City of Mercer Island

Department of Community Planning and Development

Policy Brief

TOWN CENTER DESIGN STANDARDS

Staff:	Jeff Thomas, CPD Director Adam Zack, Principal Planner
Date:	April 10, 2026
Recommendation:	Keep the requirement for average daylight plane, major site features, and major façade modulation and adopt a policy to review these standards during Station Subarea Plan Phase 2.

POLICY DIRECTION REQUESTED

Three Town Center design standards currently include regulations related to average daylight plane, major site features, and major facade modulation requirements for major new development. All of these standards have the impact of reducing the achievable floor area ratio (FAR). During Phas2 of the Station Subarea Plan, the City will be revisiting the FAR analysis to ensure compliance with HB 1491 , which requires a minimum FAR In the area around the light rail station. The City Council may choose to pursue amendments to these code sections during Phase 1 or Phase 2 of the Station Subarea Plan.

Should the requirement for average daylight plane, major site features, and major façade modulation be removed during Station Subarea Plan Phase 1 of Phase 2?

Alternatives

- Remove the requirement for average daylight plane, major site features, and major façade modulation during Station Subarea Plan Phase 1.

- **Keep the requirement for average daylight plane, major site features, and major façade modulation and adopt a policy to review these standards during Station Subarea Plan Phase 2 (recommended).**

BACKGROUND

DEVELOPMENT CAPACITY INCREASE

The City is required to update its Comprehensive Plan to comply with the Growth Management Hearings Board Final Decision and Order (GMHB Order), dated August 1, 2025. One of the requirements to comply with the GMHB Order is to evaluate land capacity for affordable housing and increase that capacity to close any identified gaps. This will be accomplished through the implementation of the Station Subarea Plan Phases 1 and 2.

On February 17, 2026, the City Council provided direction to staff to add development capacity in the existing Town Center and adjacent multifamily zones by allowing up to eight stories throughout the Town Center zone and up to six stories in the adjacent multifamily zones. There are three other design standards that can also be amended to increase development capacity. These include requirements for average daylight plane, major site features, and major façade modulation, discussed below.

STATION SUBAREA PLAN PHASES 1 AND 2

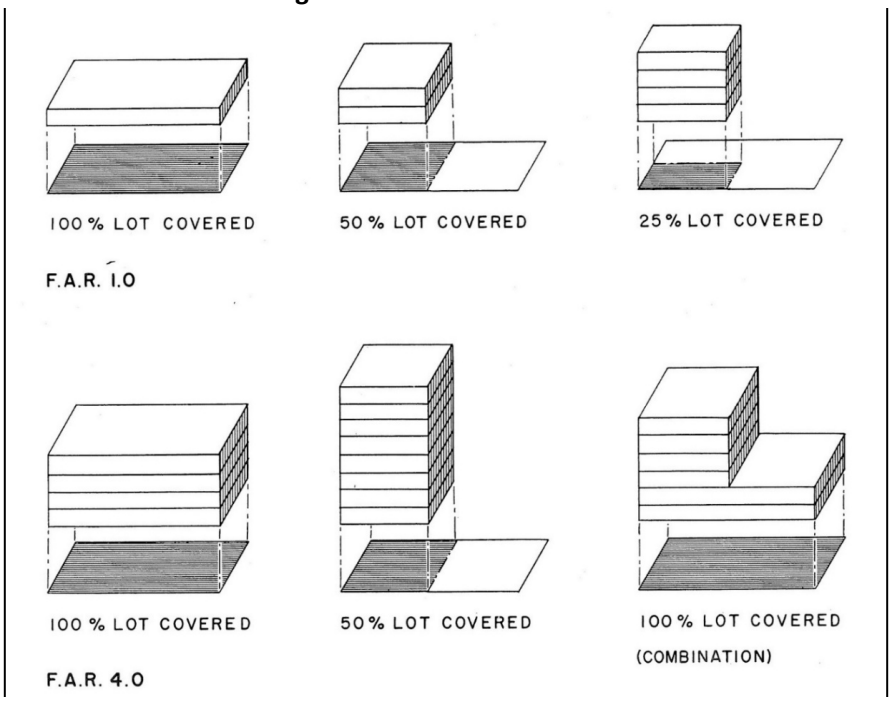
The City is in the process of developing a Station Subarea Plan. The subarea plan will be divided into two phases. Phase 1 of the Station Subarea Plan will be implemented when the Comprehensive Plan is updated this year and include increasing development capacity in the Town Center and adjacent multifamily zones. The Town Center zone will go from six subareas to one with a maximum building height of eight stories (TC-8) and the multifamily zones will become a single subarea with a maximum building height of six stories (TCMF-6). Amending the zoning during Phase 1 will require some changes to the design standards that apply in the Town Center to ensure the development code is internally consistent.

Phase 2 of the Station Subarea Plan will be implemented by 2029 and include compliance with House Bill (HB) 1491. HB 1491 requires cities to plan for transit-oriented development (TOD) in light rail station areas. The TOD Bill requires jurisdictions to allow an average floor area ratio (FAR) of 3.5 throughout the station area. During Phase 2, the City will need to determine how the minimum FAR can be met throughout the throughout the station area. As part of the process to determine if the minimum FAR is met, the City will need to review how its design standards affect the maximum FAR.

FLOOR AREA RATIO

Floor Area Ration (FAR) is the ratio of the building floor area to lot area. It is usually expressed as a decimal (e.g., 2.5) or as a ratio (e.g., 1:5:1). The square footage of a building with a 1.0 FAR would equal the lot area and the square footage of a building with a 2.0 FAR would be equal to double the lot size. FAR does not address building height, form, or shape, only the total square footage of the building in proportion to lot size. Local governments use FAR in zoning regulations to manage building density and land use, with higher FARs typically indicating higher densities. FAR is illustrated in Figure 1 below.

Figure 1. Illustration of FAR.



Source: American Planning Association, Planner Advisory Service (PAS) 111, June 1958 (https://www.planning.org/pas/reports/report111.htm).

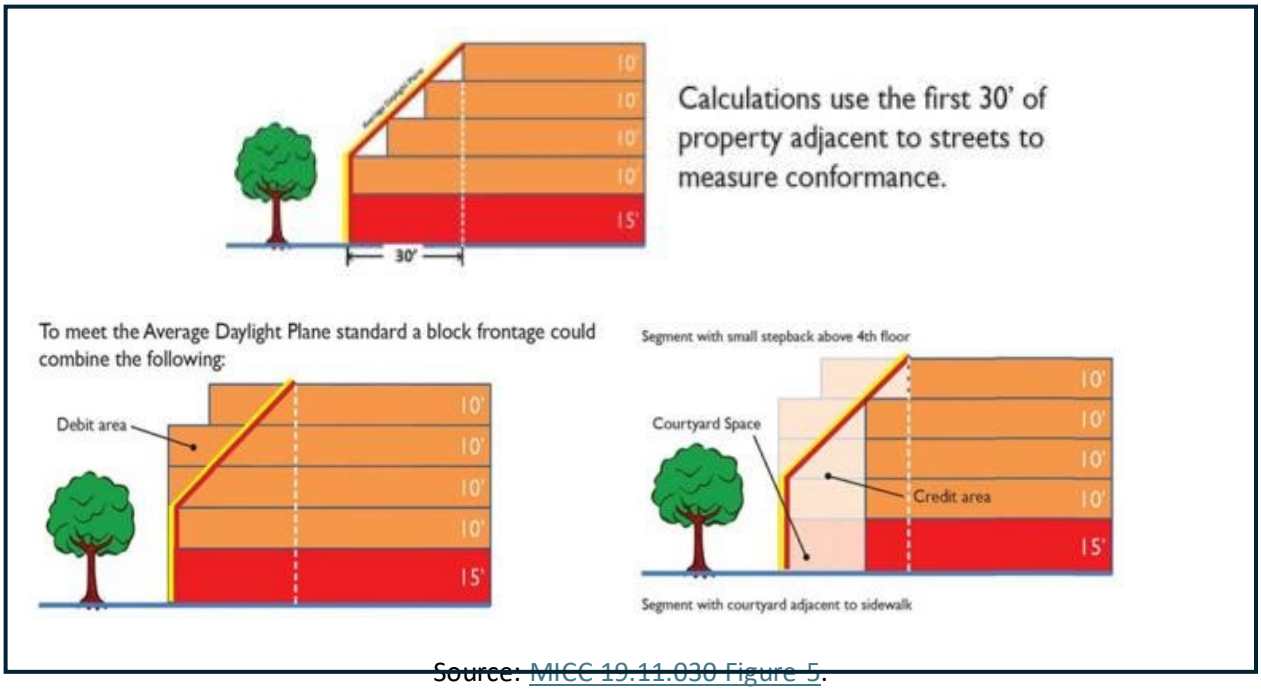
DEVELOPMENT AND DESIGN STANDARDS

The Mercer Island City Code (MICC) uses development and design standards to regulate the appearance, size, and uses of development throughout Mercer Island. The development and design standards in the Town Center zone are intended to enhance the Town Center by developing a sense of place, supporting a built environment that is convenient and accessible to pedestrians, motorists, bicyclists, and public transit users, and creating a vibrant, healthy, mixed use downtown that serves the city's retail, business, social, cultural and entertainment center and ensuring the commercial and economic vitality of the area.

AVERAGE DAYLIGHT PLANE

The bulk regulations in the Town Center use "average daylight plane", or average minimum upper level step backs (MICC 19.11.030(A)(7)). Average daylight plane regulations aim to reduce the perceived scale of building facades along streets and promote the modulation of building facades along streets to add variety and visual interest. From a height of 25 feet at the front property line, buildings must step back at a 45-degree angle up to the maximum building height limit. The average daylight plane requirement reduces the ability to achieve higher FARs because the standards limit the size of upper stories of a development. Figure 2 illustrates how the average daylight plane standards in Town Center are currently applied.

Figure 2. Average Daylight Plane Illustration.



Source: ~~MICC 19.11.030 Figure 5~~.

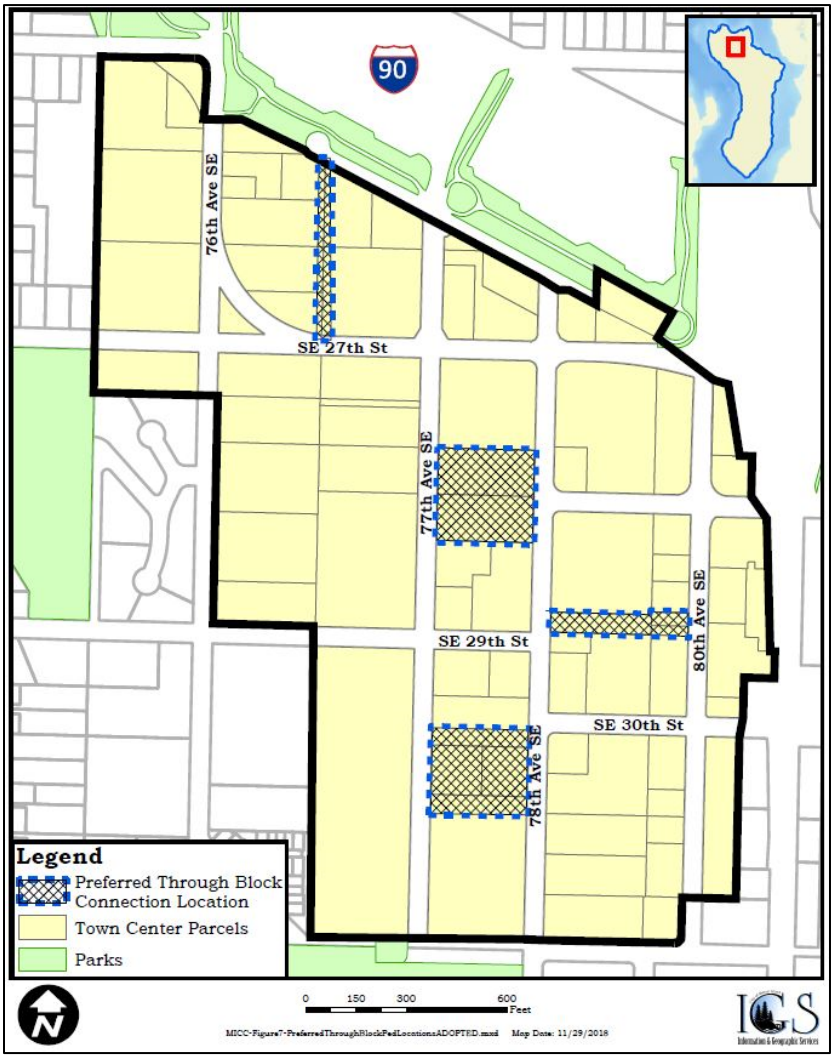
MAJOR SITE FEATURES

The design standards in Town Center require all major new construction above two-stories that abuts a preferred through-block connection location identified in the code to provide a major site feature (MICC 19.11.060(B)). Major site features include either a through-block connection or a public open space.

Through-block connections

Through-block connections are major site features required in some locations in Town Center. They are intended to provide a public pedestrian route through larger city blocks. The development code requires the through-block connection to connect with existing or future rights-of-way, other pedestrian connections and/or public open spaces. The through-block connection is required in the preferred locations shown in MICC 19.11.060 Figure 7 unless an applicant can demonstrate that such a connection is infeasible. Implementation of the through-block connection requirement reduces the ability to achieve higher FAR because lot area is occupied by the connection rather than the building footprint.

Figure 3. Through Block Connection Preferred Locations.



Source: MICC 19.11.060 Figure 7.

Public open space

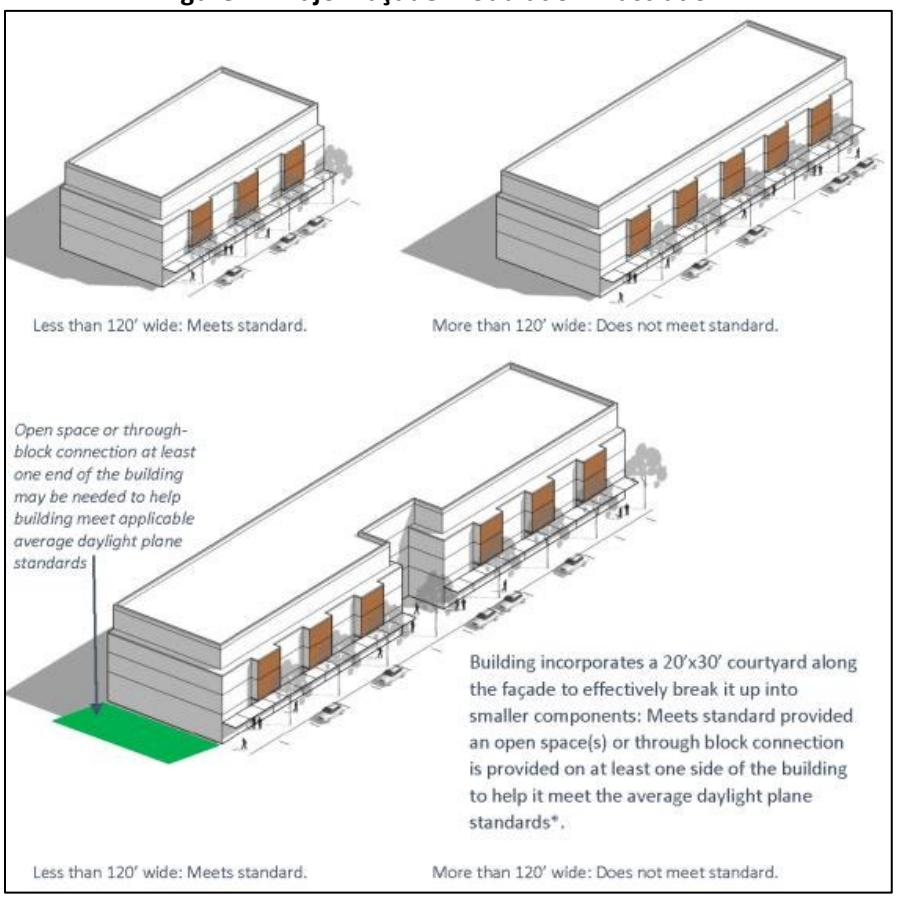
Public open space can be provided to meet the major site feature where a through-block connection is not feasible or achievable (MICC 19.11.060(B)). Public open space refers to plazas, parks, or other spaces intended for the use of the public in the Town Center zone. The size required for a single public open space is equal to three percent of the gross floor area of the proposed development. The development code also requires design elements that must be provided, including landscaping, seating, and coverings.

Implementation of the requirement for public open space reduces the ability to achieve higher FAR because lot area is occupied by the open space rather than the building footprint.

MAJOR FACADE MODULATION

Major façade modulation is required in the Town Center to break up the massing of the block and add visual interest (MICC 19.11.100(B)(3)). Major façade modulation includes building articulation stepping the façade forward and back along the street frontage. Implementation of the requirement for major façade modulation can reduce the ability to achieve higher FAR because it limits the building footprint. Figure 4 illustrates the current façade modulation requirement in Town Center.

Figure 4. Major Façade Modulation Illustration.



Source: MICC 19.11.100(B)(3)(c)

ALTERNATIVES AND ANALYSIS

DESIGN STANDARDS

Three design standards reduce the achievable FAR and need to be reviewed and possibly amended during implementation of the Station Subarea Plan. The City Council can direct whether they get addressed during Phase 1 or Phase 2 of the Station Subarea Plan. Addressing the standards during Phase 1 of the Subarea Plan would mean removing the requirement entirely because there is not enough time to analyze different or amended standards before Phase 1 will be implemented. Addressing the standards during Phase 2 of the Station Subarea Plan would give time for alternatives to be identified

and analyzed within the context of the larger station area. The three designs standards that affect FAR are:

- Average Daylight Plane;
- Major Site Features; and
- Major Façade Modulation.

Average Daylight Plane

The average daylight plane requirement reduces the ability for developers to achieve higher FAR by requiring upper story step backs at a 45-degree angle up to the maximum allowed building height. Requiring upper-story step backs reduces the maximum FAR allowed because it constrains overall building size. The average daylight plane standard will need to be reviewed for its impact on building FAR during the Station Subarea Plan Phase 2 because the City needs to allow and average minimum FAR throughout the station area.

Major Site Features

The development code requires at least one major site feature for major new development. The major site feature requirement reduces the allowed FAR by requiring major new construction to provide either a through-block connection or public open space, both of which would limit how much of the site can be developed.

Major Facade Modulation

The requirement for major façade modulation reduces the ability for developers to achieve higher FARs by requiring major new construction to provide vertical and horizontal modulation at intervals no greater than 120 feet.

Alternatives

A. Remove the requirement for average daylight plane, major site features, and major façade modulation during Station Subarea Plan Phase 1.
B. **Keep the requirement for average daylight plane, major site features, and major façade modulation and adopt a policy to review these standards during Station Subarea Plan Phase 2 (recommended).**

Alternative A: Removing the Requirement for Average Daylight Plane, Major Site Features, And Major Façade Modulation During Station Subarea Plan Phase 1

- Removes a barrier to achieving higher FARs outright.
- Easier compliance with FAR requirements for the station area during Phase 2 because a provision limiting FAR would already be removed.
- Would allow for the market to determine bulk of new development in the Town Center zone.
- There is some risk that new development in the Town Center zone might create undesirable pedestrian-oriented scale because it is not required to provide upper-story stepbacks, major site features, and façade modulation.

Alternative B: Keep the requirement for average daylight plane, major site features, and major façade modulation and adopt a policy to review these standards during Station Subarea Plan Phase 2

- Gives staff additional time to conduct studies on the impacts of average daylight plane, major site features, and major façade modulation requirements related to FAR in the station area.

- Gives staff additional time to conduct studies on the impacts of the design standards, how they relate to FAR in the station subarea, and to compose amendments to the design standards as a whole.
- During Phase 2, the City will work to comply with HB 1491. HB 1491 allows jurisdictions to change the allowable FAR within the station area above or below the required allowable FAR, only if the average across all lots within the station area equals the required allowable FAR. The ability to average the FAR throughout the subarea increases the options that can be considered during Phase 2 of the Station Subarea Plan.

Recommendation – Alternative B: Keep the requirement for average daylight plane, major site features, and major façade modulation and adopt a policy to review these standards during Station Subarea Plan Phase 2

Reviewing how the requirement for average daylight plane, major site features, and major façade modulation affect the allowed FAR during Phase 2 of the Station Subarea Plan would give staff the time to study and develop amendments to the development standards in the Town Center to align with the pedestrian-oriented scale and vision for the Town Center. However, there is a possibility that review will determine that any requirement for average daylight plane, major site features, and major façade modulation result in an average FAR in the Town Center zone below the minimum required and removing the requirement entirely is necessary.

Under this alternative, policy direction will be added to the Station Subarea Plan to review and, if necessary, amend the average daylight plane, major site features, and major façade modulation design standard during Phase 2 of the Station Subarea Plan.

STAFF RECOMMENDATION

Keep the requirement for average daylight plane, major site features, and major façade modulation and adopt a policy to review these standards during Station Subarea Plan Phase 2.