



DEVELOPMENT SERVICES GROUP

9611 SE 36TH ST., MERCER ISLAND, WA 98040

(206) 275-7605

TO: Planning Commission

FROM: Evan Maxim, Interim Director of Development Services

DATE: June 20, 2018

RE: **2018 Comprehensive Plan Amendment and Rezone for "Parcel 12 / WSDOT"**

Summary

The City is proposing a Comprehensive Plan amendment and rezone to change both the Comprehensive Plan designation and zoning of City-owned land known as "Parcel 12" and a portion of the adjoining Washington Department of Transportation (WSDOT) property from Public Institution (P) to Town Center (TC). See Attachments A, B, and C.

Background

On June 5, 2018, the City Council passed Resolution 1544 authorizing the City Manager to execute a purchase and sale agreement with Parkway Management Group et al. to purchase the real property at 7810 SE 27th Street (the "Tully's property") south of Parcel 12. The Tully's property is designated in the Comprehensive Plan and is zoned Town Center (TC). The agreement became effective on June 7, commencing a 120-day due diligence period ending on October 5, 2018.

City-owned land north of the Tully's property known as "Parcel 12" along with adjoining WSDOT-owned land is currently designated Public Institution (P) in both the Comprehensive Plan and zoning code/map. On June 5, 2018, the City Council also passed Resolution 1545 initiating a proposed Comprehensive Plan amendment and rezone to change both the Comprehensive Plan designation and zoning of City-owned land known as "Parcel 12" from Public Institution (P) to Town Center (TC). See Attachment A.

The proposed Comprehensive Plan amendment would be processed "out of cycle," meaning outside of the annual Comprehensive Plan amendment process as allowed by the Growth Management Act and City laws (Revised Code of Washington (RCW) 36.70A.130(2) and Mercer Island City Code 19.15.050(C)).

The proposed Comprehensive Plan map amendments are shown on Attachment B. The proposed zoning map amendments are shown on Attachment C.

The City anticipates engaging in a Request for Qualifications process to solicit and identify interested, experienced and capable developers to form a public-private partnership. The City would provide the

land (Parcel 12 and the Tully's property after purchase by the City) and offer the development rights on the land to a developer for construction of 100 or more transit commuter parking stalls. We expect the developer to also propose a mixed-use project on the land.

This public-private partnership presents an opportunity to significantly reduce, if not eliminate, a City contribution of funds (other than a contribution of Sound Transit funds from the 2017 Sound Transit settlement) by utilizing City-owned land in a key geographic location that supports long-term, transit commuter parking for Mercer Island. Any public-private partnership agreement will be a future agenda item subject to City Council consideration and approval and is mentioned as supporting contextual information. Any future project permit applications resulting from a public-private partnership will have additional opportunity for a public process, including public comment, following City Council authorization of the public-private partnership.

To leverage private investment, thereby reducing the City's financial share, the City is considering maximizing the value of Parcel 12 through the proposed Comprehensive Plan amendment and rezone and changing the land use designation and zoning from Public Institution (P) to Town Center (TC). While parking is currently allowed in the P zone, by rezoning to match the adjacent Tully's parcel, which is TC, the City desires to attain the greatest redevelopment flexibility.

The proposed boundary for the proposed Comprehensive Plan amendment and rezone is approximate and will be further refined following selection of a proposed developer. This will allow some design flexibility for the future project.

Next Steps

At the Planning Commission's June 20 meeting, staff is proposing 1) to provide the Planning Commission with an introduction to the proposed Comprehensive Plan Amendment and rezone, and 2) identify additional information needed by the Planning Commission for your future review and deliberation.

Staff anticipates returning to the Planning Commission for further review and public hearing on the proposed Comprehensive Plan amendment and Rezone on August 29, 2018.

Attachments:

- A. Resolution 1545
- B. Comprehensive Plan Maps to be amended
 - a. Figure 1-Land Use Map
 - b. Figure TC-1-Mercer Island Town Center Maximum Building Height
 - c. Figure TC-2-Retail Use Required Adjacent to Street Frontages
 - d. Figure TC-3-Open Space-Potential Opportunity Sites
- C. Zoning Code Maps to be amended
 - a. City of Mercer Island Zoning Map
 - b. MICC 19.11, Figure 1 – Mercer Island Town Center Maximum Building Height
 - c. MICC 19.11, Figure 2 – Retail Use Required Adjacent to Street Frontages
 - d. MICC 19.11, Figure 7 – Preferred Through-Block Pedestrian Connection Locations

**CITY OF MERCER ISLAND
RESOLUTION NO. 1545**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON,
INITIATING A PROPOSED, OUT OF CYCLE COMPREHENSIVE PLAN
AMENDMENT AND REZONE OF THE LAND KNOWN AS PARCEL 12 FROM
PUBLIC INSTITUTION TO TOWN CENTER**

WHEREAS, on June 5, 2018, the Mercer Island City Council approved Resolution No. 1544, authorizing the City Manager to execute a purchase and sale agreement with Parkway Management Group et al. to purchase the real property at 7810 SE 27th Street (“Tully’s Property”); and

WHEREAS, the City is evaluating the Tully’s Property as a potential site for long-term, transit commuter parking; and

WHEREAS, to purchase the Tully’s Property, the City plans on utilizing the funds provided by Sound Transit in accordance with the Settlement Agreement approved by the City Council on October 17, 2017 (AB 5346), which allows reimbursement of up to \$4.41 million towards the development of long-term, transit commuter parking; and

WHEREAS, the Settlement Agreement requires the City to fund 51% of the cost to construct up to 200 of such parking stalls; and

WHEREAS, contribution of City land qualifies as a cost contribution; and

WHEREAS, in April 2000, the Washington State Department of Transportation (WSDOT) deeded to the City several surplus parcels in Mercer Island as part of its I-90 Turnbacks (Quitclaim Deed, King County Recording No. 20000425001234, recorded on April 25, 2000); and

WHEREAS, included in the WSDOT deed was Parcel 12, an elongated section of land generally running east-west to the north of the Tully’s Property containing a portion of Sunset Highway and a portion of the Greta Hackett Outdoor Sculpture Gallery as approximately shown on Exhibit 1 (“City’s Property”); and

WHEREAS, the City’s Property and the adjoining WSDOT property is currently designed “Public Institution” on both the City’s Comprehensive Plan Land Use Map and the Zoning Map; and

WHEREAS, amending both the City’s Comprehensive Plan Land Use Map and the Zoning Map to change the City’s Property from “Public Institution” to “Town Center” provides increased flexibility in the use of the City’s Property for long-term, transit commuter parking, and for other uses and improvements allowed in the Town Center that are necessary to support such parking; and

WHEREAS, Mercer Island City Code 19.15.050(C) and Revised Code of Washington (RCW) 36.70A.130(2) allow the City to amend the Comprehensive Plan no more frequently than once every calendar year; and

WHEREAS, the final docket of proposed amendments for 2018 was established by the Mercer Island City Council by Resolution No. 1534 on November 6, 2017; and

WHEREAS, the next annual docket cycle is in 2019, concluding by the end of 2019; and

WHEREAS, RCW 36.70A.130(2)(b) allows the City to adopt amendments or revisions to its comprehensive plan more frequently than once per year whenever an emergency exists; and

WHEREAS, the Tully's Property purchase and sale agreement requires closing by December 2, 2018; and

WHEREAS, the City Council wants the right to consider the re-designation and re-zone of the City's Property to Town Center, prior to closing on the Tully's Property; and

WHEREAS, a decision on the proposed re-designation and re-zone of Parcel 12 in the next annual amendment cycle in 2019 would occur on the 4th quarter of 2019, nearly a year after the Tully's Property closing date; and

WHEREAS, consideration of, and a decision on, the proposed re-designation and re-zone of the City's Property in 2019 would delay completion of the long-term, transit commuter parking until sometime in 2024, a year after the East Link Light Rail Station is scheduled to open for service; and

WHEREAS, based on the foregoing, the City Council determines it is necessary to expedite the consideration of, and a possible decision on any proposed re-designation and re-zone of the City's Property, and potentially a portion of the adjoining WSDOT property, to promote timely completion of a long-term, transit commuter parking facility within the City of Mercer Island's Town Center near the East Link Light Rail Station while still ensuring early and continuous public participation; and

WHEREAS, MICC 19.15.050(C)(3) allows the City Council to consider amendments more frequently than once per calendar year if the Council specifies the scope of the amendment, identifies the projected completion date and, if necessary, funds resources necessary to accomplish the work;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AS FOLLOWS:

The City Council directs City staff and the Planning Commission to analyze, study, and make recommendations to the City Council by September 18, 2018 on the proposed, out of cycle Comprehensive Plan amendment and rezone of the portion of land known as Parcel 12 (the City's Property) and potentially a portion of the adjoining WSDOT property, from Public Institution to Town Center as approximately shown on Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS REGULAR MEETING ON THE 5th DAY OF JUNE 2018.

CITY OF MERCER ISLAND

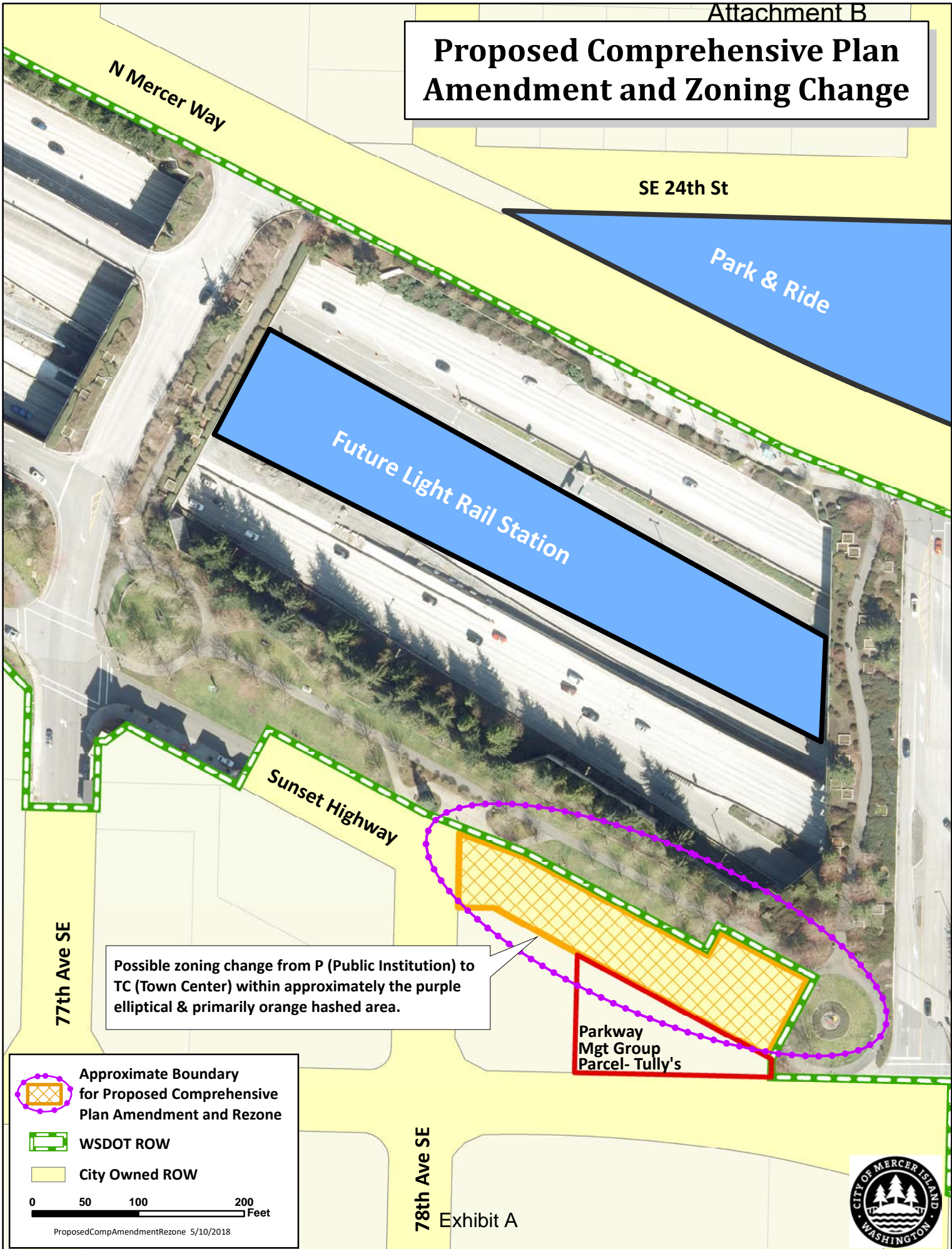


Debbie Bertlin, Mayor

ATTEST:



Deborah Estrada, City Clerk


Proposed Comprehensive Plan Amendment and Zoning Change




Possible zoning change from P (Public Institution) to TC (Town Center) within approximately the purple elliptical & primarily orange hashed area.

Parkway Mgt Group Parcel- Tully's

 Approximate Boundary for Proposed Comprehensive Plan Amendment and Rezone

 WSDOT ROW

 City Owned ROW

0 50 100 200 Feet

ProposedCompAmendmentRezone 5/10/2018

78th Ave SE
Exhibit A



Figure 1- Land Use Map















Mercer Island Land Use Plan

The Land Use Plan is intended to be a generalized depiction of land uses. The map is not a description of zoning boundaries nor should it be interpreted on a site specific basis.

Possible change from P (Public Institution) to TC (Town Center) within approximately the red elliptical area

DRAFT

Legend

-  Park
-  Linear Park (I-90)
-  Open Space
-  Public Facility
-  Neighborhood Business
-  Commercial Office
-  Town Center
-  Multi-Family MF-2
-  Multi-Family MF-2L
-  Multi-Family MF-3
-  Single Family R-12
-  Single Family R-15
-  Single Family R-8.4
-  Single Family R-9.6

The Mercer Island City limits delineates the communities' Urban Growth Area. The City limits are contiguous with the Mercer Island Lake Washington Shoreline.



Map Date: 5/30/2018

CP-Figure1-LandUseMapColor+Symbol2018.mxd

Figure TC-1: Town Center Subareas & Maximum Height Limit

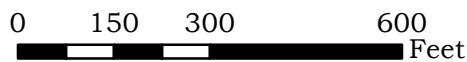
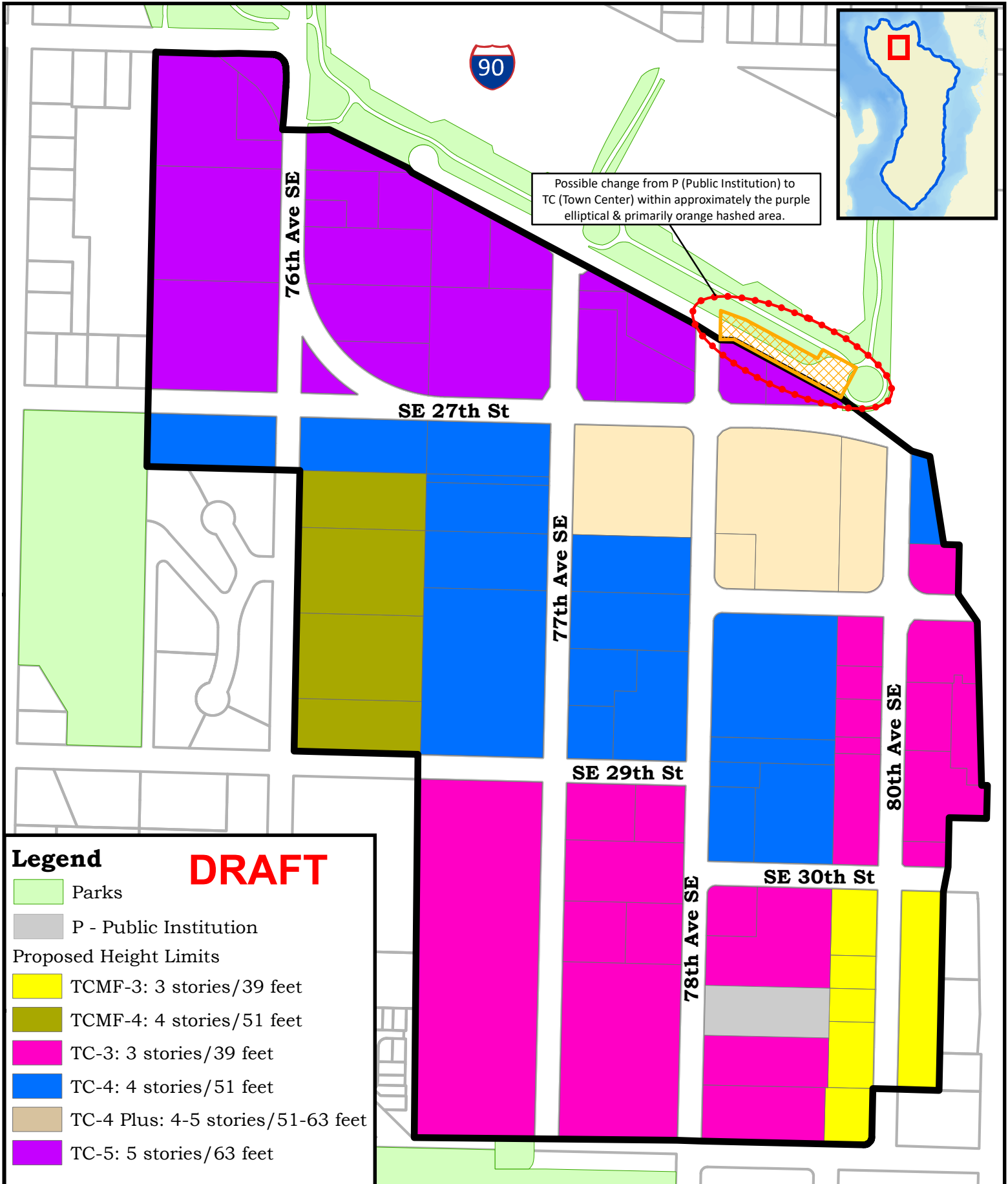
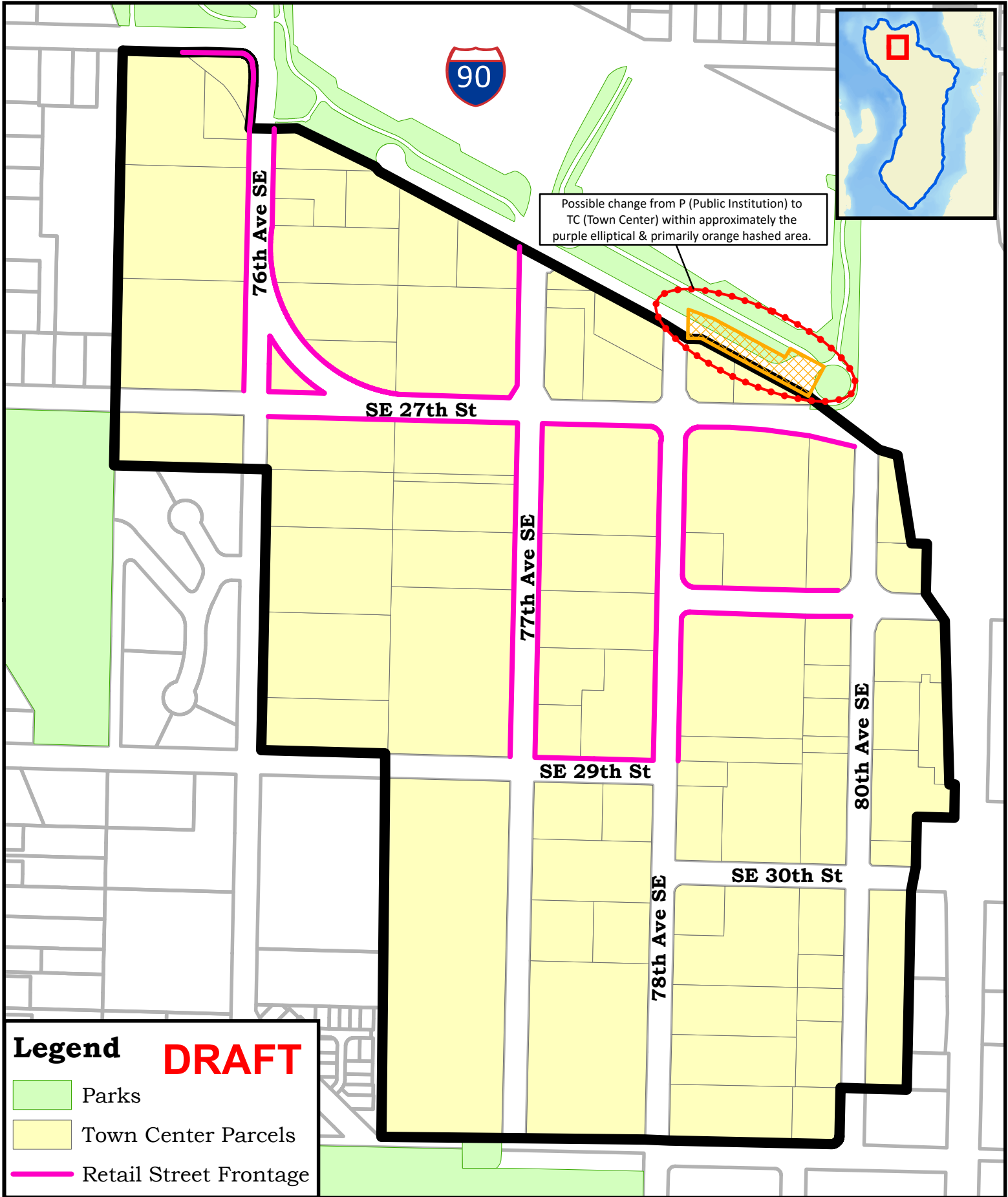


Figure TC-2: Retail Use Required Adjacent to Street Frontages



0 150 300 600 Feet

Figure TC-3: Open Space- Potential Opportunity Sites

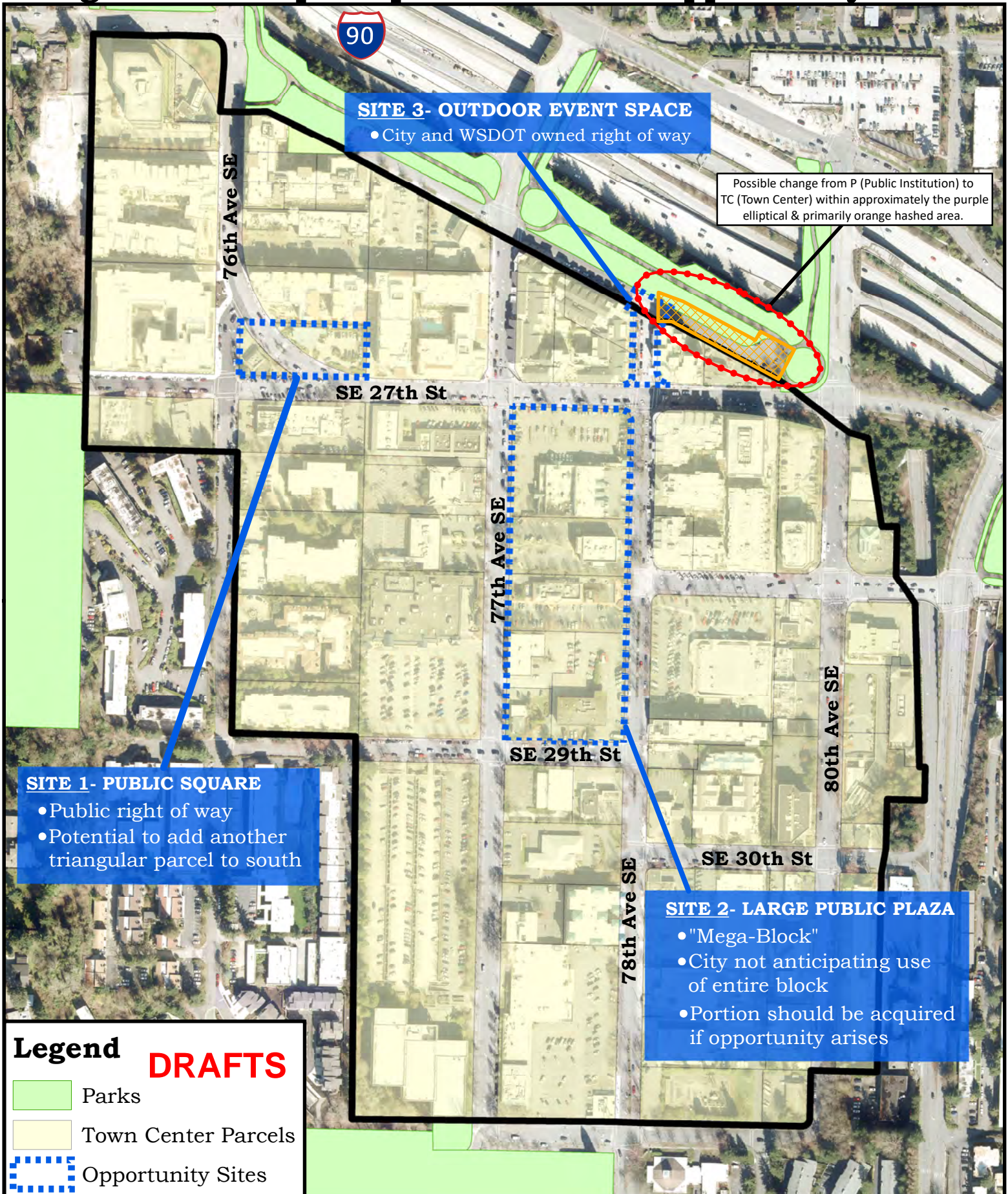


Figure 1: Town Center Subareas & Maximum Height Limit

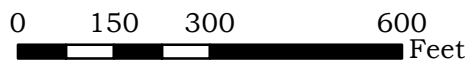
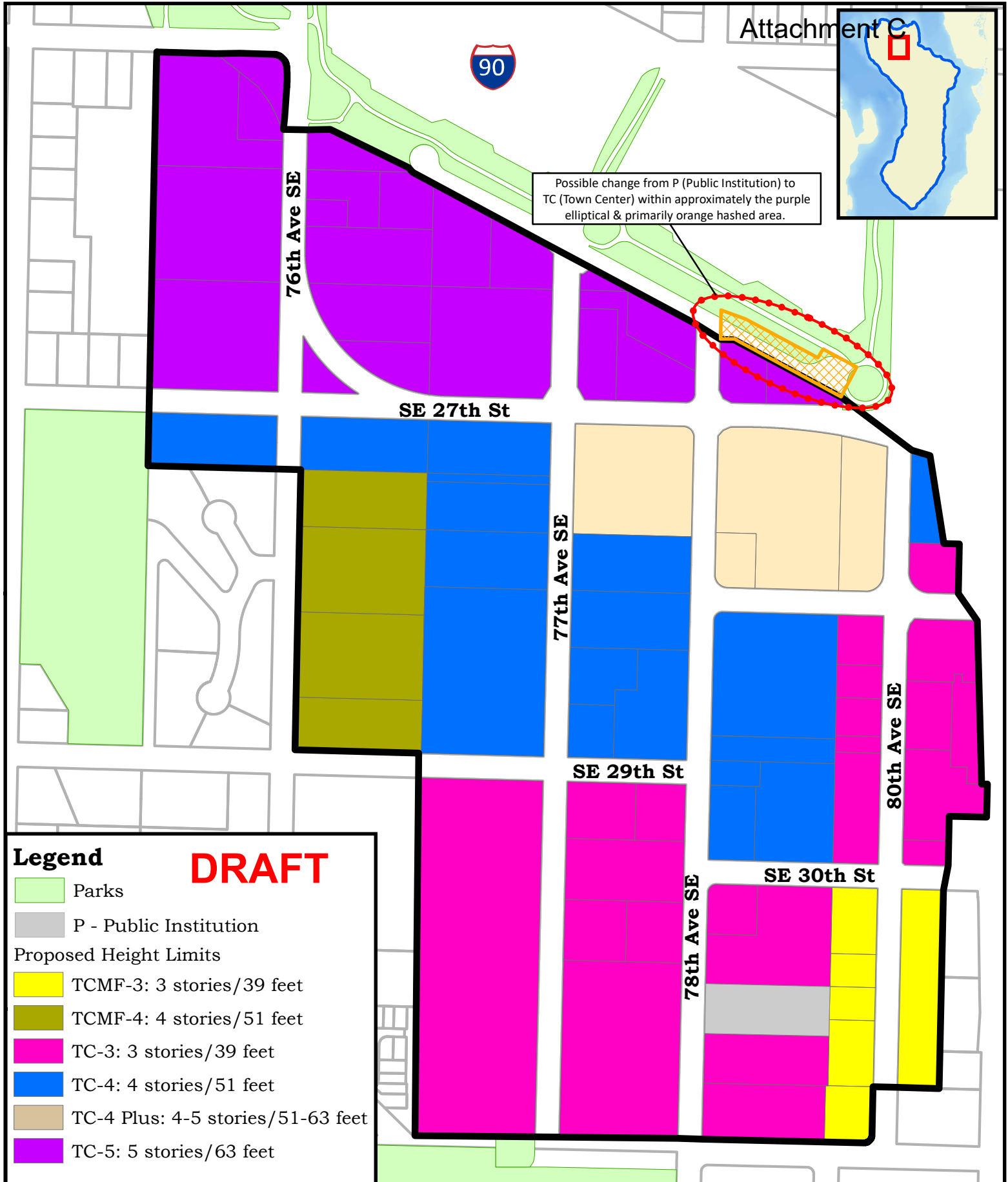
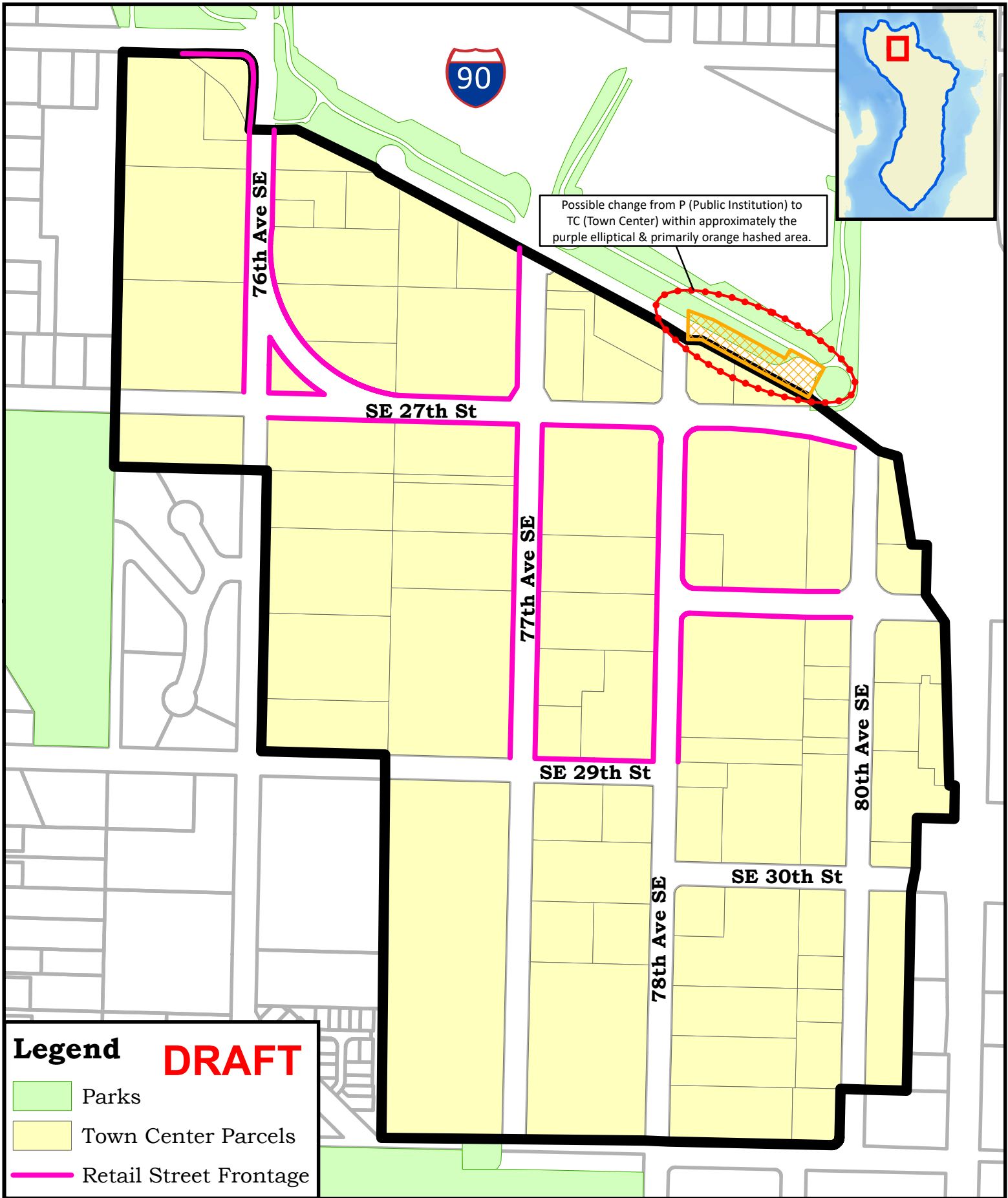


Figure 2: Retail Use Required Adjacent to Street Frontages



0 150 300 600 Feet

Figure 7- Preferred Through-Block Pedestrian Connection Locations

