

COMMUNITY PLANNING & DEVELOPMENT
9611 SE 36TH STREET | MERCER ISLAND, WA 98040
PHONE: 206.275.7605 | www.mercerisland.gov



PLANNING COMMISSION

TO: Planning Commission
FROM: Adam Zack, Senior Planner
DATE: October 18, 2023
SUBJECT: Comprehensive Plan Update
Economic Development Element – Fourth Draft
DISCUSSION DATE: October 25, 2023
ATTACHMENTS: A. Economic Development Element – Fourth Draft
B. Comments on the Economic Development Element

PURPOSE

The purpose of this review is to obtain the Planning Commission’s responses to comments on the Economic Development Element of the Comprehensive Plan (Attachment A). A matrix of all comments is provided in Attachment B.

BACKGROUND

The City of Mercer Island is updating its Comprehensive Plan as part of the periodic review required by the Washington Growth Management Act (GMA). The City Council added drafting a new Economic Development Element of the Comprehensive Plan to the project scope of work with [Resolution No. 1621](#). This element will be a completely new addition to the Comprehensive Plan. The preparation of the draft Economic Development Element involved additional steps, including public participation, prior to Planning Commission review. Those additional steps and more background on the Economic Development Element drafting process are discussed in more detail in a [June 28 memo to the Planning Commission](#).

COMMENTS

Comments on the Economic Development Element are provided in Attachment B. This attachment includes a matrix that summarizes the comments and logs each by number. Public comments on the Economic Development Element are also provided in Attachment B. Where needed, staff provided clarifying notes in the comment matrix.

SIMPLE AMENDMENTS

On September 27, the Planning Commission continued its review of the draft Economic Development Element. At that meeting, the Planning Commission deferred resolving the remaining comments on policies marked as simple amendments in the comment matrix until the October meeting. The remaining simple amendments do not significantly change the policy direction in the Economic Development Element. To reserve meeting time to address the proposals requiring further deliberation, staff recommends that the Planning Commission resolve the simple amendments with the following motion:

Move to resolve the simple amendments as proposed and listed in Table 1 of the October 25, 2023 staff memo.

If members of the Planning Commission would like to discuss any of the simple amendments further, individual policies can be discussed prior to a vote on the proposed motion. If additional edits to a given simple amendment are proposed the motion may be either amended to exclude that policy or the motion can be withdrawn and a new motion excluding that policy can be made.

Table 1 lists the remaining simple amendments that require Planning Commission resolution.

Table 1. Remaining Simple Amendments.

Policy #	Log #	Amendment
2.4	69	Partner with community organizations to facilitate a mentorship program that connects Mercer Island business owners, entrepreneurs, and retirees with young adults <u>people</u> interested in starting new businesses.
3.4	11	Partner with community organizations, with a focus on <u>including</u> the Chamber of Commerce, to initiate a “Shop Mercer Island” marketing campaign directed at drawing more residents and visitors to commercial areas on the island. The City should fill a support role in this partnership.
Goal 7	20	The City actively reduces the regulatory <u>any unnecessary</u> burden created by commercial development regulations and permitting processes to support a healthy business ecosystem, entrepreneurs, and innovation in business.
7.4	24	Update home business regulations to support <u>ensure that they allow</u> a mix of commercial uses while ensuring home businesses remain compatible with neighboring residential uses. [Make the change and move this policy to be listed under Goal 2]
7.6	76	Convene an ad hoc committee of at least one architect, at least one developer, the Mercer Island Building Official, the business owner <u>Planning Commissioner</u> , and City Council local business liaison to develop proposed amendments to City codes to better facilitate adaptive reuse of commercial real estate. The ad hoc committee’s proposed amendments should be submitted through the annual docket process. [note: this change is just housekeeping, the text was unintentionally carried over from a previous draft]
10.2	28	Focus on public safety as an important component of the high quality of life on Mercer Island <u>a thriving business community</u> .
10.4.A-F	44 & 77	[re-order A-F] 10.4.A Pedestrian improvements <u>On street parking</u> ; 10.4.B Electric vehicle charging <u>Time-limited public parking</u> ; 10.4.C Bike parking and infrastructure <u>Public safety</u> ; 10.4.D Time-limited public parking <u>Pedestrian improvements</u> ; 10.4.E Public safety <u>Electric vehicle charging</u> ; and 10.4.F On street parking <u>Bike parking and infrastructure</u> .
12.4	31 & 45	Ensure that sufficient parking is provided <u>through a combination of regulations and incentives like parking credits</u> as commercial areas redevelop. Interpretation of the policies in this element should not lead to a reduction in parking. [Comment Log #45 proposes changing the order of policies to switch 12.2 and 12.4]

FURTHER DELIBERATIONS

After the simple amendments have been resolved, the Planning Commission can discuss the remaining amendments that need additional discussion. At the meeting on October 25, staff recommends the Planning Commission make a motion for each proposed amendment, the Planning Commission can make one round of comments on the proposed amendment, and then hold a vote on the motion. If the Planning Commission would like to give additional direction, the motion can be amended by making a second motion to amend the first motion, the motion to amend also requires a second. After the motion to amend is seconded, a majority vote is needed to decide whether the amendment is accepted. Then a vote is taken on the amended motion. This proposed process is intended to help the Planning Commission efficiently reach a decision.

Table 2 lists the remaining seven policies needing deliberation. If discussion of each remaining policy takes around ten minutes, the Planning Commission would need about an hour to deliberate and reach a decision for all of the proposed amendments.

Table 2. Proposed Amendments Needing Deliberation

Policy #	Log #	Amendment
New 7.1.F	22 & 74	Audit the development code and permitting processes to identify code amendments to support businesses, improve effectiveness, and make efficient use of City resources. The following goals should be coequally considered when identifying code amendments: [...] <u>7.1.F Reducing greenhouse gas emissions.</u>
7.3	23 & 75	Evaluate additional process or code improvements on an annual basis with input from the dedicated economic development staff, <u>Climate Action Plan project manager</u> , and Council local business liaison. This evaluation should inform the development of annual docket recommendations as needed.
New 7.7	86	<u>Study allowing small scale retail outside the existing commercial districts.</u>
10.1	27	Emphasize quality of life as a cornerstone of the Mercer Island economy. [strike entire policy 10.1]
New 10.5	65	<u>Review residential development standards and consider addition of small neighborhood establishments such as cafes and small boutique grocery.</u>
12.4	78	Ensure that sufficient parking is provided <u>through a combination of regulations and incentives like parking credits</u> as commercial areas redevelop. Interpretation of the policies in this element should not lead to a reduction in parking.
New 12.5	66	Proposed in Comment: <u>All new and improved public plaza development is aligned with the Pedestrian and [Bicycle] Facilities Plan so that safe walking and cycling routes are provided for residents, especially children, connecting neighborhoods with downtown public spaces.</u> Staff Alternative: <u>Align the development of public space with all City functional plans, including the Pedestrian and Bicycle Facilities Plan, to create safe walking and cycling routes that connect residential areas with public spaces.</u>

PARKING LOT

On September 27, the Planning Commission placed several proposed amendments and new policies in the 'parking lot' for discussion after the Housing Element is drafted. The purpose of the parking lot when it was created was to give the Planning Commission time to consider the housing related policies after a draft of the Housing Element was prepared and ensure that those policies are consistent. Several of the policies in the parking lot do not refer to housing (proposed new Policies 4.2, 6.4, and 6.5). The Housing Element is not likely to provide additional information about these policies.

The parking lot amendments and policies are listed in Table 3. By placing these proposed amendments in the parking lot, they will stay in the draft of the Economic Development Element until the Planning Commission decides whether to keep them in the recommended draft following the preparation of the draft Housing Element. No further action on these policies is required at the October meeting, but staff recommends a few clarifications for the parking lot policies.

Simplifying the Parking Lot

Staff recommends that the parking lot policies be simplified and clarified to gather more direct feedback from the public on the concepts in the policies. Making a few modifications to the items in the parking lot will make the draft more concise when it comes back for consideration after the Housing Element is drafted. Three of the five policies in the parking lot do not relate to housing and the Housing Element is unlikely to provide additional information about these topics. Without new information, holding off on a decision until after the Housing Element is drafted is not likely to be beneficial. The discussion below provides options for resolving non-housing parking lot policies at this stage of review. Staff recommends the following simplification of the parking lot policies:

- **Decide whether to keep the proposed new Policy 4.2 in the draft, taking it out of the parking lot** – This policy is broad direction regarding which factors the City should balance as it takes actions to grow the economy. The proposed policy does not link to a specific action and is more about approach. The Housing Element is unlikely to provide more insight on how to balance these factors. If the Planning Commission, as a body, agrees with the approach in the proposed policy it can be retained to get more public comment as the draft moves forward. If the Planning Commission does not want to include this approach the proposed policy can be dropped. If the policy stays in the draft, the public will be able to provide input on this policy through the comment periods in advance of the Planning Commission making its final recommendation.
- **Drop proposed new Policy 6.3 and its alternate in favor of proposed new Policy 6.6** – The proposed new Policy 6.3 and its alternate will not be necessary once the Housing Element is completed because the Housing Element will address housing affordability in much more detail. Furthermore, the proposed new Policy 6.6 creates a strong link between housing policies and the Economic Development Element. By dropping proposed Policy 6.3 and its alternate and retaining proposed Policy 6.6, the public will be able to provide comments on the concept of ensuring that people that work in Mercer Island have access to housing within their means as an approach to economic development. The public will be able to comment on the issue of the supply of affordable housing, as outlined in proposed Policy 6.3 and its alternate, during the Housing Element comment periods.
- **Clarify the purpose of placing proposed new Policies 6.4 and 6.5 in the parking lot** – Proposed policies 6.4 and 6.5 relate to worker wages and benefits. As currently constructed, the parking lot holds further discussion of these policies until the Housing Element draft is prepared. The Housing Element is unlikely to provide additional insight into these two topics. If the purpose is to get additional public feedback on these two policies prior to the Planning Commission recommendation, that should be clarified. Otherwise, the Planning Commission will be asked to decide whether to keep these policies in the public review draft of the Economic Development Element after the Housing Element is drafted but there will not be additional information to assist in the decision.

Table 3. Parking Lot Policies.

Policy #	Log #	Amendment
New 4.2	14	<u>Balance economic growth with maintaining easy access to services and small town feel.</u>
New 6.3	19	<u>Take steps to increase the supply of affordable housing on the Island.</u>
Alt. New 6.3	73	<u>Take steps to increase the supply of affordable and housing priced in the middle range on the island.</u>
New 6.4	64	Establish <u>Study a minimum wage on Mercer Island.</u>
New 6.5	64	<u>Provide tax incentives to retailers, landscapers, and home health care services that provide living wage jobs, paid time off, and health insurance to their employees.</u>
New 6.6	64	<u>Coordinate with the Housing Element to ensure that the employees that work in our community have future opportunities for housing in our community.</u> Staff Alternative <u>Ensure that people who work in our community have access to housing in the City that is affordable given their income level.</u>

IMPLEMENTATION PLAN

No further Planning Commission action regarding the Economic Development Implementation Plan is needed on October 25. Staff will need to update the Economic Development Implementation once the Planning Commission arrives at its public review draft of the Economic Development Element. The Planning Commission will be briefed on the updated Economic Development Implementation Plan later in the Comprehensive Plan update process prior to their making a recommendation.

PLANNING COMMISSION REVIEW SCHEDULE

October 25 The Planning Commission can finish consideration of the proposed amendments and complete this round of review. After finishing this round of review, the draft Economic Development Element will be considered the public hearing draft.

November 8 Date reserved for a special meeting, if necessary. The special meeting would be necessary if review is not completed on October 25.

Once the Planning Commission arrives at a public hearing draft of the Economic Development Element, there will be more rounds of review:

- Remaining Review**
- The City will hold an open house on the Comprehensive Plan update to gather public input.
 - After the open house, the Planning Commission will hold a Comprehensive Plan update, “tune up” meeting to respond to public input gathered. The Planning Commission will be briefed on the updated Economic Development Implementation Plan.

- The Planning Commission will hold a public hearing on the Comprehensive Plan update to gather additional public input.
- The Planning Commission can respond to input from the public hearing by amending the drafts prior to making a recommendation to the City Council.

1 **I. Introduction, Existing Conditions, and Land Use Connection**
2

3 This element of the Comprehensive Plan articulates how the City of Mercer Island will support and grow
4 its economy through the year 2044. This element establishes policy direction for the City to build on its
5 strengths, maximize opportunities, and build resilience in the local economy to overcome challenges. By
6 many measures Mercer Island is poised to significantly grow its economy during the planning period. The
7 resident work force tends to be employed in high-wage jobs and is highly educated. Because residents
8 tend to be employed in high-earning jobs, there is a strong local customer base to support on-island
9 businesses. The arrival of light rail service will increase access to Mercer Island for off-island visitors and
10 workers. Mercer Island’s position between Bellevue and Seattle makes it a prime location for businesses
11 looking to draw workers and customers from larger surrounding cities. The Mercer Island economy is in
12 a strong position to support new growth.
13

14 Mercer Island residents are employed in many high-earning industries. Over one quarter (26 percent) of
15 the population is employed in the professional, scientific, and management, and administrative and waste
16 management services industry, making it the largest employment sector. In 2021, the median annual
17 earnings for this sector were \$134,265. The next three largest employment sectors are educational
18 services, and health care and social assistance (16 percent), retail trade (13 percent), and finance and
19 insurance, and real estate and rental and leasing (12 percent). In 2021, the median earnings for these
20 three sectors ranges from between \$71,467 and \$105,913 annually. Table 1 shows the full-time, year-
21 round employed population 16 years old and over by industry.
22
23

1 Table 1. Mercer Island Employment by Industry Sector, 2021.

Industry Sector	Count	Share	Median Earnings*
Full-time, year-round civilian employed population 16 years and over	8,620	100.00%	102,348
Agriculture, forestry, fishing and hunting, and mining:	0	0.00%	-
Construction	177	2.05%	76,103
Manufacturing	665	7.71%	149,219
Wholesale trade	229	2.66%	93,438
Retail trade	1,138	13.20%	88,000
Transportation and warehousing, and utilities:	212	2.46%	100,670
Transportation and warehousing	183	2.12%	91,042
Utilities	29	0.34%	152,031
Information	665	7.71%	195,729
Finance and insurance, and real estate and rental and leasing:	1,110	12.88%	105,913
Finance and insurance	675	7.83%	109,286
Real estate and rental and leasing	435	5.05%	76,563
Professional, scientific, and management, and administrative and waste management services:	2,284	26.50%	134,265
Professional, scientific, and technical services	1,998	23.18%	147,576
Management of companies and enterprises	12	0.14%	-
Administrative and support and waste management services	274	3.18%	78,241
Educational services, and health care and social assistance:	1,421	16.48%	71,467
Educational services	584	6.77%	55,724
Health care and social assistance	837	9.71%	89,688
Arts, entertainment, and recreation, and accommodation and food services:	305	3.54%	25,052
Arts, entertainment, and recreation	154	1.79%	11,678
Accommodation and food services	151	1.75%	28,370
Other services, except public administration	157	1.82%	33,750
Public administration	257	2.98%	67,745

2 *2021 median earnings are shown for the last 12 months in inflation adjusted dollars

3 Source: U.S. Census Bureau 2021 American Community Survey, Tables S2404 and B24031.

4 <https://data.census.gov/table?q=industry&g=1600000US5345005&tid=ACSST5Y2021.S2404>

5 <https://data.census.gov/table?q=earnings+by+industry&g=1600000US5345005&tid=ACSDT5Y2021.B24031>

6
7 The Mercer Island population is well-educated. A little more than 82 percent of residents over the age of
8 25 have completed a college degree, having earned an associate's degree or higher educational
9 attainment. For comparison, about 64 percent of the population over 25 in King County have an
10 associate's degree or higher educational attainment. The high educational attainment of Mercer Island
11 residents indicates that the on-island work force is highly skilled. Table 2 shows the educational
12 attainment for the Mercer Island population aged 25 or older.

13
14
15

1

Table 2. Educational Attainment for the Population 25 Years and Over, 2021.

Educational Attainment	Estimate	Share
Less than high school diploma	308	1.70%
Regular high school diploma	1,034	5.71%
GED or alternative credential	84	0.46%
Some college, less than 1 year	316	1.74%
Some college, 1 or more years, no degree	1,379	7.61%
Associate's degree	952	5.25%
Bachelor's degree	7,118	39.29%
Master's degree	3,781	20.87%
Professional school degree	1,791	9.89%
Doctorate degree	1,354	7.47%
Total	18,117	100%

2

Source: U.S. Census Bureau 2021 American Community Survey, Table B15003.

3

4

Mercer Island is located in King County between two major economic hubs in Seattle and Bellevue. Mercer Island is in the center of a high-income area that can support increased economic activity. The City's geography places it in a prime location to grow its economy by attracting off-island customers and capital from the surrounding area. King County's median household income is the highest in both the Puget Sound region and Washington overall. Table 3 shows the 2021 median household incomes for Washington State and selected Puget Sound counties.

10

11

Table 3. Estimated 2021 Median Household Income in the Last 12 Months, Washington State and Selected Puget Sound Counties.

12

Location	Median Income (Dollars)
Washington State	\$84,247
King	\$110,586
Kitsap	\$87,314
Pierce	\$85,866
Snohomish	\$100,042

13

Source: 2021 American Community Survey Table S1903.

14

15

Mercer Island Commercial Areas

16

The City of Mercer Island has three commercial areas. These areas have been zoned for commercial uses since the City incorporated in the 1960s. Each of these areas is home to different types of commercial development. Commercial developments in Town Center are predominantly older one-story strip mall development and newer mid-rise mixed-use buildings. There is a commercial area in the northeast of the island near City Hall that is primarily older one- and two-story buildings with office spaces and services such as childcare. The south end commercial area is a smaller shopping center and self-storage structure. These three distinct areas are the only places in Mercer Island zoned for commercial uses. Some limited commercial activities such as home-based businesses are allowed outside of these areas.

24

25

Town Center

26

Town Center is located south of Interstate 90, north of Mercerdale Park, west of Island Crest Way, and east of 74th Avenue Southeast. The Town Center has experienced the most development of all the commercial areas in the City in recent years. Most of the recent development has been mixed-use development combining first floor commercial space and parking with residential uses on the upper floors.

29

1 Older development in Town Center is lower-intensity, one-story, 'strip mall' development with surface
2 parking in front of the commercial space.
3

4 **Northeast Commercial Area**

5 The northeast commercial area is south of Interstate 90, north of Stroum Jewish Community Center, west
6 of East Mercer Way, and east of Gallagher Hill. This area is developed primarily for commercial and
7 institutional uses. The majority of buildings in this area were constructed between 1957 and 1981.
8 Commercial development is typically composed of one- and two-story buildings surrounded by surface
9 parking lots. The commercial land uses in this area are offices for professional services and services such
10 as daycares and private schools. City hall is located in this area. The intersection of E Mercer Way, SE 36th
11 Street and eastbound I-90 ramps is located in the eastern portion of this area. This intersection
12 experiences significant traffic levels during peak travel hours.
13

14 **South End Commercial Area**

15 The south end commercial area is south of Southeast 68th Street, west of Island Crest Way, east of 84th
16 Avenue Southeast, and north of Southeast 71st Street. This is the smallest commercial area on Mercer
17 Island at roughly 14 acres. The majority of the commercial development dates to the early 1960's. The
18 commercial land uses here are primarily restaurants and retail. There are some commercial offices, a gas
19 station, and a storage facility. This area has low intensity commercial development surrounded by surface
20 parking lots.
21

22 **Land Use Connection**

23 There is a fundamental tie between the policies of this element and the Land Use Element. The Land Use
24 Element envisions a primarily residential city with three defined commercial areas. It and the resultant
25 regulations largely confine commercial land uses to three distinct commercial districts. This focuses the
26 future economic growth in the City to those districts.
27

28 Each of the three commercial areas is regulated differently, with the built environment reflecting those
29 variations. The Town Center zones allow the highest intensity development and midrise mixed-use
30 structures are the principal form of new commercial development in that area. The northeast commercial
31 area is zoned for office and service uses as opposed to other commercial uses. It was largely developed
32 forty years ago and has not seen the same degree of recent development as Town Center. The south end
33 commercial area is zoned for a mix of small scale, neighborhood-oriented business, office, service, public
34 and residential uses. The smallest of the three commercial areas, the south end commercial area, is are
35 mostly developed, so absent rezoning most [no consensus] n—New c commercial development in most
36 areas of the City will likely come through redevelopment of existing commercial buildings.
37

38 The supply of commercial development capacity is closely controlled by Land Use policies and regulations.
39 Regulations that modulate the supply of an economic input such as, the space in which commercial activity
40 can take place also affect the location, size, scale, and cost associated with doing businesses in the City.
41 Controlling the supply of commercial development capacity is the primary way the Comprehensive Plan
42 has shaped the local economy prior to the adoption of this Economic Development Element. Because of
43 this connection, some goals and policies of this element connect directly to land use policies and
44 regulations.
45

1 **Relationship to Other Comprehensive Plan Elements and Other Plans**

2 The Housing, Transportation, Utilities, Capital Facilities, and Shoreline Master Program elements all
3 interact with the local economy as follows:

4 **Housing**

5 Housing indirectly impacts the local economy because it has an effect on the local business' customer
6 base and labor force. Housing on Mercer Island is primarily detached single-family homes and contributes
7 to the unique Island neighborhood character. Multifamily development is largely limited to the area in
8 and around Town Center. Housing has ~~two primary~~ several effects on the local economy. Higher cost
9 housing can attract higher income residents and customer for local business. On the other hand, high
10 housing costs may limit the ability for some workers to afford to live in the City, leading to increased
11 commuting and potentially limiting a business's ability to hire. ~~Conversely, higher cost housing can~~
12 attract higher-income residents and customers for local businesses, though, higher cost housing may
13 depress financial resources and reduce customer spending overall, including at Island businesses. Less
14 expensive, multifamily housing may attract residents in and near the Town Center who are more likely to
15 choose not to own a car and may be more likely to shop local than those in detached single-family housing.
16 The quantity of multifamily housing available may correlate with the market for the basics of everyday
17 living and experiences such as dining out. [Comment Log #60 and #67]

18 **Transportation Element**

19 Transportation infrastructure is integral to the local economy. The Transportation Element establishes
20 the goals and policies that guide how the City will maintain, improve, and expand the transportation
21 network to account for growth throughout the planning period. The goals and policies of the
22 Transportation Element aim to maintain adequate levels of service at high traffic intersections, reinvest
23 in existing infrastructure, increase transportation choice in the City, and provide connectivity between the
24 light rail station and the City's commercial areas. Transportation networks allow businesses to access
25 markets in neighboring cities, make it easier for customers from outside the City to patronize local
26 businesses, and enable local businesses to draw from the regional labor force.

27 **Utilities**

28 The provision of utilities is vital to local businesses, all of which need reliable sewer, water, power, and
29 internet. The Utilities Element details how the City will coordinate with its utility service providers to
30 ensure adequate provision of these vital services for residents and businesses alike.

31 **Capital Facilities**

32 Capital facilities such as parks and public buildings are critical to the provision of services to the local
33 economy. In addition to planning for public assets, the Capital Facilities Element includes goals and
34 policies to support a high quality of life, which can attract new businesses and workers to Mercer Island

35 **Shoreline Master Program**

36 The Shoreline Master Program (SMP) Element establishes the policies for managing development in the
37 shoreline. This element is designed to ensure that the shoreline environment is protected, and that the
38 shoreline is available for water dependent uses. Those businesses located in the shoreline jurisdiction,
39 within 200 feet of Lake Washington, are affected by the SMP. In situations where the policies in the SMP
40 and Economic Development Element intersect, the Comprehensive Plan will need to balance shoreline
41 environmental protection with fostering of appropriate water dependent commercial uses in the
42 shoreline.

1 Other Plans

2 The Comprehensive Plan includes several other plans that address specific topics. As components of the
 3 Comprehensive Plan, those other plans relate to the Economic Development Element. Some of the other
 4 plans include:

- 6 • **The Arts and Cultural Plan** – Directs the provision of artistic and cultural infrastructure that draw
 7 both residents and shoppers to commercial areas. Artistic and cultural infrastructure and events
 8 in the community improve the quality of life. Well executed, they can attract local and off-island
 9 residents to commercial areas where they may be more likely to shop. It may also attract workers
 10 to the island, who in addition to contributing to the employment base, may shop here. [Comment
 11 Log # 67]
- 12 • **The Pedestrian and Bicycle Facilities Plan** – Establishes strategies maintaining and improving
 13 pedestrian and bicycle infrastructure to provide multimodal connections throughout the City.
- 14 • **Parks, Recreation and Open Space Plan** – Plans for the maintenance, improvement, and
 15 development of parks and open space.
- 16 • **Climate Action Plan** – Establishes the strategies the City will use to reduce greenhouse gas
 17 emissions and address the impacts of climate change.
- 18 • **Capital Improvement Plan** – Lists the capital investments the City will make through 2044.
- 19 • **Transportation Improvement Program** – Lists the Transportation Element implementation
 20 projects the City will undertake throughout the life of the Comprehensive Plan.

22 **Employment Growth Target**

23 The King County Countywide Planning Policies (CPPs) establish growth targets for all of the jurisdictions
 24 within King County. The CPPs were initially adopted in 1992 and have been amended several times since
 25 then. Elected officials from King County, the cities of Seattle and Bellevue, and the Sound Cities Association
 26 meet as the Growth Management Planning Council. This Council makes recommendations to the County
 27 Council, which has the authority to adopt and amend the CPPs. King County amended the CPPs in 2021,
 28 updating the growth targets for cities and towns throughout the County. The updated growth targets
 29 extended the planning horizon through the year 2044. Mercer Island's current employment is
 30 approximately 7,700 jobs; the growth target is 1,300 new jobs by the year 2044.

32 **I.B Strengths, Weaknesses, Opportunities, and Threats**

34 The advantages and challenges the City plans to encounter in the next twenty years can be divided into
 35 strengths, weaknesses, opportunities, and threats. Strengths are those things already existing in the local
 36 economy that the City can build on to grow the economy. Weaknesses are existing conditions in the local
 37 economy that could impede or otherwise challenge economic growth through the planning period.
 38 Opportunities are foreseeable changes that can give the City a stronger competitive advantage in the
 39 coming years. Threats are external events or factors that have the potential to negatively affect economic
 40 growth. The selected strengths, weaknesses, opportunities, and threats discussed in this section were
 41 identified during public participation and data review conducted during the drafting of this element.

43 **Strengths**

44 Strengths are the cornerstones of the economy. These are the aspects of the local economy that are
 45 advantageous for economic growth. Strengths are factors that contribute to the prosperity, environment,
 46 and social cohesion of the City and as such represent topic areas the City can support or expand to

1 overcome weaknesses and threats. Some of the principal strengths identified are listed and discussed
 2 below.

3
 4 **High Quality of Life**

5 The high quality of life on Mercer Island is a considerable strength. The Island’s parks, open space, high
 6 quality public schools, safe and walkable neighborhoods, and cultural amenities helps attract new
 7 businesses and workers alike. Community input gathered during the drafting of this element often
 8 pointed to the high quality of life in Mercer Island as an asset the City can build upon to strengthen the
 9 local economy. Quality of life may also serve as a draw for off-island visitors to patronize local businesses.
 10 Since this high quality of life is a considerable strength, it must be protected. [No consensus Planning
 11 Commission asked Chris Goelz to draft an amendment]

12
 13 **High-Income Residents**

14 Another key strength is the relatively high income of Mercer Island residents. During public input,
 15 business owners pointed out that the spending power of the Mercer Island community helped with the
 16 initial success of businesses. In 2021, the median household income for Mercer Island was \$170,000. For
 17 reference, the 2021 median household income in King County was \$106,326. Table 4 shows the 2021
 18 household income distribution in Mercer Island and King County. Figure 1 shows the median household
 19 income in King County and Mercer Island between 2010 and 2020. It is worth noting that over the last
 20 few years, the percent gap between King County and Mercer Island household income has been closing.

21
 22 **Table 4. Household Income and Benefits, 2021.**

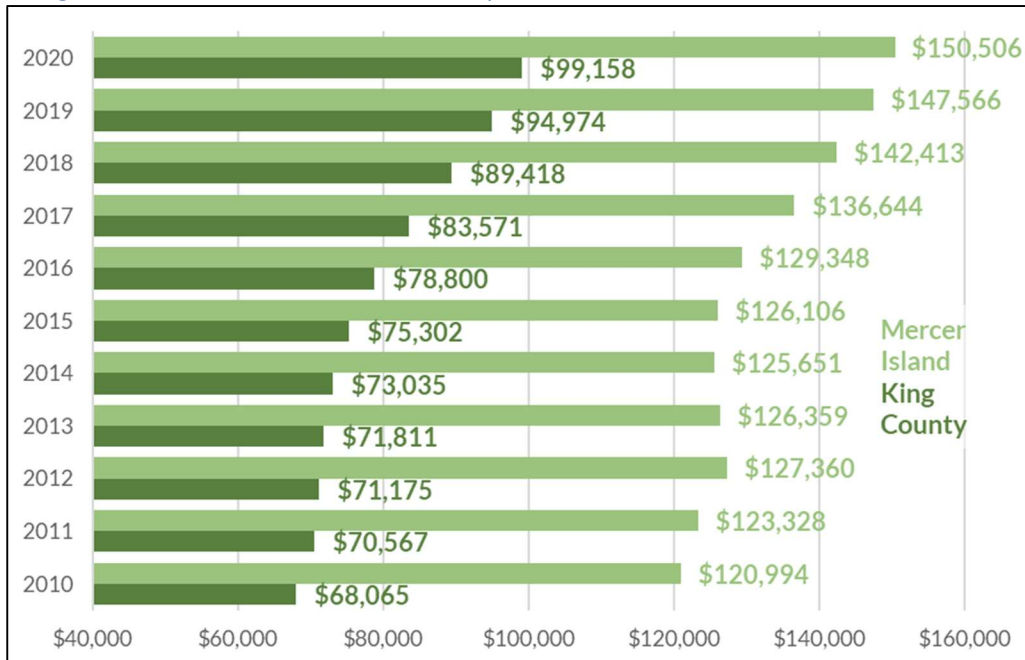
Income and Benefits in 2021 Inflation-Adjusted Dollars		
	Mercer Island	King County
Total households	9,758	924,763
Less than \$10,000	3.3%	4.7%
\$10,000 to \$14,999	0.5%	2.4%
\$15,000 to \$24,999	4.0%	4.3%
\$25,000 to \$34,999	5.1%	4.2%
\$35,000 to \$49,999	4.3%	7.4%
\$50,000 to \$74,999	8.3%	12.2%
\$75,000 to \$99,999	6.1%	10.3%
\$100,000 to \$149,999	14.3%	18.1%
\$150,000 to \$199,999	8.8%	12.1%
\$200,000 or more	45.3%	24.4%
Median household income (dollars)	\$170,000	\$110,586
Mean household income (dollars)	\$261,417	\$154,122

Source: U.S. Census Bureau, Table CP03.

<https://data.census.gov/table?q=employment+income&g=1600000US5345005&tid=ACSCP5Y2021.CP03>

1

Figure 1. Median Household Income by Year, Mercer Island, 2010 to 2020



Source: American Community Survey, 2010, 2020; CAI, 2022.

2
3

4

5

6

7

8

9

10

Having an existing high-income customer base is a considerable advantage for entrepreneurs and can draw firms from off-island to do business in the city. The financial resources of the community on Mercer Island can also help with business formulation and business attraction. The key to building on this strength is focusing on giving residents more opportunities to shop on-island and broadening prospects for entrepreneurs and businesses to invest capital in the Mercer Island economy.

11 **Location of the City**

12

13

14

15

16

17

18

19

Mercer Island’s location on Interstate 90 (I-90) and roughly equidistant from Seattle and Bellevue is a strength. Seattle and Bellevue are large metropolitan centers with many thriving businesses, potential customers for Mercer Island businesses, and workers with diverse skills and expertise. I-90 provides potential customers and employees with excellent access to the city and that access is complemented with available parking near businesses. The city is also connected to its neighbors by transit, allowing greater flow of people to and from its commercial centers. Ensuring good access to commercial areas with roads and transit connections can build on this strength.

20 **Weaknesses**

21

22

23

24

Weaknesses are aspects of the local economy that could impede growth in the local economy. They represent topic areas the City can apply policy mechanisms to minimize, reduce, or overcome impediments to a healthy local economy. Weaknesses are listed and discussed below.

25 **Permitting and Regulatory Environment**

26

27

28

29

30

Permitting challenges, difficulty navigating the development code, and protracted permitting processes can adversely affect business formation. Difficulty in navigating the development code and permitting processes can increase financial risk when starting a new business or expanding an existing one. [PC directed staff to combine original sentences 1 and 2, staff draft is shown above] This increased financial risk can adversely impact business formation and retention. Public input indicated that the City’s

1 development code and permitting processes can be complicated and make starting a business more
 2 difficult. Permit fees and the time spent on permit review are also ~~Another~~ challenging factors ~~related to~~
 3 ~~permitting is the additional cost that fees and delays in permitting can add to~~ starting a new business. As
 4 the City considers permit fees, impact fees, and other regulatory requirements it can assess how those
 5 changes might add to or reduce the cost of starting a new business. The City can address this weakness
 6 by auditing its regulations and permit processes to ensure that they do not unnecessarily restrict or
 7 complicate the process of starting or expanding a business. Another way for the City to address this
 8 weakness is to engage the business community in the legislative process.

9 10 **Business Climate and Culture**

11 Public input gathered during the drafting of this element indicated that the business climate and culture
 12 on Mercer Island are underdeveloped. Some business owners cited limited formal opportunities to
 13 connect with the larger business community on Mercer Island. Commenters suggested that most business
 14 networking was through informal networks rather than a concerted effort to help businesses cooperate
 15 and share expertise. Other comments indicated that competition for limited on-island customers and a
 16 corresponding lack of off-island patrons fostered competition amongst local businesses. The City can
 17 begin to address this weakness by working with partners to facilitate formal communication and
 18 collaboration between business owners.

19 20 **Lack of Visitor Customer Base**

21 Public input gathered during the drafting of this element highlighted low numbers of off-island customers
 22 as a weakness. Many comments suggested that Mercer Island businesses sometimes struggle to connect
 23 with customers outside of the city. Given the city's location near large metropolitan cities, there is a large
 24 off-island customer base to draw from and attract. To begin addressing this weakness, the City can
 25 explore opportunities to support the business community and community organizations such as the
 26 Chamber of Commerce to reach customers outside of Mercer Island.

27 28 **Affordability and Availability of Commercial Space**

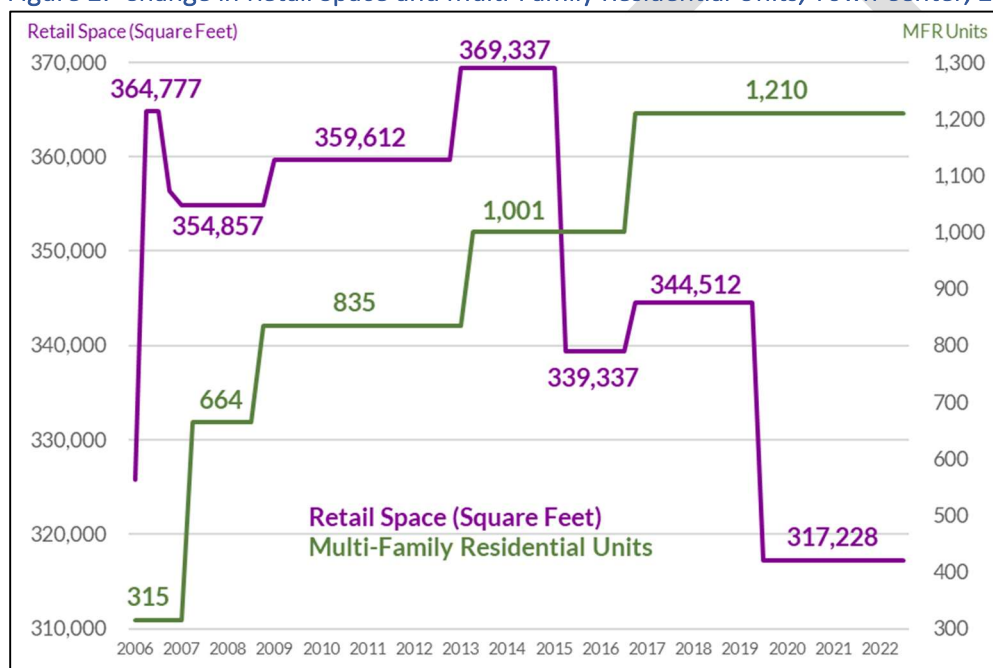
29 The lack of commercial space in the city and its cost can be a challenge for new business formulation and
 30 expansion of existing businesses. Under the current zoning, commercial activities are largely limited to
 31 three areas in the city. The largest of these areas, Town Center, is a mixed-use area where development
 32 is allowed to be a combination of commercial and residential space. Over the last two decades,
 33 redevelopment in this area has favored residential space, with minimal commercial space along certain
 34 street frontages. As a result, there has been a limited amount of new commercial space added to Town
 35 Center in recent years, a trend the City Council has begun working to reverse.

36
37 The City's future land use map in the Land Use Element and the zoning that implements that policy
 38 framework limits the areas where commercial uses are allowed to the Town Center, the planned business
 39 zone, and commercial-offices zone. The size of commercial zones can influence the cost and availability
 40 of commercial real estate. If the area available for commercial development is not large enough to
 41 accommodate the projected growth, prices can rise, and businesses can have trouble finding available
 42 spaces as supply reduces. The City must monitor the size of its commercial areas to ensure that the supply
 43 of developable commercial land is not so restricted that it limits opportunities for development. This is
 44 why the GMA includes a requirement to plan for projected growth in the form of adopting an employment
 45 growth target. The employment growth target is derived from the projected population increase through
 46 the planning period. By setting an employment growth target and ensure the Comprehensive Plan can

1 accommodate that target, the City can ensure that commercial areas are sized appropriately. [Planning
 2 Commission asked staff to incorporate information about how zoning influences commercial areas]
 3

4 Figure 2 compares the change in commercial square footage and residential units in Town Center between
 5 2006 and 2022. The retail space referred to in the figure is commercial store fronts that could be retail or
 6 restaurant space. From 2006 to 2022, the multi-family residential units increased by 895 units to a total
 7 of 1,210 (Figure 1). In that same period, the square footage of commercial space initially increased to a
 8 peak of about 369,000 square feet in 2013, before decreasing to about 317,000 square feet in the third
 9 quarter of 2019. This may be the result of a demolished building at 2431-2441 76th Ave SE. Although all
 10 development in Town Center is interconnected due to the mixed-use zoning in the area, this data does
 11 not mean that the amount of commercial space and number of residential units in Town Center are
 12 proportional or causal. From 2006 to 2022, the amount of commercial space has decreased by
 13 approximately 2.5% while the number of multi-family residential units have increased by nearly 75%.
 14

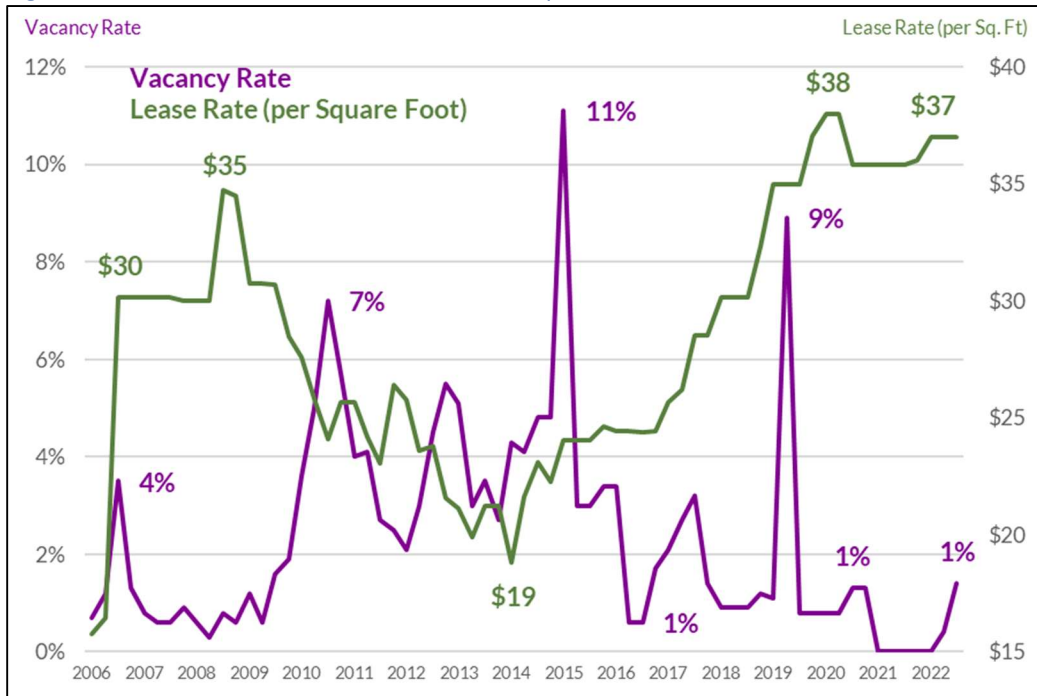
15 **Figure 2. Change in Retail Space and Multi-Family Residential Units, Town Center, 2006 to 2022**



16 Source: CoStar, 2022; CAI, 2022.

17
 18
 19 In the years between 2006 and 2020, the yearly lease rate (shown per square foot of retail space in Figure
 20 3) increased to 38 dollars per square foot in the first quarter of 2020 and was holding at 37 dollars per
 21 square foot in 2022. While there was a small spike in the lease rate around 2020 (at the onset of the
 22 COVID-19 pandemic and development moratorium), this rate has been on a fairly steady increase since a
 23 low of 19 dollars per square foot in 2014. In that period, lease rates nearly doubled. 2015 saw the highest
 24 spike in the vacancy rate in Town Center. Around that time, a retail space of about 30,000 square feet was
 25 demolished at 2615 76th Ave SE. The closure of the businesses at that location prior to demolition could
 26 contribute to the short-term spike in the vacancy rate. In addition, at the onset of the pandemic, Town
 27 Center saw a spike to nine percent in the retail vacancy rate. That spike was short-lived and held at about
 28 a one percent vacancy rate through 2022.
 29

1 **Figure 3. Retail Annual Lease Rate and Vacancy Rate, Town Center, 2006 to 2022.**



2 Source: CoStar, 2022; CAI, 2022.

3
4
5 In 2022, the City Council enacted regulations in Town Center that expanded commercial frontage
6 requirements along specific streets and added a new commercial floor area requirement in an attempt to
7 prevent loss of commercial space. The effectiveness of these regulations will need to be evaluated over
8 time. If new development in Town Center does not include enough commercial space to meet the
9 demand from new businesses looking to locate in the city and the expansion of existing businesses, the
10 affordability and availability of commercial space may constrain future economic growth and those
11 regulations may need to be revisited.

12
13 **Opportunities**

14 Opportunities are foreseeable changes that can give the city’s economy a stronger competitive advantage
15 in the coming years. Compared with strengths and weaknesses, which come from existing conditions,
16 opportunities are anticipated future events or conditions. Similar to strengths, opportunities are topic
17 areas the City can focus on to support economic growth and maximize probable positive developments in
18 the local economy.

19
20 **Additional Transportation Connections**

21 The flow of goods and people is a major component of any city’s economy. Transportation infrastructure
22 can be even more impactful for an island community where moving people and goods is complicated by
23 lack of an overland route. For this reason, the East Link Light Rail station has the potential to be one of
24 the most transformative transportation developments on Mercer Island since the construction of the first
25 bridge to the island. The arrival of light rail will increase access to Mercer Island for off-island people. The
26 potential to draw more off-island visitors to increase the customer base for local businesses is an
27 opportunity to boost economic growth in the city. Leveraging the arrival of light rail will require some
28 active steps to ensure that this opportunity is maximized, and impacts are adequately addressed.

1 [Planning Commission asked staff to draft clause at the end of this sentence referring to impacts] The City
2 can help connect transit riders with local businesses to take advantage of the arrival of light rail.
3

4 Arrival of a Large Employer in Town Center

5 Riot Games acquired an office building in Town Center in 2022. Their use of this office space is expected
6 to eventually add a couple hundred jobs to Town Center. This opportunity overlaps with the planned
7 arrival of light rail. This influx of workers is expected to increase demand for goods and services from
8 neighboring businesses in Town Center. The arrival of a large employer is also expected to generally spur
9 economic growth. The City should explore partnerships and programs to begin encouraging commuters
10 to spend more time in Town Center and shop locally.
11

12 More Islanders Working From Home

13 One of the changes prompted by the Covid-19 pandemic is the transition to more work-from-home
14 options for commuters. The extent to which commuting workers will spend their workdays on-island
15 instead of traveling to work off-island remains unclear. What seems increasingly likely is that workers will
16 commute less often than they did before the pandemic. Changes in commuting could lead to new demand
17 for different services in the city's commercial areas or increased demand for existing services.
18

19 More Housing Priced in the Middle Range

20 Recent legislation will encourage the development of more housing priced in the middle range, most of it
21 in and near the Town Center. Residents of this housing will be located near the commercial area, will be
22 less likely to own a car, and will be more likely to shop locally. The arrival of more residents in these
23 locations will likely spur economic development. [Comment Log #60 and #67]
24

25 **Threats**

26 Threats are external events or factors that have the potential to impede, slow, or otherwise negatively
27 affect economic growth. Whereas weaknesses are existing conditions in the City that might challenge
28 growth, threats are potential future concerns. Threats are topic areas where the City can focus attention
29 to prepare for possible challenges and build resilience in the local economy.
30

31 Economic Uncertainty

32 There currently is a high degree of uncertainty about the future in the regional, national, and global
33 economy. The unknown future of market forces such as inflation, supply chain difficulties, labor
34 shortages, stock market volatility, and rising transportation costs obfuscate the economic outlook ~~in~~ for
35 the coming years. Many of these market forces are beyond the reach of City policies, however the City
36 can prepare for positive and negative swings in the regional, national, and global economy by planning
37 for economic resilience. Policy interventions that look to build on the local economy's strengths,
38 overcome its weaknesses, and capitalize on expected opportunities can build resilience in the local
39 economy. Policies that establish contingency plans for economic downturns can also help position the
40 City to be responsive to changing conditions in uncertain times.
41

42 The Changing Nature of Retail

43 Retail commerce is undergoing a transition as online retailers compete with brick-and-mortar stores. This
44 change appears to have been accelerated during the Covid-19 pandemic as more shoppers opted to order
45 goods online. Comments indicate that this could mean that retail will need to focus more on location-
46 specific or experiential retail to differentiate their goods and services from those more readily available

1 in online marketplaces. Some comments proposed a shop local campaign and adaptive reuse regulations
 2 for commercial spaces as possible measures to help local businesses respond to changes in demand.
 3

4 **Affordability in the Region**

5 The affordability of commercial and housing has the potential to slow economic growth in the coming
 6 years. Rising commercial real estate costs negatively impact both business formation and retention by
 7 making it more expensive to locate a business in the city. Higher rents can price out existing businesses,
 8 make expanding cost-prohibitive, and increase startup costs for entrepreneurs. Higher rents in new
 9 development can displace existing businesses as commercial areas redevelop. The City can monitor
 10 commercial space availability and development capacity to ensure that zoning and other development
 11 regulations do not create scarcity of commercial spaces in the city’s commercial zones.
 12

13 Housing affordability can impact workforce availability. Labor is an important input for local businesses.
 14 As housing prices increase, filling middle and lower wage positions can potentially become more difficult
 15 as many workers commute from outside the city. The majority of people employed on Mercer Island
 16 commute from outside the city. In 2019, 87 percent of workers employed on Mercer Island live outside
 17 the city. Only about 13 percent of workers employed in the city also live on Mercer Island. On the other
 18 hand, 91 percent of workers living on Mercer Island commuted to jobs outside the City in 2019. Table 5
 19 shows the inflow and outflow of Mercer Island workers as tracked by the U.S. Census Bureau in 2019.
 20

21 **Table 5. Worker Inflow and Outflow, 2019.**

	Count	Share
Workers Employed in Mercer Island		
Employed in Mercer Island	7,071	100%
Employed in Mercer Island but living outside Mercer Island (inflow)	6,157	87.1%
Employed and living in Mercer Island	914	12.9%
Workers Living in Mercer Island		
Workers living in Mercer Island	10,123	100%
Living in Mercer Island but employed outside Mercer Island (outflow)	9,209	91%
Living and employed in Mercer Island	914	9%

22 Source: U.S. Census Bureau On the Map, 2019.

23
 24 Many workers commute from off-island to fill middle and lower wage positions. In 2019, more than half
 25 of jobs in Mercer Island paid less than \$3,333 a month or about \$40,000 a year. The low earnings for on-
 26 island jobs can make it difficult for workers to afford to live near Mercer Island and could make finding
 27 workers difficult given that all of metro King County has a higher cost of living. Table 6 shows the earnings
 28 for on-island jobs as tracked in 2019 by the U.S. Census Bureau.
 29

30 **Table 6. Mercer Island Jobs by Earnings, 2019.**

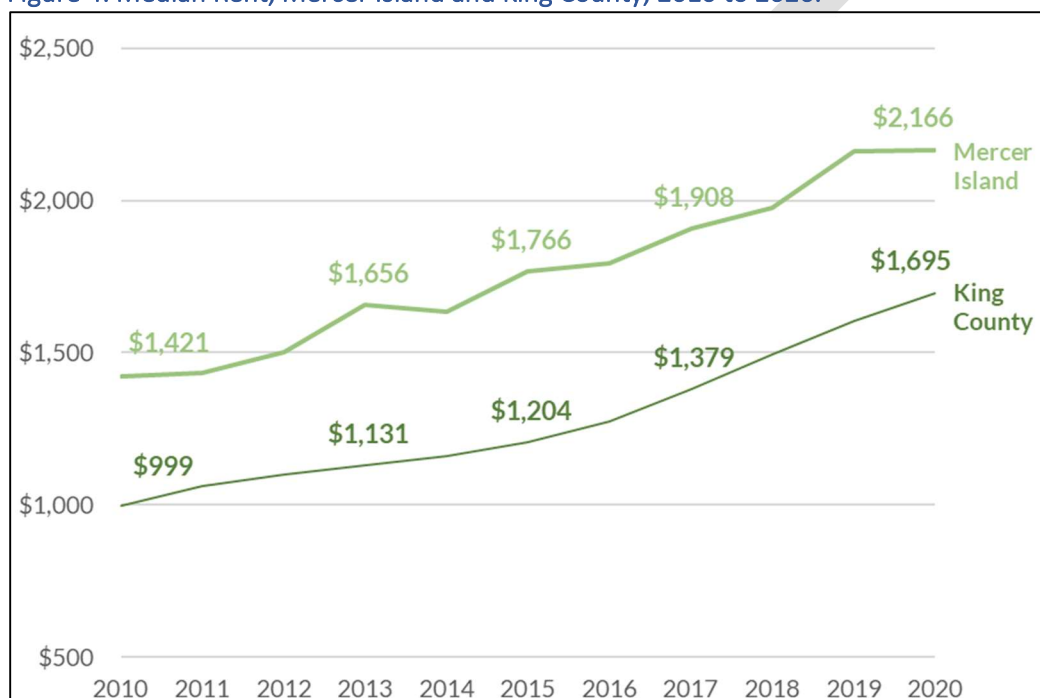
Earning Range	Mercer Island		King County	
	Count	Share	Count	Share
\$1,250 per month or less (\$15,000 annually)	1,738	24.6%	<u>188,902</u>	<u>13.7%</u>
\$1,251 to \$3,333 per month (\$15,012 to \$39,996 annually)	1,995	28.2%	<u>299,798</u>	<u>21.7%</u>
More than \$3,333 per month (more than \$39,996 annually)	3,338	47.2%	<u>891,181</u>	<u>64.6%</u>

31 Source: U.S. Census Bureau On the Map, 2019.

1 While many jobs on Mercer Island pay relatively lower wages, the cost of housing is rising. Figure 4 shows
 2 that in 2020, the median rent in Mercer Island was \$2,166 a month. Assuming that housing costs should
 3 be around 30 percent of a household’s income, this would require a monthly income of roughly \$6,498 or
 4 \$77,976 annually to be affordable. Expanding to the county level, the 2020 median rent in King County
 5 was \$1,695. The King County median rent would require a monthly income of about \$5,085 or \$61,020
 6 annually to be affordable. As highlighted earlier, many jobs on Mercer Island pay \$40,000 a year or less.
 7 If rent outpaces wage growth, many workers may choose to live or work in more affordable cities or
 8 regions. Difficulty in attracting workers can hinder economic growth as greater competition for workers
 9 can drive up wages and costs to businesses.

10
 11

Figure 4. Median Rent, Mercer Island and King County, 2010 to 2020.



12
 13
 14

Source: American Community Survey, 2020; CAI, 2022.

15 **Displacement During Redevelopment**

16 The City’s commercial areas are largely developed. This causes most new commercial development on
 17 the Island to occur through redevelopment of existing commercial buildings, which can displace
 18 businesses in older developments. Displacement risk increases as sites redevelop because commercial
 19 spaces in redeveloped sites can have higher rents, construction can interrupt business, and new spaces
 20 might not fit existing business’ needs. The City can monitor the supply of developable commercial land
 21 to determine whether the availability of commercial space is not increasing the displacement risk for local
 22 businesses.

23

24 **Climate Change**

25 Climate change has the potential to have negative effects upon the economy. Business establishment
 26 and success as well as customer spending patterns may be affected. Though many of the impacts of
 27 climate change may be out of the control of local government, Mercer Island should implement and
 28 market the success of climate mitigation and adaptation strategies included in the Climate Action plan to
 29 attract businesses and shoppers. Businesses may want to locate where they can minimize their impact

1 upon the climate and where their employees may be more comfortable. Shoppers may seek commercial
2 areas that are more comfortable in a warmer climate. [Comment Log #60 and #67]
3

4 **II. Business Ecosystem Goals and Policies**

5

6 **Goal 1 – The City of Mercer Island actively fosters a healthy business ecosystem.**

7

8 Policies

9

- 10 1.1 Partner with local, regional, state, and federal economic development agencies to increase
11 resources available for business owners and entrepreneurs.
12
- 13 1.3 Dedicate one staff position to coordinating the implementation of the Economic Development
14 Element.
15
- 16 1.4 Support local economic development nongovernmental organizations to grow their capacity to
17 support local businesses, attract new investment, and maintain a healthy business ecosystem.
18
- 19 1.5 Analyze commercial development capacity periodically to evaluate the type and quantity of
20 commercial development possible given existing development, zoning, and regulations.
21
- 22 1.6 Develop a citywide retail strategic plan. The citywide retail strategic plan should include
23 actionable steps the City can take to support existing retail businesses, attract new retail
24 businesses, and diversify the local economy.
25
- 26 1.7 Analyze the feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local
27 Improvement District (LID) in one or more commercial areas to fund improvements for economic
28 development.
29
- 30 1.8 Partner with community organizations such as the Chamber of Commerce to ~~M~~market Mercer
31 Island as an ideal good place to do business.
32
- 33 1.10 Study the feasibility of relocating City Hall facilities to Town Center. The study should consider
34 creation of a public park, establishing City Hall as a gateway from the Sound Transit Light Rail
35 Station, public access to City services, and accessibility for all Mercer Island residents.
36

37 **Goal 2 – Mercer Island’s healthy business ecosystem attracts entrepreneurs, businesses, and 38 investment.**

39

40 Policies

41

- 42 2.1 Partner with nongovernmental organizations and neighboring economic development agencies
43 to market Mercer Island as a prime location for businesses and investment.
44
- 45 2.2 Partner with community organizations to target the following types of businesses and investment
46 when marketing the City as a prime location for business:
47

- 1 2.2.A A complementary and balanced mix of retail businesses and restaurants;
- 2 2.2.B High wage employers; and
- 3 2.2.C Satellite offices and coworking spaces.
- 4
- 5 2.3 Partner with community organizations to develop a guide to doing business on Mercer Island to
- 6 help entrepreneurs navigate City processes and find additional resources available to assist in
- 7 starting a new business.
- 8
- 9 2.4 Partner with community organizations to facilitate a mentorship program that connects Mercer
- 10 Island business owners, entrepreneurs, and retirees with ~~young adults~~ people interested in
- 11 starting new businesses. [Comment Log #69] [Simple Amendment]
- 12
- 13 2.5 Conduct a food truck pilot program to attract new entrepreneurs to Town Center. The pilot
- 14 program can include but is not limited to the following:
- 15
- 16 2.5.A Designated food truck parking on public property, including rights of way;
- 17 2.5.B Informational materials provided to existing food truck operators to attract them to
- 18 Mercer Island;
- 19 2.5.C Partnerships with food truck organizations in the region;
- 20 2.5.D Outreach to existing restaurants to consider the impacts of the pilot program on existing
- 21 businesses; and
- 22 2.5.E A report providing recommendations for potential programmatic and regulatory changes.
- 23

24 **Goal 3 – Existing Businesses thrive as the cornerstone of Mercer Island’s business ecosystem.**

25 Policies

- 26
- 27
- 28 3.1 Convene an annual business owners’ forum to create a continuous feedback system during which
- 29 City elected officials and staff gather input from business owners. This input should inform City
- 30 decision making that affects the business community.
- 31
- 32 3.2 Facilitate periodic business roundtables with community organizations, local business owners,
- 33 and City staff.
- 34
- 35 3.3 Periodically distribute a business newsletter to local business owners and community
- 36 organizations.
- 37
- 38 3.4 Partner with community organizations, ~~with a focus on~~ including the Chamber of Commerce, to
- 39 initiate a “Shop Mercer Island” marketing campaign directed at drawing more residents and
- 40 visitors to commercial areas on the island. The City should fill a support role in this partnership.
- 41 [Comment Log #11] [Simple Amendment]
- 42
- 43 3.6 Conduct outreach to surrounding businesses before initiating capital projects in commercial
- 44 zones. This outreach should create a two-way dialogue with businesses, offering a seat at the
- 45 table when capital projects might affect business operation.
- 46
- 47 3.7 Identify and adopt measures to reduce displacement of existing businesses as new development
- 48 occurs. Notify nearby businesses of any potential redevelopment.

Goal 4 – The business ecosystem on Mercer Island is sustainable in that it meets the social, environmental, and economic needs of residents now and in the future.

4.1 Encourage programming that enables residents and visitors to safely gather, access spaces, socialize, and celebrate in the City. Encouraging public gatherings throughout the City can improve the quality of life on Mercer Island and make the City a more vibrant place for residents and visitors alike, which can in turn drive increased economic activity.

4.2 Balance economic growth with maintaining easy access to services and small town feel. [Comment Log #14] [On September 27, the Planning Commission placed Policy 4.2 in the “parking lot” for consideration at a later date]

NOTE: Alternatives for the two Policies below will be drafted by commissioners Ragheb, Akyuz, and Boatsman in advance of the October 26 Commission meeting.

4.2 Build resilience in the local economy by:

4.2.A Diversifying the goods and services available in the local economy;

4.2.B Being flexible when working with businesses to respond to crises such as allowing temporary use of rights of way for business activity during a state of emergency like a pandemic;

4.2.C Coordinating with local businesses to plan for disaster preparedness; and

~~4.2.D Addressing the impacts of climate change to reduce its effect on doing business in the City.~~ [Comment Log #41] OR

4.2.D Be guided by relevant strategies in the Climate Action Plan Addressing the impacts of climate change to reduce the negative its effects of climate change on doing business in the City and to attract businesses, workers, and customers in a warming climate. [Comment Log #70]

4.3 ~~Be Consistent with Consider~~ Climate Action Plan strategies during economic development decision making.

4.3.A Enhance City-led street tree planting in the right-of-way and promote street frontage planting by commercial property owners.

4.3.B Encourage the establishment of vegetated walkways and rest areas to combat heat island effect in commercial areas. [Comment Log #71]

Goal 5 – Mercer Island has a skilled workforce that is central to the health of the business ecosystem.

5.1 Partner with regional, statewide, and federal agencies to connect job seekers in the region with opportunities on Mercer Island.

5.2 Partner with community organizations in the City and region to connect tradespeople and other high-skilled workers with employment opportunities on Mercer Island. This work should focus on

1 communications and fostering connections between community organizations, employers, and
2 workers.
3

4 **Goal 6 – The Mercer Island economy provides residents the option to both live and work on-**
5 **island.**

6 Policies
7

8 **NOTE:** On September 27, the Planning Commission placed the policies under Goal 6 in the “parking lot”
9 for consideration later in the process. The originally proposed 6.2 was struck on 9/27.
10

11 6.1 Plan to increase high-wage on-island job opportunities for residents, increase on-island
12 employment options as a share of the City’s employment growth target, eliminate the need to
13 commute, and reduce vehicle miles traveled.
14

15 6.3 Take steps to increase the supply of affordable housing on the Island. [Comment Log #19]

16 6.3 Take steps to increase the supply of affordable and housing priced in the middle range on the
17 island. [Comment Log #73]
18

19 6.4 Establish Study a minimum wage on Mercer Island. [Comment Log #64]
20

21 6.5 Provide tax incentives to retailers, landscapers, and home health care services that provide living
22 wage jobs, paid time off, and health insurance to their employees. [Comment Log #64]
23

24 6.6 Coordinate with the Housing Element to ensure that the employees that work in our community
25 have future opportunities for housing in our community. [Comment Log #64]
26

27 6.6 Ensure that people who work in our community have access to housing in the City that is
28 affordable given their income level. [staff alternative, see Comment Log #64]
29

30 **III. Regulatory Environment Goals and Policies**
31

32 **Goal 7 – The City actively reduces ~~the regulatory~~ any unnecessary burden created by**
33 **commercial development regulations and permitting processes to support a healthy**
34 **business ecosystem, entrepreneurs, and innovation in business. [Comment Log #20]**
35 **[Simple Amendment]**
36

37 Policies
38

39 7.1 Audit the development code and permitting processes to identify code amendments to support
40 businesses, improve effectiveness, and make efficient use of City resources. The following goals
41 should be coequally considered when identifying code amendments:
42

43 7.1.A Lowering compliance costs for business owners;

44 7.1.B Minimizing delay and reduce uncertainty in the entitlement process;

45 7.1.C Improving conflict resolution in the entitlement process;

46 7.1.D Reducing the likelihood of business displacement as new development occurs; and

1 7.1.E Balancing parking requirements between reducing barriers to entry for new businesses
2 and the need for adequate parking supply.

3 7.1.F Reducing greenhouse gas emissions. [Comment Log #22] [Comment Log #74]
4

5 7.2 Evaluate City fees imposed on development to determine their effect on business startup costs
6 and City finances. The impact on business startup costs must be balanced with the financial needs
7 of the City.
8

9 7.3 Evaluate additional process or code improvements on an annual basis with input from the
10 ~~dedicated~~ economic development staff, Climate Action Plan project manager, and Council local
11 business liaison. This evaluation should inform the development of annual docket
12 recommendations as needed. [Comment Log #23] [Comment Log #75]
13

14 7.4 Update home business regulations to support ~~ensure that they allow~~ a mix of commercial uses
15 while ensuring home businesses remain compatible with neighboring residential uses. [Comment
16 Log #24: possibly move policy to Goal 2] [Simple Amendment]
17

18 7.5 Establish a small-business pre-application process to help guide applicants through the permitting
19 process.
20

21 7.6 Convene an ad hoc committee of at least one architect, at least one developer, the Mercer Island
22 Building Official, ~~the business owner~~ Planning Commissioner, and City Council local business
23 liaison to develop proposed amendments to City codes to better facilitate adaptive reuse of
24 commercial real estate. The ad hoc committee's proposed amendments should be submitted
25 through the annual docket process. [Comment Log #76] [Simple Amendment]
26

27 7.7 Study allowing small scale retail outside the existing commercial districts. [Comment Log #86]
28

29 IV. Business and Customer Attraction Goals and Policies

30
31 **Goal 8 – The Mercer Island business ecosystem includes a diversity of goods and services
32 enjoyed by residents and visitors.**
33

34 Policies

35
36 8.1 Ensure land use regulations in commercial zones allow a diversity of commercial uses.
37

38 8.2 Encourage commercial offices to locate in Mercer Island to bring more potential daytime
39 customers to the Island without displacing existing retail space.
40

41 **Goal 9 – The commercial areas in Mercer Island, and especially the Town Center, are lively,
42 vibrant gathering places for the community and visitors.**
43

44 Policies

45
46 9.1 Encourage arts and cultural activities in commercial zones to draw the community to commercial
47 areas.

1
2 9.2 Partner with community organizations to develop a program to activate Town Center in the
3 evening. The program should include strategies such as:

- 4
5 9.2.A Evening events to draw people to Town Center;
6 9.2.B Focusing on arts and cultural experiences;
7 9.2.C Engaging local nonprofits; and
8 9.2.D Incorporating existing community events.
9

10 **Goal 10 – Commercial areas are attractive and inviting to the Mercer Island community and**
11 **visitors.**

12
13 Policies

14
15 10.1 ~~Emphasize quality of life as a cornerstone of the Mercer Island economy.~~ [Comment Log #27]
16

17 10.2 Focus on public safety as an important component of the high quality of life on Mercer Island a
18 thriving business community. [Comment Log #28] [Simple Amendment]
19

20 10.3 Activate public spaces in commercial areas by establishing design standards that encourage
21 walkability and active use of street frontages in new development using strategies such as:

- 22
23 10.3.A Emphasizing spaces that are human-scaled, safe and comfortable for walkers and bikers;
24 10.3.B Incorporating principles of crime prevention through environmental design (CPTED);
25 10.3.C Increasing wayfinding;
26 10.3.D Incorporating public art;
27 10.3.E Increasing street furniture/public seating provided it is designed with a specific purpose
28 or function; and
29 10.3.F Increasing the amount of public space, including parklets.
30

31 10.4 Review street standards including the streetscape manual in Town Center, considering the
32 following:
33

- 34 10.4.A ~~Pedestrian improvements~~ On street parking;
35 10.4.B ~~Electric vehicle charging~~ Time-limited public parking;
36 10.4.C ~~Bike parking and infrastructure~~ Public safety;
37 10.4.D ~~Time limited public parking~~ Pedestrian improvements;
38 10.4.E Public safety ~~Electric vehicle charging;~~ and
39 10.4.F ~~On street parking~~ Bike parking and infrastructure. [Comment Log #44] [Comment Log
40 #77] [Simple Amendment]
41

42 10.5 Review residential development standards and consider addition of small neighborhood
43 establishments such as cafes and small boutique grocery. [Comment Log #65]
44

45 **Goal 11 – Public space in Town Center is plentiful, providing residents and visitors places to**
46 **gather, celebrate, and socialize.**
47

1 Policies

- 2
- 3 11.1 Establish regulations for outdoor dining and temporary uses that allow flexible use of street
4 frontages and public rights of way for public space to gather, celebrate, and socialize.
- 5
- 6 11.2 Seek to create more community gathering spaces when considering development standards in
7 Town Center.
- 8
- 9 11.3 Maintain the existing City program to beautify Town Center with landscaping, street trees and
10 flower baskets.
- 11

12 **Goal 12 – Mercer Island residents and visitors can safely access commercial areas.**

13 Policies

- 14
- 15
- 16 12.1 Ensure multimodal transportation options are available for workers to access on-island
17 employment and customers to access goods and services.
- 18
- 19 12.2 Reduce car dependence without compromising existing available parking in commercial areas by
20 prioritizing the following when considering regulatory amendments and capital improvements:
- 21
- 22 12.2.A Bike safety, parking, and infrastructure;
- 23 12.2.B Access to transit;
- 24 12.2.C Pedestrian safety;
- 25 12.2.D Traffic calming; and
- 26 12.2.E Human scale design.
- 27
- 28 12.3 Prioritize capital investment in creating robust pedestrian and bicycle connections between the
29 park and ride, light rail station, Town Center and surrounding residential areas.
- 30
- 31 12.4 Ensure that sufficient parking is provided through a combination of regulations and incentives
32 like parking credits as commercial areas redevelop. Interpretation of the policies in this element
33 should not lead to a reduction in parking, [Comment Log #31] [Simple Amendment]
- 34
- 35 [Comment Log #45] proposes changing the order of policies to switch 12.2 and 12.4] [Simple
36 Amendment]
- 37
- 38 12.4 Ensure that sufficient parking is provided through a combination of regulations and incentives
39 like parking credits as commercial areas redevelop. Interpretation of the policies in this element
40 should not lead to a reduction in parking. [Comment Log #78]
- 41
- 42 12.5 All new and improved public plaza development is aligned with the Pedestrian and [Bicycle]
43 Facilities Plan so that safe walking and cycling routes are provided for residents, especially
44 children, connecting neighborhoods with downtown public spaces. [Comment Log #66]
- 45

1 12.5 Align the development of public space with all City functional plans, including the Pedestrian
2 and Bicycle Facilities Plan, to create safe walking and cycling routes that connect residential
3 areas with public spaces. [staff alternative, see Comment Log #66]
4

5 **IV. Implementation Goals and Policies**

6
7 **Goal 13 – The City takes specific actions and provides resources to implement the policies and**
8 **achieve the goals of this Economic Development Element. Progress toward achieving**
9 **Economic Development Element goals is regularly monitored and reported to the City**
10 **Council and public.**

11 Policies

- 12
13
14 13.1 Utilize federal, state, regional, and King County resources to implement this element.
15
16 13.2 Encourage public-private partnerships to achieve the goals of this element.
17
18 13.3 Seek grant funding for programs and activities that implement the policies of this element.
19
20 13.4 Appropriate funding for the implementation of this element through the City budget process.
21 Funds should be allocated at the same time projects are added to City department work plans to
22 ensure programs and projects are adequately funded to achieve the goals of this element.
23
24 13.5 Prepare a biennial report tracking implementation of the Economic Development Element. The
25 report will be provided to the City Council prior to adoption of the budget.
26
27 13.6 Establish an implementation timeline for this element each budget cycle. The implementation
28 timeline can be updated and amended each budget cycle to reflect the resources available to
29 accomplish actions to implement this element. The implementation timeline should detail the
30 following:
31
32 13.6.A Actions from this element to be added to department work plans for the upcoming
33 budget cycle;
34 13.6.B Actions from this element that should be added to work plans in the next three to six
35 years; and
36 13.6.C Actions from this element that should be added to future work plans in seven or more
37 years.
38
39 13.7 Respond to potential budget shortfalls for actions to implement this element with the following
40 strategies in descending order of priority:
41
42 13.7.A Alternate funding sources;
43 13.7.B Public-private partnerships;
44 13.7.C Reducing project or program scope to align with current budget constraints;
45 13.7.D Delaying projects to the next budget cycle; and
46 13.7.E Amending the policies of the Economic Development Element to reflect the City’s capacity
47 to implement the element.

Table 1. Planning Commission Economic Development Element Comment Matrix.

Log #	Received From	Comment/Question	Staff Response
1	Chris Goelz	Text Amendments on page one through 12	Simple Amendment See second draft
2	Chris Goelz	Page Two comment on table format	The tables and document will be reformatted prior to adoption so the entire Comprehensive Plan has a consistent format and design.
3	Chris Goelz	<p>Policy 1.3: Establish a local business liaison position to the City Council. The local business liaison will act as a point of contact on the City Council for all business leaders and representatives on Mercer Island for policy issues.</p> <p>Comment: I don't think a council person should be the liaison. This would create an asymmetry of information on the council that may skew debate. It might also give rise to the well-studied risk of regulatory capture.</p> <p>It's apparent that the business community feels like it's not been heard sufficient, but hopefully Policy 1.3 and the other policies described will address that need. Naming a member of that community as liaison to the counsel could complement staff input.</p> <p>Additional Comment Dated 8/25/2023: as discussed at the meeting, remove 1.2. For the reasons previously discussed, I think having a council liaison is a bad idea and the new staff position give the business community's concerns a lot more visibility. If we were to strike this provision, references to the business liaison would be removed throughout.</p>	<p>Deliberation and Direction Needed</p> <p>Proposed change is shown in the second draft.</p> <p>The original purpose of this policy is to create a point of contact on the City Council for the local business community. The City Council has several other similar liaison positions. For example, there is a Council liaison for the Parks and Recreation Commission (Currently Councilmember Craig Reynolds).</p> <p>Staff Recommendation: The City does not have an existing mechanism for creating this type of citizen advisory position. If the Planning Commission wants to amend this policy as proposed, it would need to also propose further amendments to the policy that provide more details such as what the role of this liaison would be, how it would be selected, etc.</p> <p>RESOLVED</p>
4	Chris Goelz	<p>Policy 1.4 Comment: Perhaps this policy could be folded together with 1.8 and 2.1.</p>	<p>Deliberation and Direction Needed</p> <p>Withdrawn (see comment dated 8/25/2023)</p> <p>RESOLVED</p>

Log #	Received From	Comment/Question	Staff Response
5	Chris Goelz	<p>Policy 1.8: Partner with community organizations such as the Chamber of Commerce to market Mercer Island as an ideal good place to do business. The City should focus marketing materials on the following:</p> <p>1.8.A Attracting new businesses and investment; 1.8.B Attracting skilled workers; 1.8.C Attracting off-island visitors to commercial centers; and 1.8.D Highlighting Mercer Island's assets such as high quality of life, business friendly environment, and prime location.</p> <p>Comment: Too granular. I'd probably fold this together with 1.4 and 2.1.</p>	<p>Deliberation Needed</p> <p>RESOLVED</p>
6	Chris Goelz	<p>New Policy 1.9: Encourage the planting of trees by businesses in the City's business districts.</p> <p>Comment: This is suggested by CAP NS1.2.</p>	<p>Deliberation Needed</p> <p>On July 26, the Planning Commission proposed amending the draft policy to:</p> <p style="padding-left: 40px;">“Encourage the planting of trees in the City's business districts.”</p> <p>The Planning Commission asked staff to review the Climate Action Plan (CAP) for tree planting strategies and actions. The CAP establishes Natural Systems Strategy #1, which states: “Increase urban tree canopy and green space.” The CAP includes two actions related to Natural Systems Strategy #1. The first, Action NS1.1 states, “Develop programs to support and encourage residents and large property owners to plant the right tree in the right place and sustain existing trees with reduced cost or free trees. Offer tree-awareness campaigns and classes to educate the community and develop tree planting demonstration programs.” The second, Action NS1.2 states, “Enhance City-led street tree planting in the right-of-way and assess long-term stewardship needs; promote street frontage plantings by businesses.”</p> <p>Staff Recommendation: The proposed policy as amended on July 26 is consistent with the CAP. Further specificity in the Economic Development Element is not necessary because the CAP already includes actions the City has committed to doing as part of its climate change response. Inserting additional details in the Economic Development Element would spread direction between disparate components of the</p>

Log #	Received From	Comment/Question	Staff Response
			<p>Comprehensive Plan. The CAP is the appropriate place in the Comprehensive Plan to establish specific strategies and actions related to Climate change. The policies of the Economic Development Element should focus on establishing links between climate actions and economic development policies but leave the climate-specific direction to the CAP.</p> <p>RESOLVED</p>
7	Chris Goelz	Goal 2 Comment: Make this Goal 3. See note below.	<p>Deliberation Needed</p> <p>The order of Goals 2 and 3 can be switched. Reordering the goals would not change their meaning or relative importance in the Element.</p> <p>RESOLVED</p>
8	Chris Goelz	Policy 2.1 Comment: Fold together with 1.4 and 1.8.	<p>Deliberation and Direction Needed</p> <p>If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.</p> <p>RESOLVED</p>
9	Chris Goelz	Policy 2.4 Comment: Would it make sense to say something here about specifically trying to encourage opportunities for the BIPOC community? Or perhaps that could be a separate policy under this goal or Goal 4.	<p>Deliberation and Direction Needed</p> <p>If the Planning Commission would like to add a policy directed at encouraging opportunities for black, indigenous, and people of color (BIPOC), please provide some direction regarding the desired impact of the policy so staff can draft</p> <p>RESOLVED</p>
10	Chris Goelz	Goal 3 Comment: Make this Goal 2. Cornerstones go in first	<p>Deliberation Needed</p> <p>The order of Goals 2 and 3 can be switched. Reordering the goals would not change their meaning or relative importance in the Element.</p> <p>RESOLVED</p>
11	Chris Goelz	Policy 3.4: Partner with community organizations, with a focus on the including the Chamber of Commerce, to initiate a “Shop Mercer Island” marketing campaign directed at drawing more residents and visitors to commercial areas on the island. The City should fill a support role in this partnership.	<p>Simple Amendment</p> <p>See second draft</p>

ECONOMIC DEVELOPMENT ELEMENT COMMENT MATRIX, VERSION 3

UPDATED 10/18/2023

Log #	Received From	Comment/Question	Staff Response
		Comment: CAP CD2.2 seems similar. A strong shop local campaign would serve both the CAP and the business community.	
12	Chris Goelz	Policy 3.5: Coordinate with transit providers to ensure the <u>to make the</u> “Shop Mercer Island” marketing campaign includes visible to transit riders.	Simple Amendment See second draft
13	Chris Goelz	New Policy 3.7: Add policy re giving existing businesses notice of potential redevelopment – maybe replace current 4.4 or complement it. Additional Comment Dated 8/25/2023: Move existing 4.4 here and combine with new language: Identify and adopt measures to reduce displacement of existing businesses as new development occurs. Notify nearby businesses of any potential redevelopment.	Deliberation Needed See second draft RESOLVED
14	Chris Goelz	New Policy 4.2: Balance economic growth with maintaining easy access to services and a small town feel.	Deliberation Needed See second draft RESOLVED
15	Chris Goelz	Policy 4.4: This seems to fit better under existing Goal 3 -- see proposed policy 3.7. Additional Comment Dated 8/25/2023: incorporate into new 3.7 -- see #13 above.	Deliberation Needed See second draft RESOLVED
16	Chris Goelz	Goals 5 and 6 Comment: I would fold Goals 5 and 6 together.	Deliberation and Direction Needed Withdrawn (see comment dated 8/25/2023) RESOLVED
17	Chris Goelz	New Policy 6.1: Consistent with the CAP, increase on-island employment options as a share of the City’s employment growth target in order to reduce vehicle miles traveled commuting. Comment: I broke up 6.1 and referenced the Climate Action Plan.	Deliberation Needed See second draft

Log #	Received From	Comment/Question	Staff Response
		<p>Additional Comment Dated 8/25/2023: I'd propose simply amending the language of the original 6.1 to be " Consistent with the Climate Action Plan, increase on-island employment options as a share of the City's employment growth target in order to reduce vehicle miles traveled commuting." Don't add the new paragraph.</p>	
18	Chris Goelz	<p>Policy 6.2 (originally 6.1): Plan<u>Work</u> to increase high-wage on-island job opportunities for residents, increase on-island employment options as a share of the City's employment growth target, eliminate the need to commute, and reduce vehicle miles traveled.</p> <p>Additional Comment Dated 8/25/2023: I'd propose simply amending the language of the original 6.1 to be " Consistent with the Climate Action Plan, increase on-island employment options as a share of the City's employment growth target in order to reduce vehicle miles traveled commuting." Don't add the new paragraph.</p>	<p>Deliberation Needed</p> <p>See second draft</p>
19	Chris Goelz	<p>New Policy 6.3: Take steps to increase the supply of affordable housing on the Island.</p>	<p>Deliberation Needed</p> <p>See second draft</p>
20	Chris Goelz	<p>Goal 7: The City actively reduces the regulatory <u>any unnecessary</u> burden created by commercial development regulations and permitting processes to support a healthy business ecosystem, entrepreneurs, and innovation in business.</p>	<p>Simple Amendment</p> <p>See second draft</p>
21	Chris Goelz	<p>Comment on Policy 7.1.C: Does it make sense to replace "entitlement" with "regulatory."</p>	<p>Withdrawn (see comment dated 8/25/2023)</p> <p>The term "entitlement" is referring to the process by which development is authorized. Changing the word entitlement to regulatory would take the emphasis from the process and put it on the regulations as a whole.</p> <p>The problem we have heard during some public outreach is that there is not a good existing process to resolve neighbor concerns during the time between submitting an application and the issuance of a permit decision. Comments have indicated that contentious permitting processes have slowed or even obstructed some business expansion. This possible lack of conflict resolution in the entitlement process can go both ways, as some neighbors may feel that the process is not resolving their concerns either.</p>

Log #	Received From	Comment/Question	Staff Response
			The land use permit process is intended to, in part, create a path for resolving neighbor concerns in advance of a decision. There might be ways to improve conflict resolution during the code audit proposed in Policy 7.1.
22	Chris Goelz	<p>New Policy 7.1.F: Reducing GHG emissions.</p> <p>Comment: I don't want to lose track of the CAP. It's a lens through which all City decision making should be viewed. CAP CC3.2.</p>	<p>Deliberation Needed</p> <p>See second draft</p>
23	Chris Goelz	<p>Policy 7.3: Evaluate additional process or code improvements on an annual basis with input from the dedicated economic development staff, <u>CAP Project Manager</u> and Council local business liaison. This evaluation should inform the development of annual docket recommendations as needed.</p> <p>Comment: I'm not sure what the this person's title will be moving forward.</p> <p>Additional Comment Dated 8/25/2023: as suggested in comment #3, rewrite to remove liaison: Evaluate additional process or code improvements on an annual basis with input from the economic development staff and Climate Action Plan project manager. This evaluation should inform the development of annual docket recommendations as needed.</p>	<p>Deliberation Needed</p> <p>See second draft</p>
24	Chris Goelz	<p>Policy 7.4: Update home business regulations to <u>support ensure that they allow</u> a mix of commercial uses while ensuring home businesses remain compatible with neighboring residential uses.</p> <p>Comment: Might this fit better under current Goal 2.</p>	<p>Simple Amendment</p> <p>See second draft</p>
25	Chris Goelz	<p>Goal 8 Comment: Seems like this stuff could go in existing Goal 2.</p>	<p>Deliberation Needed</p> <p>If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.</p>

Log #	Received From	Comment/Question	Staff Response
			Withdrawn (see comment dated 8/25/2023)
26	Chris Goelz	Goal 9 Comment: Maybe fold this goal with goal 4. I think 4.1 and 9.1 are pretty similar.	<p>Deliberation Needed</p> <p>If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.</p> <p>Withdrawn (see comment dated 8/25/2023)</p>
27	Chris Goelz	Policy 10.1: Strike policy 10.1	<p>Deliberation Needed</p> <p>See second draft</p>
28	Chris Goelz	Policy 10.2: Focus on public safety as an important component of the high quality of life on Mercer Island <u>a thriving business community</u> .	<p>Simple Amendment</p> <p>See second draft</p>
29	Chris Goelz	Policy 10.3 Comment: Is this redundant with 11.2?	<p>The difference between Policies 10.3 and 11.2 is subtle. Policy 10.3 is outlining strategies to activate public spaces in commercial areas; looking for ways to draw more people to these areas. Policy 11.2 directs the City to look for ways to increase these public spaces when considering design standards. In staff's opinion, this distinction adequately differentiates these policies.</p> <p>Withdrawn (see comment dated 8/25/2023)</p>
30	Chris Goelz	Policy 10.4.C and 10.4.D Comment: Are these coordinated with CAP TR2.1 and 2.3? I don't understand the relationship of the CAP to the Comp Plan. This is another place where the CAP and the interests of the business community align.	<p>Policy 10.4 spells out the areas of focus to be considered during an evaluation of the City's street standards. Climate Action Plan (CAP) Actions 2.1 and 2.3 are directed at updating the Pedestrian and Bike Facilities Plan (PBFP) (TR 2.1) and supporting last mile transportation programs for the light rail station (TR 2.3).</p> <p>All three (Policy 10.4 and CAP Actions 2.1 and 2.3) are related but directed at different plans or programs. Policy 10.4 would focus on regulations for streets, including frontage standards and the streetscape manual that governs how the City designs its streets. The PBFP referenced in CAP Action TR 2.1 establishes the capital projects the City will undertake to improve its pedestrian and bicycle infrastructure. CAP Action 2.3 establishes a direction to "Support programs that provide multi-modal last-mile connections to the light rail station, such as through walking, biking, transit, and electric vehicle. Programs could include reintroduction of bike/scooter share programs." All three efforts will be coordinated when they are undertaken.</p>

Log #	Received From	Comment/Question	Staff Response
			<p>The CAP and Comprehensive Plan are linked. A policy adopting the CAP by reference will be added to the Comprehensive Plan. Essentially, the CAP is a strategic plan for addressing climate change. Some of the closest analogs to the CAP are:</p> <ul style="list-style-type: none"> • The 6-Year Transportation Improvement Plan (TIP) that implements the Transportation Element; • The Capital Improvement Plan (CIP) that implements the Capital Facilities Element; and • The proposed Economic Development Element Implementation Plan. <p>Withdrawn (see comment dated 8/25/2023)</p>
31	Chris Goelz	<p>Policy 11.2: Seek to create more community gathering spaces <u>(including parklets)</u> when considering development standards in Town Center.</p>	<p>Simple Amendment Changed parenthetical in the draft, see second draft</p> <p>Withdrawn (see comment dated 8/25/2023)</p>
32	Chris Goelz	<p>Policy 12.4: Ensure that sufficient parking is provided <u>through a combination of regulations and incentives like parking credits</u> as commercial areas redevelop. Interpretation of the policies in this element should not lead to a reduction in parking,</p>	<p>Simple Amendment See second draft</p>
33	Adam Ragheb	Text amendments page 4 through 13	<p>Simple Amendment See second draft</p>
34	Adam Ragheb	<p>Comment on page 6: Suggest quantifying Riot's anticipated effect on this. "Riot's impending arrival is expected to cover 400 (?) of the 1,300, leaving 900 (?) in growth over the next 19 years (or whatever the actual numbers are)</p>	<p>Deliberation and Direction Needed</p> <p>The exact impact of Riot Games' arrival in Town Center is unclear at this point. The City knows that their arrival will increase employment in the City, but the exact number of jobs is unknown at this time. The City will be able to account for this increase in employment when tracking progress on the employment growth targets in the future.</p>
35	Adam Ragheb	<p>Comment on page 11: I think a threat that was missed here is an Erosion / Degradation of Strengths.</p>	<p>Deliberation and Direction Needed</p> <p>This can be added to the list if the Planning Commission would like to expand the section listing threats. Staff would need clear direction from the Planning Commission for the drafting of this section.</p>

Log #	Received From	Comment/Question	Staff Response
		Were our public safety, open spaces, top-notch public schools, or unique residential character advantages to degrade relative to the county, economic growth could be negatively affected since we are smaller and more-isolated than other Eastside cities.	
36	Adam Ragheb	<p>Comment on page 12:</p> <p>I think these data are hard to interpret without comparing them to other nearby cities' data. We have no clue if MI's fraction of 1251-3333/mo jobs is larger, smaller, or in-line with King County and/or peer cities.</p>	<p>Deliberation and Direction Needed</p> <p>The purpose of this section is to provide a high-level description of the context within which the Economic Development Element was drafted. If more context is needed, the Planning Commission can ask staff to find additional data on this topic.</p>
37	Adam Ragheb	<p>Comment on page 13:</p> <p>This explanation seems to be missing a little bit here. Even if Mercer Island median rents decrease 10%, that doesn't solve the problem of King County median rent still growing / necessitating a job paying 61k while 52.8% of MI jobs pays less than 40k. It is worth mentioning that the % above the KC median is decreasing since ~2015 - from the data in Figure 3, MI median rent is 42%, 46%, 46%, 38%, and 27% above KC median, showing a clear trend of narrowing the gap.</p>	<p>Deliberation and Direction Needed</p> <p>The purpose of this section is to provide a high-level description of the context within which the Economic Development Element was drafted. If more context is needed, the Planning Commission can ask staff to find additional data on this topic.</p>
38	Adam Ragheb	Policy 1.8.B: minor text change	<p>Simple Amendment See second draft RESOLVED</p>
39	Adam Ragheb	Policy 2.3.C: move C to B and B to C	<p>Simple Amendment See second draft RESOLVED</p>
40	Adam Ragheb	Policy 3.5 Comment: This does not seem like a good use of city funds - I would think more shopping decisions are made using google maps or other online resources than ads on the side of or inside transit assets.	<p>Deliberation and Direction Needed If the Planning Commission would like to amend this policy, please provide the desired text amendment. RESOLVED</p>
41	Adam Ragheb	<p>Policy 4.2.D: comment proposes striking this policy.</p> <p>Policy 4.2.D Comment: This is overly-vague - suggest removing</p>	<p>Deliberation Needed</p> <p>See second draft</p>
42	Adam Ragheb	Policy 5.1 Comment: This is vague and doesn't match - if we are trying to attract high wage earners (per 2.2.C) and a skilled workforce, those	<p>Deliberation and Direction Needed If the Planning Commission would like to amend this policy, please provide the desired text amendment.</p>

Log #	Received From	Comment/Question	Staff Response
		companies are generally adept at seeking out their own employment candidates. Either add specifics or remove	
43	Adam Ragheb	Policy 6.1 Comment: remove "eliminate the need to commute" - reducing vehicle miles traveled is a realistic and achievable goal. Eliminating commuting is unreasonable even in the densest and most transit-oriented of cities; MI could be considered a bedroom community and thus there will always be some commuting	Deliberation Needed See proposed new Policy 6.1 under Log #17. This comment and #17 propose amendments to Policy 6.1.
44	Adam Ragheb	Policy 10.4 Comment: on-street parking and time-limited public parking need to be higher on the list as they affect a large portion of potential customers. Public safety also ought to be higher - that affects everybody. Suggest bike parking / infrastructure at bottom since I would expect that to be the smallest segment (can't buy large amt of groceries or mail a large box w/a bike) and electric vehicle charging just above that.	Simple Amendment See second draft. Note on the order of items under 10.4: This list is not presented as an order of importance. As drafted, each item under 10.4 would be considered equally.
45	Adam Ragheb	Policy 12.4 Comment: suggest switching 12.4 and 12.2. 12.4 is a current problem while 12.2 is a long-term goal	Simple Amendment 12.2 and 12.4 can be switched. There is no effect of the order of these two policies
48	Angie Battazzo	Page 6, line 30: What defines this [high quality of life]? What are the metrics/stats demonstrating quality of life? By what standard?	At the meeting on 7/26, the Planning Commission agreed by consensus to strike the listed item this comment refers to.
49	Angie Battazzo	Page 6, line 32: Be more specific about the connection. Location? Transit/transportation?	At the meeting on 7/26, the Planning Commission agreed by consensus to strike the listed item this comment refers to.
50	Angie Battazzo	Page 14, line 2: Goals don't address wage and skill distribution gaps in the business ecosystem that grows the economy and fosters resilience. As demonstrated by the data, most jobs available in Mercer Island don't pay enough to afford to live in Mercer Island. Job-type by wage, not just "wage growth" needs to be more directly addressed in the goals and plans. For discussion.	
51	Angie Battazzo	Policy 4.1: Isn't the quality of life being sited as "high" and already a strength? Why would we invest in something already considered a strength?	The quality of life is cited as being a strength in the Economic Development Element introductory text. The idea behind listing strengths was that these are areas the City can build upon as it grows its economy. The intent behind policies that are aimed at quality of life is to help ensure that as the economy grows, it does not come at the expense of an identified strength. RESOLVED

Log #	Received From	Comment/Question	Staff Response
52	Angie Battazzo	<p>Policy 4.2: Recommend additional synthesis work looking at economic resilience efforts within the area. Job growth in specific wage categories paired with affordable housing were found to be CRITICAL factors in building economic resilience in Puget Sound (see analysis prepared for Challenge Seattle/Seattle Chamber of Commerce circa 2015, and updated work by Greater Seattle Partners.</p>	
53	Angie Battazzo	<p>Goal 5: Are we suggesting that there is a workforce on Mercer Island that is skilled, and that we should be recruiting that workforce to work on the island? The summary goal, combined with 5.2 below introduces confusion – are we trying to recruit tradespeople who live here? Or recruit businesses with tradespeople? For? This goal could use more work for clarity.</p>	<p>There are two policies directed at the workforce under Goal 5. The first, Policy 5.1, states, “Partner with regional, statewide, and federal agencies to connect job seekers in the region with opportunities on Mercer Island.” This policy aims to connect people with on-island job opportunities to ensure that businesses have access to workers. The second, Policy 5.2, states, “Partner with community organizations in the City and region to connect tradespeople and other high-skilled workers with employment opportunities on Mercer Island. This work should focus on communications and fostering connections between community organizations, employers, and workers.” This policy is more specific, focusing on tradespeople and high-skilled workers. Both policies do not whether workers should come from outside the City or within. The lack of specificity here should allow the City to pursue connecting employers with workforce, regardless of where the workforce resides.</p>
54	Angie Battazzo	<p>Goal 6: More in line with my previous comment about resilience being tied to middle-wage jobs and housing opportunities... but there is a convolution between creating those jobs, and recruiting residents to work in them... would be valuable to further develop/explore intent around desired measures of people who both work, and live on the island. Needs to be further developed.</p>	
55	Angie Battazzo	<p>Policy 6.1: This warrants further analysis and synthesis about a goal that seeks to have more current residents actually work on the island. Is that what we mean here? Aren't there more direct and meaningful ways to address VMT [vehicle miles traveled], like provide more transit, carpool, and mode shifts?</p>	<p>Policy 6.1 states, “Plan to increase high-wage on-island job opportunities for residents, increase on-island employment options as a share of the City’s employment growth target, eliminate the need to commute, and reduce vehicle miles traveled.” [Note: Comment #17 proposes amendments to this policy]. This policy is directed at increasing on-island job opportunities for residents as the City plans to meet its employment growth target and lists some of the reasons for doing so. Other Comprehensive Plan policies address the transportation considerations for reducing VMT, primarily those in the Transportation Element.</p>
56	Angie Battazzo	<p>Goal 7: One really important way a municipality can reduce the burden on residents and businesses is to have permit and regulatory staff be AVAILABLE to discuss issues directly. Lowering costs and minimizing delays is great – but one of the best ways a City can support goals and policies is to reinforce that City staff is directly available to help troubleshoot issues. Automated responses on emails, email-only communication, long</p>	

Log #	Received From	Comment/Question	Staff Response
		wait times to connect with a human who can troubleshoot in a conversation are major barriers to business start-up, retention, and development. Staff availability is critical.	
57	Angie Battazzo	Policy 10.3.F: In a city with a plethora of public space, and an econ dev plan that starts out by saying the quality of life is already high—and a limited amount of area to further develop business interests—how does increasing public space make commercial areas more attractive? Is this necessary? Seems like it will put additional tension on a limited business environment system.	Increasing public space can make commercial areas more desirable and encourage people to spend more time, and money, in those areas. Several public comments received during the public outreach indicated that the community is interested in increasing the public space in commercial areas to make them more attractive. There is a tension between providing more public space and providing adequate space for new or expanded commercial development. The Comprehensive Plan seeks to balance these two competing aims through the totality of its policies. For example, Policy 1.5 directs the City to analyze developable land in commercial areas to ensure there is adequate land capacity for new and expanding businesses. This analysis would consider any requirements for public space and allow the City to assess whether those policies might be unduly constraining development.
58	Angie Battazzo	Policy 12.2: Mercer Island's transit system is comparably less developed than Boise, Idaho. In order to reduce car dependence, you must provide an alternative that people will actually use. Would be worth exploring this further, and tailor a solution set that truly accounts for the residents user patters before addressing regulatory changes.	
59	Angie Battazzo	Goal 13: What about a goal studying like-communities to evaluate specific econ dev approaches with a greater likelihood of success given the unique environment of Mercer Island?	
60	Carolyn Boatsman	Text Amendments on page one through fourteen.	Simple Amendment See Third draft
61	Kate Akyuz	Text amendment on page nine	Simple Amendment See Third draft
62	Kate Akyuz	Proposed New Policy Under Goal 1: Study relocation of City Hall facilities to downtown Mercer Island at the publicly owned parcel known as the "Tully's Property". The new facility to include a public park and serve as a gateway from Sound Transit light rail to downtown Mercer Island. Staffed Police and Planning service counters to be housed on the ground floor.	Deliberation and Direction Needed If the Planning Commission decides to add this policy, staff recommends making the policy slightly less prescriptive to allow leeway if a specific location of design is needed. An alternative such as the following would provide similar direction and leave space for the City to implement it as future conditions may vary: <u>Study the feasibility of relocating City Hall facilities to Town Center. The study should consider creation of a public park, establishing City Hall as a gateway from the Sound Transit Light Rail Station, public access to City services, and accessibility for all Mercer Island residents.</u>

Log #	Received From	Comment/Question	Staff Response
			RESOLVED
63	Kate Akyuz	<p>Goal 6: No policies in this section address the poverty wages that workers in our community are paid to provide our residents services. There are very few teenagers working in our grocery stores or caring for the elderly. These jobs are done by adults, often with families.</p>	
64	Kate Akyuz	<p>Proposed New Policy(ies) Under Goal 6:</p> <ol style="list-style-type: none"> 1. Establish a minimum wage on Mercer Island. 2. Provide tax incentives to retailers, landscapers, and home health care services that provide living wage jobs, paid time off, and health insurance to their employees. 3. Coordinate with the Housing Element to ensure that the employees that work in our community have future opportunities for housing in our community. 	<p>Deliberation Needed</p> <p><u>Minimum Wage</u></p> <p>The minimum wage is currently \$15.74/hr. in Washington State (https://www.lni.wa.gov/workers-rights/wages/minimum-wage/) Seattle and SeaTac are the only two cities that have adopted higher minimum wages (Seattle: \$18.69/hr., SeaTac: \$19.06/hr.). Establishing a minimum wage on Mercer Island would require considerable resources to study where the minimum wage should be set and the economic impacts of that decision. Additional public outreach would also be necessary. This policy would probably take around two or three years to implement.</p> <p><u>Tax Incentives</u></p> <p>If the Planning Commission decides to add this policy, the City would need to study the potential tax incentive options available and analyze their impacts. This is another project that would require significant resources to pursue given the type of analysis needed. This policy would probably take around eighteen months to two years to complete.</p> <p><u>Housing Element</u></p> <p>The first clause of this policy (“Coordinate with the Housing Element”) is not really necessary. The elements of the Comprehensive Plan are all part of the same document and are necessarily coordinated because they are required by the Growth Management Act to be internally consistent. If the Planning Commission would like to pursue this policy, the following alternative is recommended:</p> <p style="padding-left: 40px;"><u>Ensure that people who work in our community have access to housing in the City that is affordable given their income level.</u></p> <p>Note: Comment #19 proposes a new policy under Goal 6 that addresses housing affordability. The Planning Commission could combine that proposed policy and this proposal. The staff proposed alternative above would address both comments.</p>
65	Kate Akyuz	<p>Proposed new policy under Goal 10: Review residential development standards and consider addition of small neighborhood establishments such as cafes and small boutique grocery.</p>	<p>Deliberation Needed</p> <p>This policy might fit better under Goal 7, which addresses the regulatory environment. This policy could be combined with Policy 7.4 if the Planning Commission wants to move this to Goal 7.</p>

Log #	Received From	Comment/Question	Staff Response
66	Kate Akyuz	<p>Proposed new policy under Goal 12: All new and improved public plaza development is aligned with the Pedestrian and [Bicycle] Facilities Plan so that safe walking and cycling routes are provided for residents, especially children, connecting neighborhoods with downtown public spaces.</p>	<p>Deliberation Needed If the Planning Commission elects to add this policy, staff recommends the following alternative: <u>Align the development of public space with all City functional plans, including the Pedestrian and Bicycle Facilities plan, to create safe walking and cycling routes that connect residential areas with public spaces.</u></p>
67	Carolyn Boatsman	Text Amendments on page one through fourteen.	<p>Simple Amendment See third draft</p>
68	Carolyn Boatsman	<p>Page 15, line 28: I recommend moving the proposed policy regarding tree planting to Goal 4, which addresses environmental needs. I will recommend wording and compare it to this wording when I get to that page.</p>	<p>Simple Amendment See third draft</p>
69	Carolyn Boatsman	<p>Page 16, line 7, Policy 2.4: I recommend changing the words “young adults” to “people” or “those”. There are more than young adults who could use the mentoring.</p>	<p>Simple Amendment See third draft</p>
70	Carolyn Boatsman	<p>4.2. D. I think this is a good policy and we should keep it, but amend it as follows: <u>Be guided by relevant strategies in the Climate Action Plan Addressing the impacts of climate change to reduce the negative its effects of climate change on doing business in the City and to attract businesses, workers, and customers in a warming climate.</u></p>	<p>Simple Amendment See third draft</p>
71	Carolyn Boatsman	<p>4.3 <u>Be consistent with</u> Consider Climate Action Plan strategies during economic development decision making. Add two new sub-policies and renumber as needed: A policy (Policy 1.9) regarding tree planting was proposed under Goal 1. It is included here with a proposed amendment. The policy, as proposed below, is consistent with CAP policy NS1.2.</p>	<p>Simple Amendment See third draft</p>

Log #	Received From	Comment/Question	Staff Response
		<p><u>4.3.A Enhance City-led street tree planting in the right-of-way and promote street frontage planting by commercial property owners.</u></p> <p>Proposed 4.3.B adds a policy that, while consistent with the CAP, provides more specific direction needed for the commercial area.</p> <p><u>4.3.B Encourage the establishment of vegetated walkways and rest areas to combat heat island effect in commercial areas.</u></p>	
72	Carolyn Boatsman	Page 18, starting on line 1: Agree with the proposed 6.1, except the need to mention CAP again given Policy 4.3.	<p>Simple Amendment</p> <p>Two other comments propose specific changes to Policy 6.1. The changes proposed in Comment Log #17 would highlight the connection the Climate Action Plan.</p>
73	Carolyn Boatsman	Amend proposed 6.3 as follows: Take steps to increase the supply of affordable <u>and housing priced in the middle range</u> on the island.	<p>Simple Amendment</p> <p>See third draft</p>
74	Carolyn Boatsman	Page 18, line 29, proposed Policy 7.1.F: The proposed statement regarding reducing greenhouse gas emissions seems out of place in a goal that has to do with increasing effectiveness of the permit review process. We probably have enough reference to climate in Goal 4 policies.	
75	Carolyn Boatsman	Page 18, line 36, Policy 7.3: It could be assumed that the economic development staff would take input from many City staff members, each of whom is responsible for a different emphasis. It is probably not necessary to mention the Climate Action Plan project manager here.	
76	Carolyn Boatsman	Page 19, line 2, Policy 7.6: It would not be appropriate to enshrine in the Comp Plan that there be a business owner Planning Commissioner. That would not always be the case. More importantly, it is not appropriate to direct that a Planning Commissioner will serve on a committee that is doing the work of the	<p>Simple Amendment</p> <p>The phrase “business owner Planning Commissioner” is an artifact from a previous draft and should have been struck.</p>

Log #	Received From	Comment/Question	Staff Response
		executive branch rather than advising the City Council regarding the Comp Plan and the development regulations, though a Planning Commissioner might serve in other capacities as a private citizen, if it doesn't conflict with Planning Commission work.	
77	Carolyn Boatsman	Page 20, line 13, Policy 10.4: It seems that a proposal to change the order has to do with what is the highest priority. I suggest a random order to avoid disagreement as to what is most important.	
78	Carolyn Boatsman	There may come a day where less parking is needed. It doesn't seem wise to preclude flexibility to meet future conditions. I recommend deleting the second sentence. Interpretation of the policies in this element should not lead to a reduction in parking.	Deliberation Needed See third draft
85	Christ Goelz	Amendments to previously submitted comments. See the following comment log #s: 3, 4, 13, 15, 17, 18, 23, 26, 29, 30, and 31	See third draft
86	Chris Goelz	Add new Policy 7.7: Study allowing small scale retail outside the existing commercial districts.	Deliberation Needed See third draft

Table 2. Planning Commission Implementation Plan Comments.

Log #	Received From	Comment/Question	Staff Response
46	Chris Goelz	Minor text amendments throughout the Implementation Plan	Simple Amendment
47	Chris Goelz	Proposed amendments to Project ED-8 project description	Simple Amendment This change would need to be made if the Planning Commission decides to change Policy 1.3 as proposed in Comment Log #3.
79	Carolyn Boatsman	Question: The Implementation Plan itself will need to be amended based upon amendments to the Economic Development Element goals and policies. May we see in a future packet/meeting staff proposed amendments to ensure that the Implementation Plan is consistent with Goals and Policies?	The Implementation Plan will be updated as the draft Economic Development Element goes through the review process and the goals and policies change. The final Implementation Plan will be part of the Planning Commission's recommendation to the City Council. As such, the Planning Commission will review the implementation plan before it goes to the City Council. The purpose of having the Planning Commission review the Implementation Plan is more to get the Planning Commission input on the priority of projects as the City starts the implementation process.

Log #	Received From	Comment/Question	Staff Response
80	Carolyn Boatsman	On page 1, versions of the idea that the Council will set priorities, work plans, and budgets are included in lines 4, 7, 12, and 18. This should be consolidated and made more concise.	
81	Carolyn Boatsman	The following amendment is proposed to use a more neutral term in referring to the time that it takes to obtain permit approval. Minimizing <u>the duration</u> delay and reduce <u>uncertainty of</u> in the entitlement process; and	Simple Amendment See third draft
82	Carolyn Boatsman	Page 13, line 16, Project ED-13, Home Business Development Code Review: In restating the purpose of this project, it is important to carry through the intent stated in Goal 7.4 that in the simplification and streamlining of the permitting process, we continue to have the overall commitment to ensuring that home businesses remain compatible with neighboring residential uses. The following amendment is proposed: Given that this code section has not been updated in some years, an update could spur additional economic growth by simplifying the regulatory requirements and streamlining the permitting process, <u>while ensuring that home businesses remain compatible with neighboring residential uses.</u>	Simple Amendment See third draft
83	Carolyn Boatsman	Page 14, line 6, Project ED-15 Evaluate City Fees: We don't know what the result of the examination of City processes will reveal. A more neutral tone is more realistic and respectful: This project is intended to find ways the City <u>may be able to</u> can reduce costs for starting new businesses and expanding existing businesses.	Simple Amendment See third draft
84	Carolyn Boatsman	Page 14, line 11: Same, a more realistic and respectful statement: <u>It is anticipated that</u> This project is expected to <u>will</u> reduce business formulation and expansion costs.	Simple Amendment See third draft

Table 3. Public Comment Matrix.

Log #	Received From	Comment/Question	Notes
PUB - 1	Kian Bradley	<p>Single-use zoning in most of the city</p> <p>The EDE and Implementation Plan do not address the possibility of opening up commercial area outside of the town center. Allowing small-scale retail (such as cafes, gyms and small professional offices) interspersed through neighborhoods would accomplish several of the EDE's stated goals:</p> <ul style="list-style-type: none"> - Goal 4, Sustainability: providing basic services nearer to residents reduces VMT (traffic). Transportation emissions are Mercer Island's single biggest contributor to greenhouse gases. - Goal 7, Regulatory burden: Our current single-use zoning approach limits the amount of commercial area available. Opening up more area would reduce commercial rent by creating a greater supply. - Goal 9, Gathering places: Small neighborhood establishments provide a pleasant meeting space for neighbors to interact on a regular basis. This is especially relevant for children and teenagers who must be driven by an adult to shop and meet friends. - Goal 12, Safety: Small neighborhood establishments can be more easily reached without a car, meeting the goal of reducing car dependence and creating more human-scaled design. <p>I would suggest we study this as part the Implementation Plan's Project ED-10, Commercial Development Code Audit. It may also be part of Project ED-13, Home Business Development Code Review, though home businesses seem like an unrelated concept.</p>	
PUB - 2	Kian Bradley	<p>High housing cost</p> <p>In page 2 of the EDE, the document says "higher cost housing can attract higher-income residents and customers for local businesses". I don't think this sentence is logically consistent. Higher cost housing reduces the spending power of the local customer base and generally acts as a drag on the entire economy. This sentence should be removed, and ideally the EDE should make it more clear that the high cost of housing has an adverse impact on businesses as well.</p> <p>Reducing housing cost addresses goals 1 and 2 by allowing access to a customer base with more spending money and a greater local employee base.</p>	<p>The sentence referenced in the comment has been amended per Planning Commission comments, see second draft</p>
PUB - 3	Kian Bradley	<p>Walkability</p>	<p>Updating the Pedestrian and Bicycle Facilities Plan (PBF Plan) is currently listed on the 6-Year Transportation</p>

Log #	Received From	Comment/Question	Notes
		<p>Despite being referred to several times in the EDE, the Implementation Plan has no goal which directly addresses the improvement of Mercer Island's commercial areas for those outside of a car. Specifically with the Town Center, the coming light rail station and Riot Games office provide us with an opportunity to create a pedestrian and bike-friendly corridor along 77th Ave SE. This would allow people to come not just for a single errand, but stay and enjoy the entire Town Center for an evening in a similar way people enjoy walking around Bellevue's downtown park and mall. This would address goals 9, 10, 12 by increasing the attractiveness of our commercial centers, and goal 4 by meeting the environmental needs of residents.</p> <p>I would suggest we modify Project ED-11, PBIA/LIA to make the 'streetscape improvements' more clearly oriented towards increasing the attractiveness for people walking and rolling in commercial areas.</p>	<p>Improvement Program. That plan update is expected to begin in 2026. The PBF Plan will detail the pedestrian and bicycle infrastructure improvements the City plans to make. That is another place where walkability is addressed.</p>
<p>PUB - 4</p>	<p>Kian Bradley</p>	<p>Parking</p> <p>The EDE is very careful to discourage any reduction in the amount of parking in our commercial areas. However, the 2023 Parking Study (from the 07/05/2023 Council meeting) shows that we never exceed 71% utilization for on-street parking, and even less for off-street parking. These are both below the suggested 85% peak occupancy threshold. In addition, the study found that certain streets had a much higher utilization than others, suggesting parking is not distributed evenly.</p> <p>The EDE should instead seek to more intelligently manage our existing parking supply. The report has several good recommendations, including making on-street parking times consistent; charging for parking in overutilized areas; creating loading zones; adding bicycle parking; and improving walking/biking facilities to discourage vehicle travel in the first place.</p> <p>This can be addressed as part of Project ED-11, PBIA/LIA. We should modify this project's wording to be clearer about what we want our parking improvements to look like.</p>	<p>When the City analyzes potentially creating a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID) the findings of the parking study would be used as part of that analysis.</p>
<p>PUB - 5</p>	<p>Bonnie Godfred</p>	<p>I scanned your 42 pages.</p> <p>Seems to me the main issue for economic development is our zoning regulations. We need to stress and protect retail and restaurant space and it needs to be affordable. The only way to do this is by requiring any future development to emphasize these two areas.</p> <p>The increase in residential occupancy in downtown versus the decrease in commercial occupancy in downtown is shameful and reflects the city's love affair with property developers.</p>	