affordable housing units shall be the same as the type of ownership for the rest of the dwelling units in the development.

iii. The affordable housing units should consist of a range of number of bedrooms or studios that are comparable to units in the overall development.

iv. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

v. The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development.

c. Agreement. An agreement in form and substance acceptable to the City Attorney shall be executed providing price restrictions.
homebuyer or tenant qualifications and long-term affordability. The agreement shall be recorded with King County Department of Records and Elections and shall constitute a covenant running with the land. Affordable housing units shall remain as affordable housing for a minimum of 30 years from the date of initial owner occupancy for owner affordable units and for the life of the project for rental affordable housing units.

d. Permit Fees. The city shall waive that portion of the building permit and plan review fees and reimburse that portion of the design review fees allocable to the highest story of the development based on the relative square footage of the highest story compared to the overall square footage of the building.

19.11.0650 Site features.

A. Objectives. All major new construction shall be designed to attract people to the Town Center, including the provision of special site features. Pedestrian-scale design elements may include street furniture or other seating surfaces on private property and design amenities scaled to the pedestrian such as awnings, drinking fountains, mid-block connections, arcades, colonnades, plazas, courtyards, water features, kiosks, public or private art and alternative paving materials in areas of pedestrian access.

B. Development and Design Standards.

1. Minor Site Features. All major new construction regardless of its height shall have at least three minor site, subject to design commission determination that such choices contribute to a well-balanced mix of features in that focus area features. All major new construction should have canopies or all-weather features described in subsection (b) along 80% of all Type 1 streets. Minor site features may include the following:

   a. Decorative Landmarks. Imaginative features that complement the building design and create visual focal points that give identity to an area, such as decorative clocks, special paving in pedestrian areas, art features, water features, drinking fountains, or creative designs for necessary building features or functions. Art should be integrated with the public street improvements. Examples include sculpture, murals, inlays, mosaics, friezes or bas-reliefs. The location of art shall provide for public view but not hinder pedestrian traffic.

   b. Canopies or All-Weather Features. Specially designed all-weather features that integrate weather protection systems at the sidewalk level of buildings to mitigate the effects of rain, wind, glare, shadow, reflection and sunlight on the pedestrian environment, to make spending time outdoors feasible in all seasons, such as awnings, canopies, trellises, pergolas, or covered arcades.

   i. Any canopy or awning over a public sidewalk should be a permanent architectural element.

   ii. Any canopy or awning over a public sidewalk should project out from the building facade a minimum horizontal width of five six feet (6') and be between eight 8 to 12 feet above grade.

   iii. Architectural details should not be concealed by awnings or canopies.

   iv. Awning shapes should relate to the shape of the facade's architectural elements. The use of traditionally shaped awnings is encouraged.

   v. Vinyl or plastic awnings or canopies are not allowed.

   vi. All awnings or canopies must function to protect pedestrians from rain and other weather conditions.

   c. Kiosks. Community-oriented kiosks, which may include bulletin boards and newsstands or racks, creatively designed and consolidated and placed in areas where large numbers of people gather, which complements the site design and streetscape and reduces visual clutter.

   d. Courtyards. An outdoor covered or uncovered area easily accessible to the public at the same level as the public sidewalk or pedestrian connections which should:

      i. Be at least 10 feet in width, with a building facade on at least one side;
ii. Be covered with trees, ground cover; or other landscaping over at least 50 percent of its area; and
iii. Include seating, special paving material, pedestrian-scale lighting and other pedestrian furnishings.

iv. The courtyard may not be covered by a roof, story or skybridge; provided portions of the courtyard may be covered for weather protection, but not enclosed.

e. Additional Sidewalk Setback. At least five (5) feet of sidewalk width, in addition to the minimum sidewalk setback provided for in MICC 19.11.110(B)(4), may be provided along 78th Avenue SE, along the entire street frontage of the development site. Such additional sidewalk should be designed to provide additional pedestrian access where parking pockets narrow the sidewalk, to accommodate street trees and benches, or to create spaces for more pedestrian-oriented activities such as outdoor dining or seating.

2. Major Site Features. Any major new construction which exceeds the two-story base height shall include at least one of the following major site features, subject to design commission determination that such choices contribute to a well-balanced mix of features in that focus area; provided, that a development providing a significant public amenity pursuant to MICC 19.11.050 is exempt from this major site feature requirement.

a. Pedestrian Connection. Pedestrian connections will qualify as a major site feature upon satisfaction of the design and development standards set forth in MICC 19.11.050(B)(3) except that the minimum width shall be ten (10) feet.

i. Location.

(A) The major-site feature should be a pedestrian mid-block connection on: (1) the one block bordered by 77th and 78th Avenues SE, and SE 27th and 29th Streets; and (2) the one block bordered by 78th and 80th Avenues SE, and SE 28th and 30th Streets; unless the design commission determines that the pedestrian connection would not be in the best interest of the public, for reasons such as another pedestrian connection already existing on the block or the proposed project's location relative to an existing public right-of-way.

(B) Pedestrian mid-block connections may be provided on any other large block, unless the design commission determines that the pedestrian connection would not be in the best interest of the public.

ii. Required Elements. Any pedestrian connection shall be open to the public and should include the following:

(A) Be a minimum width of 10 feet.

(B) Provide pedestrian amenities, such as seating, landscaping, and lighting.

(C) Use special paving, such as decorative colored concrete, concrete units, brick, or stone pavers.

(D) Whenever possible, pedestrian connections should connect from public right-of-way to public right-of-way.

b. Public Plazas or Pocket Parks.
Public plazas or pocket parks will qualify as a major site feature upon satisfaction of the design and development standards set forth in MICC 19.11.050(B)(2) except the plaza may be located anywhere in the Town Center including the sites identified on Exhibit 3 and the minimum size of a single public plaza shall shall be designed as public open spaces that incorporate amenities for use by people, as opposed to serving only as a setting for a building.

i. Public plazas and pocket parks shall be easily accessible from adjacent sidewalks or pedestrian connections.

ii. Plazas and pocket parks should be located in sunny areas and provide plenty of seating on benches, steps and/or ledges, public art and other amenities.

iii. Public plazas and pocket parks should be at least two percent (2%) of the gross floor area of the development, but not in no case shall be less than 1,0001_500 square feet in area. The Design Commission may allow a development to provide two or more plazas so long as the Design Commission determines that
such multiple plazas will have an equal or
greater public benefit as the single plaza, the
combined square footage of the multiple plazas
is at least two percent (2%) of the gross floor
area of the development and each public plaza
is at least 1,500 square feet in area.

iv. The public plaza or park should
be at least 20 feet in width;
v. The plaza or park should have a
building facade on at least one side;
vi. At least 15 percent but not more
than 60 percent, of the open space should be
landscaped with trees, groundcover or other
vegetation.

e. Art. Art should be integrated with
the public street improvements. Examples
include sculpture, murals, inlays, mosaics,
friezes or bas-reliefs.
i. The location shall provide for
public view but not hinder pedestrian traffic.

ii. The cost of the art shall be
equivalent to at least one percent of the
construction costs.

dc. Water Feature. A water feature shall
be accessible and/or visible by pedestrians from
an adjacent sidewalk or plaza.
i. Any water feature should be
designed to use water efficiently with low
water loss from evaporation and wind.

ii. In order to qualify as a major site
feature the cost of the water feature shall be
equivalent to at least two one-percent (2%) of
the construction costs.

iii. Water features should be located
in sunny areas.

ed. Affordable Income Housing
Units. Affordable housing will qualify as a
major site feature upon satisfaction of the
design and development standards set forth in
MICC 19.11.050(B)(5) except that the
affordable housing ratio shall be as follows:
(i) 1 square foot of affordable housing area in
the development for every 4 additional square
feet of market building area provided on the
highest story; or (ii) 1 affordable housing unit
in the development for every 4 additional
market residential units provided on the highest
story, whichever is greater. as provided for in
MICC 19.11.020(E), may be provided as a
major site feature

3. Other Site Features. The design
commission may approve other major or minor
site features in place of those listed above.

a. “Major” Criteria. A site feature will
only be considered as “major” if it is of equal
or greater public benefit than one or more of
the major site features listed above and should
not be less than one percent of the construction
costs.

b. Two or More Major Site
Features. The design commission may also allow an
applicant to provide a major art or water site
feature with a value less than one percent of the
construction costs or a smaller public plaza if
the applicant provides two or more major site
features and the design commission determines
such multiple major site features will have an
equal or greater public benefit.

eb. Other Site Features. Examples of
other site features include contribution to a
public art or design project within close
proximity to the new construction, such as the
city’s I-90 Artway; transit oriented
development (TOD) amenities, such as
underground or structured parking that supports
park and ride use or facilities that support
bicycle use; or contribution to a public/private
partnership, such as street improvements, that
result in the development of a community-
oriented public gathering place (such as at 78th
Avenue SE between SE 27th Street and Sunset
Highway).

Section 3: Severability/Validity. The provisions of this ordinance are declared separate and
severable. If any section, paragraph, subsection, clause or phrase of this ordinance is for
any reason held to be unconstitutional or invalid, such decision shall not affect the
validity of the remaining portion of this ordinance. The City Council hereby declares that
they would have passed this ordinance and each section, paragraph, subsection, clause or
phrase thereof irrespective of the fact that any one or more sections, paragraphs, clauses or phrases were unconstitutional or invalid.

Section 4: **Ratification.** Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 5: **Effective Date.** This Ordinance shall take effect and be in force 30 days after its passage and publication.

Passed by the City Council of the City of Mercer Island, Washington at its regular meeting on the 21st day of May 2007, and signed in authentication of its passage.

CITY OF MERCER ISLAND

R. Bryan Cairns, Mayor

ATTEST:

Allison Spietz, City Clerk

Approved as To Form:

Bob C. Sterbank, City Attorney

Date of Publication: 6/13/2007
# The Mercer - Ground Floor Street Frontage Analysis

King County Assessor’s Parcel No. 5315101491 (7650 SE 27th Street)

## Required by Code - MICC 19.11.020(C) for Type 1 Street

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>VACANT (previously Cellar 46)</td>
<td>120</td>
<td>VACANT</td>
<td>34</td>
<td>7.51%</td>
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<tr>
<td>VACANT</td>
<td>134</td>
<td>VACANT</td>
<td>68</td>
<td>15.01%</td>
<td></td>
</tr>
</tbody>
</table>

**Total Frontage for vacancies**

|                      |        |          | 102          | 22.52%             |                          |

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Bennett's</td>
<td>100</td>
<td>Restaurant</td>
<td>93</td>
<td>20.53%</td>
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<td>Qdoba</td>
<td>106</td>
<td>Restaurant</td>
<td>52</td>
<td>11.48%</td>
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<tr>
<td>Spa Mercer</td>
<td>130</td>
<td>Personal Services</td>
<td>34</td>
<td>7.51%</td>
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<tr>
<td>Indulge Salon</td>
<td>136</td>
<td>Personal Services</td>
<td>22</td>
<td>4.86%</td>
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</tr>
</tbody>
</table>

**Total Frontage for Retail / Restaurant / Personal Services**

|                      |        |          | 201          | 44.37%          | minimum 60% required    |

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward Jones TI (1201-148) of Quiznos</td>
<td>110</td>
<td>Financial Services</td>
<td>26</td>
<td>5.74%</td>
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<tr>
<td>Bank of America</td>
<td>112</td>
<td>Financial Services</td>
<td>124</td>
<td>27.37%</td>
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</tr>
</tbody>
</table>

**Total Frontage for other permitted uses**

|                      |        |          | 150          | 33.11%          | maximum 40% allowed      |

**Total Frontage of Ground Floor Use**

|                      |        |          | 453          | 100.00%         |                          |
### Required by Code - MICC 19.11.020(C) for Type 1 Street

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Frontage (LF)</th>
<th>Frontage (%)</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>VACANT</td>
<td>116</td>
<td>VACANT</td>
<td>52</td>
<td>11.61%</td>
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<tr>
<td>VACANT</td>
<td>118</td>
<td>VACANT</td>
<td>105</td>
<td>23.44%</td>
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<tr>
<td>Total for vacancies</td>
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<td></td>
<td>157</td>
<td>35.04%</td>
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</tr>
<tr>
<td>Leasing Office</td>
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<tr>
<td>Six Walls</td>
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<td>Retail</td>
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<td>Mercer Island Martial Arts</td>
<td>106</td>
<td>Personal Service</td>
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<td>Restaurant</td>
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<tr>
<td>Total for Retail / Restaurant / Personal Services</td>
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<td>165</td>
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<td>minimum 60% required</td>
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<td>HSBC</td>
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<td>Financial Services</td>
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<td>28.13%</td>
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<tr>
<td>Total for other permitted uses</td>
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<td></td>
<td>126</td>
<td>28.13%</td>
<td>maximum 40% allowed</td>
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<tr>
<td>Total Frontage of Ground Floor Use</td>
<td>448</td>
<td></td>
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<td>100.00%</td>
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</tr>
</tbody>
</table>
# 7800 Plaza - Ground Floor Street Frontage Analysis

King County Assessor’s Parcel No. 769844-0000 (7800 SE 27th St)

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>VACANT</td>
<td>VACANT</td>
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<td>78.48%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Frontage for vacancies</td>
<td>186</td>
<td>78.48%</td>
<td></td>
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<td>0</td>
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<td>0.00%</td>
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<td>Total Frontage for Retail / Restaurant / Personal Services</td>
<td>0</td>
<td>0.00%</td>
<td>minimum 60% required</td>
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<tr>
<td>Liberty Dialysis</td>
<td>54</td>
<td>Healthcare Services</td>
<td>51</td>
<td>21.52%</td>
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<tr>
<td></td>
<td></td>
<td>Total Frontage for other permitted uses</td>
<td>51</td>
<td>21.52%</td>
<td>maximum 40% allowed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Frontage of Ground Floor Use</td>
<td>237</td>
<td>100.00%</td>
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Required by Code - MICC 19.11.020(C) for Type 1 Street
Island Market Square - Ground Floor Street Frontage Analysis  
King County Assessor's Parcel No. 531510-1245 (2758 78th Ave SE)

Required by Code - MICC 19.11.020(C) for Type 1 Street

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<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO VACANCIES</td>
<td></td>
<td></td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Total Frontage for vacancies</td>
<td></td>
<td></td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Z-Ultimate Self Defense Studios</td>
<td>A105</td>
<td>Personal Service</td>
<td>32</td>
<td>4.60%</td>
<td></td>
</tr>
<tr>
<td>Olde Wine Store</td>
<td>A110</td>
<td>Retail</td>
<td>33</td>
<td>4.68%</td>
<td></td>
</tr>
<tr>
<td>Noah's Bagels</td>
<td>B124</td>
<td>Restaurant</td>
<td>50</td>
<td>7.14%</td>
<td></td>
</tr>
<tr>
<td>Great Clips</td>
<td>B126</td>
<td>Personal Service</td>
<td>24</td>
<td>3.37%</td>
<td></td>
</tr>
<tr>
<td>Emerald City Smoothies</td>
<td>D176</td>
<td>Restaurant</td>
<td>35</td>
<td>4.97%</td>
<td></td>
</tr>
<tr>
<td>Yoga Bliss</td>
<td>D174</td>
<td>Personal Service</td>
<td>42</td>
<td>5.96%</td>
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</tr>
<tr>
<td>Total Frontage for Retail / Restaurant / Personal Services</td>
<td>216</td>
<td>30.71%</td>
<td>minimum 60% required</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coldwell Banker Bain</td>
<td>B128</td>
<td>Other Professional</td>
<td>188</td>
<td>26.68%</td>
<td></td>
</tr>
<tr>
<td>Rubbish Works Holding</td>
<td>C146</td>
<td>Other Professional</td>
<td>11</td>
<td>1.58%</td>
<td></td>
</tr>
<tr>
<td>Leasing Office</td>
<td>C</td>
<td>Other Professional</td>
<td>20</td>
<td>2.84%</td>
<td></td>
</tr>
<tr>
<td>Sterling Savings</td>
<td>D170</td>
<td>Financial Services</td>
<td>146</td>
<td>20.78%</td>
<td></td>
</tr>
<tr>
<td>John L Scott</td>
<td>E180</td>
<td>Other Professional</td>
<td>83</td>
<td>11.74%</td>
<td></td>
</tr>
<tr>
<td>Dr. Dawn Bova, DDS</td>
<td>D160</td>
<td>Health</td>
<td>40</td>
<td>5.68%</td>
<td></td>
</tr>
<tr>
<td>Total Frontage for other permitted uses</td>
<td>488</td>
<td>69.29%</td>
<td>maximum 40% allowed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Frontage of Ground Floor Use</td>
<td>705</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Walgreens Site - Ground Floor Street Frontage Analysis

King County Assessor's Parcel No. 531510-1275 (7707 SE 27th Street and 2707 - 2729 78th Avenue SE)

### Required by Code - MICC 19.11.020(C) for Type 1 Street

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO VACANCIES</td>
<td></td>
<td></td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Frontage for vacancies</strong></td>
<td></td>
<td></td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Alpenland</td>
<td>2707</td>
<td>Restaurant</td>
<td>24</td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td>Sushi Joa</td>
<td>2717</td>
<td>Restaurant</td>
<td>24</td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td>Cindy's Nails</td>
<td>2723</td>
<td>Personal Services</td>
<td>24</td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td>What to Wear</td>
<td>2727</td>
<td>Retail</td>
<td>24</td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td>Walgreens</td>
<td>7707</td>
<td>Retail</td>
<td>256</td>
<td>55.29%</td>
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</tr>
<tr>
<td><strong>Total Frontage for Retail / Restaurant / Personal Services</strong></td>
<td></td>
<td></td>
<td>352</td>
<td>76.03%</td>
<td>minimum 60% required</td>
</tr>
<tr>
<td>Mercer Island Eyeworks</td>
<td>2729</td>
<td>Healthcare Services</td>
<td>24</td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td>Cleaners Plus 1</td>
<td>7707, #102</td>
<td>Service</td>
<td>21</td>
<td>4.54%</td>
<td></td>
</tr>
<tr>
<td>Qliance</td>
<td>7707, #104</td>
<td>Healthcare Services</td>
<td>34</td>
<td>7.34%</td>
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</tr>
<tr>
<td>Overlake Senior Health Care</td>
<td>7707, #110</td>
<td>Healthcare Services</td>
<td>32</td>
<td>6.91%</td>
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</tr>
<tr>
<td><strong>Total Frontage for other permitted uses</strong></td>
<td></td>
<td></td>
<td>111</td>
<td>23.97%</td>
<td>maximum 40% allowed</td>
</tr>
<tr>
<td><strong>Total Frontage of Ground Floor Use</strong></td>
<td></td>
<td></td>
<td>463</td>
<td>100.00%</td>
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</tr>
</tbody>
</table>
Tabit Village Square - Ground Floor Street Frontage Analysis
King County Assessor’s Parcel No. 5315101445 (SE 27th Street and 77th Avenue SE)

<table>
<thead>
<tr>
<th>BUSINESS NAME</th>
<th>UNIT #</th>
<th>TYPE</th>
<th>Street Frontage (LF)</th>
<th>Street Frontage (%)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>VACANT</td>
<td>116</td>
<td>VACANT</td>
<td>24</td>
<td>5.70%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Total Frontage for vacancies</td>
<td></td>
<td></td>
<td>24</td>
<td>5.70%</td>
<td></td>
</tr>
<tr>
<td>Blue Sky Cleaners</td>
<td>7633</td>
<td>Personal Services</td>
<td>82</td>
<td>19.48%</td>
<td></td>
</tr>
<tr>
<td>Zaw</td>
<td>7635</td>
<td>Retail</td>
<td>22</td>
<td>5.23%</td>
<td></td>
</tr>
<tr>
<td>Chick’s Shoes and Service</td>
<td>7637</td>
<td>Retail</td>
<td>22</td>
<td>5.23%</td>
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<tr>
<td>Chick’s Shoes and Service</td>
<td>7639</td>
<td>Retail</td>
<td>22</td>
<td>5.23%</td>
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<tr>
<td>Denise's Parrot Place</td>
<td>7641</td>
<td>Retail</td>
<td>15</td>
<td>3.56%</td>
<td></td>
</tr>
<tr>
<td>Denise's Parrot Place</td>
<td>7667</td>
<td>Retail</td>
<td>20</td>
<td>4.75%</td>
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</tr>
<tr>
<td>Denise's Parrot Place</td>
<td>7667</td>
<td>Retail</td>
<td>20</td>
<td>4.75%</td>
<td></td>
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<tr>
<td>Gourmet Teriyaki</td>
<td>7671</td>
<td>Restaurant</td>
<td>20</td>
<td>4.75%</td>
<td></td>
</tr>
<tr>
<td>Sophia’s European Spa</td>
<td>7675</td>
<td>Personal Services</td>
<td>20</td>
<td>4.75%</td>
<td></td>
</tr>
<tr>
<td>Subway</td>
<td>7679</td>
<td>Restaurant</td>
<td>24</td>
<td>5.70%</td>
<td></td>
</tr>
<tr>
<td>UPS</td>
<td>7683</td>
<td>Retail</td>
<td>24</td>
<td>5.70%</td>
<td></td>
</tr>
<tr>
<td>Anise Thai Cuisine</td>
<td>7691</td>
<td>Restaurant</td>
<td>24</td>
<td>5.70%</td>
<td></td>
</tr>
<tr>
<td>Starbucks</td>
<td>7695</td>
<td>Restaurant</td>
<td>82</td>
<td>19.48%</td>
<td></td>
</tr>
<tr>
<td>Total Frontage for Retail / Restaurant / Personal Services</td>
<td>397</td>
<td>94.30%</td>
<td>minimum 60% required</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>0</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UPS</td>
<td>0</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Frontage for other permitted uses</td>
<td>0</td>
<td>0.00%</td>
<td>maximum 40% allowed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Frontage of Ground Floor Use</td>
<td>421</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dear City of Mercer Island Planning Commission:

The planning commission should consider allowing the public parking requirement as it applies to the 60/40 modification (coinciding with allowing service uses) as follows:

The buildings are designed and built with a limited number of stalls. The building has to provide for the stalls for the residents, the commercial users, the staff and their respective guests and customers.

The difficulty in requiring that the stalls be available to the public outside of the facility is the limitation in stalls available. The service user and their staff will typically use the same stalls that would be needed for a shop. They still have customers, staff and parking requirements. There are no additional stalls to free up to the public. (Also lender requirements, insurance issues etc. also create obstacles, as do the existing tenants mandating a ratio of stalls to go along with their lease).

One suggestion to enable the visitor parking requirement to co-exist within the mixed use development would be to allow the developer to create on street parking for the visitors.(which does or did not exist at the time of development) The cost of creating those stalls although about the same as within the buildings creates parking opportunities for shoppers and does not create security issues (most buildings have secured parking) nor conflict with the obligation to provide specific stalls to the retail users, the lender conflicts are avoided as is the insurance and security conflicts.

I would give this flexibility to the developer or owner, to either provide the stalls within the structure, or to be responsible for the creation of on street stalls which would be available to the public for 2 hour parking. This I believe would add to the stimulus to the retail area, convenience to the shoppers, and get some of the empty shops filled with businesses that will frequent the restraunts and shops in the downtown.

If you have any questions about this notion please feel free to contact me.

Michael Christ
Seco Development
AGENDA ITEM
NO. 2
To: Planning Commission and Council Member Bertlin
From: George Steirer, Principal Planner
Subject: Agenda Item 2 – Draft No Net Loss Ordinance
Date: May 10, 2012 for the May 16, 2012 Planning Commission Meeting

Exhibits: A. No Net Loss Ordinance
B. Current Street Classifications Map

Background:
The following information was provided for the May 2nd Planning Commission meeting. Due to the late hour, the Planning Commission was not able to discuss the No Net Loss Ordinance. For your convenience, staff has included the information and draft ordinance in the May 16th packet.

The City Council directed staff to amend that portion of the city code regulating the no net loss standard. The specific City Council motion was:

Move to direct staff to initiate a Town Center code amendment to eliminate the no net loss to the square footage of existing ground floor retail and restaurant space for redevelopment sites.

Page 2 of Exhibit 1 illustrates the current language of the code, which states that “there shall be no net loss to the square footage of existing ground floor retail and restaurant, in the aggregate, based upon the maximum retail and restaurant square footage existing during the immediately preceding three years on the site.”

On November 21, 2005, the City Council appointed members to the “Ad Hoc Committee to Review Town Center Guidelines”. The committee included Dan Grausz, Bill Kreiger, Steve Litzow, Vice-Chair Bruce Lorig, Emmett Maloof, Don McDonald, Chairperson Peter Orser, Bob Thorpe, and Carla Weinheimer. The City Council provided a list of issues for the Ad Hoc Committee to examine, including “Ways to retain and expand more retail uses and diversity in Town Center projects”. After looking at specific projects, the Ad Hoc Committee recommended an addition to the regulations regarding retaining the retail. Subsequent to discussion with the Planning Commission and City Council, the current version of the regulation was adopted in 2007.

No Net Loss Ordinance:
After receiving comments from Town Center property owners, the City Council directed staff to forward the attached change to the Planning Commission for their review and recommendation.

Some property owners have argued that the current language regarding no net loss prevents new buildings from achieving the maximum 40% office allowance if the site contains a significant amount of retail square footage prior to redevelopment. An example is provided on page 2.

Others have also argued that the requirement results in vacant store fronts after redevelopment, as market factors may not support the amount of retail necessary to meet the no net loss code requirement.
Example: Hypothetical Site A in the Town Center

<table>
<thead>
<tr>
<th></th>
<th>Prior to Redevelopment</th>
<th>After Redevelopment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total non-residential square ft.</td>
<td>6,000 sq ft</td>
<td>10,000 sq ft</td>
</tr>
<tr>
<td>Total sq ft of Retail</td>
<td>6,000 sq ft</td>
<td>6,000 sq ft (Required)</td>
</tr>
<tr>
<td>Linear frontage for Retail</td>
<td>50 ft (100%)</td>
<td>75 ft (75%)</td>
</tr>
</tbody>
</table>

Planning Commission Action:
Conduct a public hearing for the ordinance and make a recommendation to the City Council.

Recommended Motion:
Move to recommend Exhibit A of the May 2, 2012 staff memorandum regarding no net loss of ground floor retail requirements to the City Council for adoption.

Alternative Motion:
Move to recommend Exhibit A of the May 2, 2012 staff memorandum regarding no net loss of ground floor retail requirements to the City Council for adoption, provided that Exhibit A shall be modified as follows: [describe modifications].
CITY OF MERCER ISLAND
ORDINANCE NO. 12C–__

AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON, AMENDING MICC 19.11.020.C.1 TO REMOVE THE REQUIREMENT FOR NO NET LOSS OF RETAIL AND RESTAURANTS IN THE TOWN CENTER.

WHEREAS, the City of Mercer Island Municipal Code (MICC) contains Title 19, the Unified Land Development Code (ULDC), adopted on May 21, 2007 as Ordinance No. 07C-02; and

WHEREAS, Ordinance No. 07C-02 was codified as MICC 19.11.020.C.1; and

WHEREAS, a portion of MICC 19.11.020.C.1 requires no net loss to the square footage of existing ground floor retail and restaurant, in the aggregate, based upon the maximum retail and restaurant square footage existing during the immediately preceding three years on the site; and

WHEREAS, the provision in MICC 19.11.020.C.1 related to no net loss to retail and restaurants restricts certain types of businesses from being located in certain building within the Town Center; and

WHEREAS, there is an increasing number of vacant retail and office spaces within the Mercer Island Town Center; and

WHEREAS, vacant retail and office spaces in the Town Center has a negative affect on the welfare of business owners, property owners, and the welfare of the citizens of Mercer Island; and

WHEREAS, on May 2, 2012, the Mercer Island Planning Commission held a public hearing, considered the draft ordinance, and made a final recommendations on the draft ordinance; and

WHEREAS, the Mercer Island City Council conducted a 1st reading on July 2, 2012 and a 2nd reading on September 4, 2012 during which the City Council considered the Planning Commission’s recommendations, held a public meeting, and adopted the code changes set forth in this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendments to MICC 19.11.020.C.1 Street Classifications. MICC 19.11.020 “Street Classifications” is hereby amended as follows:

19.11.020 Town Center Development - General

C. Required Ground Floor Uses.

1. Street Classifications. Within the Town Center, there shall be two types of street classifications as shown in Exhibit 2 with the following required ground floor use:
### Classification

<table>
<thead>
<tr>
<th>Classification</th>
<th>Location</th>
<th>Ground Floor Use Requirement</th>
</tr>
</thead>
</table>
| Type 1 Street  | All of SE 27th St.                                                       | • 60% or more of the ground floor street shall be occupied by one or more of the following permitted uses: retail, restaurant or personal services;  
|                | All of SE 29th St.                                                       | • No more than 40% of the ground floor street shall be occupied by one or more of the following permitted uses: hotel/motel; public facilities; services; or office.  
|                | SE 28th St. west of 80th Ave. SE                                         | • Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.  
|                | All of 77th Ave. SE                                                      | • There shall be no net loss to the square footage of existing ground floor retail and restaurant, in the aggregate, based upon the maximum retail and restaurant square footage existing during the immediately preceding three years on the site.  
|                | All of 78th Ave. SE                                                      |                                                                                                                                                                                                                 |
|                | 76th Ave. SE north of SE 27th St.                                       |                                                                                                                                                                                                                 |
|                | SE 32nd St. west of 78th Ave. SE                                        |                                                                                                                                                                                                                 |
| Type 2 Street  | All of Sunset Highway                                                    | • There shall be no net loss to the square footage of existing ground floor retail and restaurant, in the aggregate, based upon the maximum retail and restaurant square footage existing during the immediately preceding three years on the site.  
|                | 76th Ave. SE south of SE 27th St.                                       |                                                                                                                                                                                                                 |
|                | All of 80th Ave.SE                                                       |                                                                                                                                                                                                                 |
|                | SE 32nd St. east of 78th Ave. SE                                        |                                                                                                                                                                                                                 |
|                | All of SE 30th St.                                                      |                                                                                                                                                                                                                 |

### Section 2: Amendments to MICC 19.11.020 Street Classifications

Exhibit 2 – Street Classifications-Require for Ground Use of MICC 19.11.020(C) (2), shall be replaced with the following exhibit:
Section 3: **Severability.** If any section, sentence, clause or phrase of this ordinance or any municipal code section amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect
the validity of any other section, sentence, clause or phrase of this ordinance or the amended code section.

Section 4: Ratification. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 5: Effective Date. This Ordinance shall take effect and be in force on 30 days after its passage and publication.

PASSED by the City Council of the City of Mercer Island, Washington at its regular meeting on the _____ day of ______________, 20____ and signed in authentication of its passage.

CITY OF MERCER ISLAND

Bruce Bassett, Mayor

ATTEST:

Allison Spietz, City Clerk

Approved as to Form:

Katie Knight, City Attorney

Date of Publication: ______________