

# Mercer Island Comprehensive Plan

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## Element 2 – Land Use

### I. INTRODUCTION

#### OVERVIEW

Mercer Island prides itself on being a residential community. As such, most of the Island's approximately 6.2 square miles of land is developed with single-family homes. The Island is served by a small Town Center and two other commercial zones that focus on the needs of the local population. Mixed-use and multifamily developments are located within the Town Center. Multifamily development also rings the Town Center and the western fringe of the smaller Commercial Office Zone.

Parks, open spaces, educational and recreational opportunities are highly valued and consume a large amount of land. The Island has 472 acres of park and open space land including small neighborhood parks and trails as well as several larger recreational areas, including Luther Burbank Park and Aubrey Davis Park above the Interstate 90 tunnel. One hundred fifteen acres of natural-forested land are set aside in Pioneer Park, and an additional 150 acres of public open spaces are scattered across the community. Four elementary schools, one middle school, and a high school are owned and operated by the Mercer Island School District. In addition, there are several private schools at elementary and secondary education levels.

The community strongly values environmental protection. As a result, local development regulations have sought to safeguard land, water, and the natural environment, while balancing private property rights. To reflect community priorities, development regulations also attempt to balance views and tree conservation.

***Intro text for Town Center moved to Station Area Plan: As per GMHB Order 25-3-0003, Issue #3, the City of Mercer Island must adopt a subarea plan for the area around the Link light rail transit station. As part of this effort, existing Land Use Element goals, policies, and maps regarding Town Center and transit-oriented development have been relocated to the draft Station Subarea Plan. (Multicounty Planning Policy DP-22 and RCW 36.70A.840)***

### SUSTAINABILITY

Mercer Island has a proud tradition of accomplishment toward sustainability. One of the earliest efforts was the formation of the Committee to Save the Earth by high school students in the early 1970s. Through the students' fundraising, the construction and opening of the Mercer Island Recycling Center (Center) was realized in 1975. The self-supported Center was well-patronized by Islanders, and during its

many years of operation, it prevented millions of pounds of recyclable materials from ending up in landfills while contributing to the development of a sustainability ethic on Mercer Island.

In 2006, a grassroots effort of Island citizens led the City to modify the vision statement in its Comprehensive Plan to include language embracing general sustainability. In May 2007, the City Council committed to a sustainability work program as well as a specific climate goal of reducing greenhouse gas (GHG) emissions by 80 percent from 2007 levels by 2050, which was consistent with King County and Washington State targets. Later, in 2007, the City Council set an interim emissions reduction goal (often called a "milepost") for City operations of five percent by 2012.

In 2012, the City convened a Sustainability Policy Taskforce, a City/community partnership, to recommend sustainability policies to the City. The City Council adopted its recommendations, including dedicated staffing, incorporation of recommendations into City planning documents, development of a Sustainability Plan, and legislative actions to foster sustainability. The City's Sustainability Manager was hired in 2013.

Numerous community groups have contributed to sustainability accomplishments in the ensuing years, and many are still active. One of them is IslandVision, a nonprofit organization that had encouraged and supported sustainable practices on Mercer Island and helped launch an annual Earth Day fair called Leap for Green. In 2017, Sustainable Mercer Island (SMI) emerged as an umbrella group to help coordinate various initiatives on the island and to advocate for county and state-level climate measures. It has also helped organize and publicize solarized campaigns, youth environmental education, public outreach, advocating for bicycle and pedestrian facilities, and many other activities. Some are doing research, and many are volunteering with national and local organizations working to solve the climate crisis. One volunteer leads the very successful Green Schools program for the Mercer Island School District, supported by the King County Department of Natural Resources and Parks. SMI fosters waste reduction, recycling, and conservation by students and schools. IslandVision, a nonprofit organization, encourages and supports sustainable practices on Mercer Island. In 2018, it provided the City with a technical analysis of GHG sources on Mercer Island and recommended strategies to reduce GHG emissions.

From 2010 to 2019, with the entire community's sustainability in mind, the City has implemented a wide range of outreach programs, efficiency campaigns, alternative energy initiatives, land-use guidelines, and other natural resource management measures designed to minimize the overall impacts generated by Island residents, for the benefit of future generations. Due to the 20-year horizon envisioned by this Comprehensive Plan, it is especially appropriate to include measures that address the long-term actions needed to reduce greenhouse gas emissions, ideally in collaboration with other local governments. Actions that the City will take to manage its own facilities and operations are addressed in the Capital Facilities Element of this Plan. In 2018, the City continued to promote and support sustainable development through the development of green building goals and policies for all residential development.

## CLIMATE CHANGE

Climate change has far-reaching and fundamental consequences for our economy, environment, public health, and safety. Cities have a vital role in mitigating and adapting to climate change individually and by working collaboratively with other local governments. Current science indicates that to avoid the worst impacts of global warming, we need to reduce global GHG emissions sharply.

In 2008, the City created a Climate Action Task Force to develop a climate action plan for the City and community. The resulting plan called for tracking emissions and forming a City/community partnership called the Green Ribbon Commission. It was tasked with identifying strategies to reduce GHG emissions. Notable outcomes were the successful promotion of Puget Sound Energy's Green Power Program, which generated funds to cover the cost of the solar array the City installed at the Mercer Island Community and Events Center and the 22 Ways emissions reduction campaign.

Leap for Green Sustainability Fair, spearheaded by IslandVision and co-developed with the City, is a vital instrument to educate and encourage engagement in sustainability. In addition to food and entertainment, the fair offers activities for kids and adults, demonstrations and displays of environmentally friendly ways of living, sustainability vendors, and more.

The City has been very active in addressing climate change and has received national recognition for its efforts. In 2013, EPA recognized the City as a Green Power Community of the Year for its very successful Green Power sign-up campaign for residents and its commitment to local solar power generation. It was awarded Sol Smart Gold Designation from the Department of Energy in January 2018 for meeting stringent and objective criteria targeting the removal of obstacles to solar development, including streamlined permitting. As of January 2018, there were 184 known solar installations in the City, which is higher per capita than any other Eastside City. The City offers same-day permitting for most solar installations, and most require only an electrical permit. The City has also installed electric vehicle charging stations, banned plastic bags, successfully piloted bike share and ride-hailing services, and contracted with PSE for energy from a new wind farm to power 100 percent of City facilities, among many other actions.

The Capital Facilities Element includes a summary of the City's actions to reduce its carbon footprint.

In 2014, King County and cities formed the innovative King County-Cities Climate Collaboration (K4C) to coordinate and enhance local government climate efforts. Mercer Island was a founding member and remains a very active participant. K4C has charted opportunities for joint action to reduce GHG emissions and accelerate progress toward a clean and sustainable future. Mercer Island, through K4C, seeks opportunities to partner on outreach to decision-makers and the public, adopt consistent standards and strategies, share solutions, implement pilot projects, and cooperate on seeking funding resources. In 2016, Mercer Island, along with King County and other partners in K4C, was recognized with a national Climate Leadership Award from EPA. In 2019, the City Council passed Resolution 1570, which adopted an updated version of the K4C Joint Climate Commitments.

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In 2018 and 2019, the City added goals and policies to the Land Use Element that support climate change planning with Ordinances 18-13 and 19-23. These ordinances established Goal 7 and Policy 7.1 – 7.3s-26 through 29. This included a goal and policies referencing the STAR Community Framework to assess the City’s sustainability efforts. During the 2024 periodic review, goals and policies referring to the STAR Community Framework were amended to reflect that this framework was absorbed into the U.S. Green Building Council’s LEED for Cities program.

In 2023, the City Council adopted a Climate Action Plan. The Plan establishes strategies for the City to reduce greenhouse gas emissions and vehicle miles traveled to address climate change. Those strategies are an important step in moving the City forward in its response to the changing climate. Where needed, goals and policies were amended or added to this Land Use Element to support the strategies in the Climate Action Plan, including amendments to the policies under goal 7s-26, 27, and 28.

## II. EXISTING CONDITIONS AND TRENDS

***Town Center existing conditions and trends moved to subarea plan: As per GMHB Order 25-3-0003, Issue #3, the City of Mercer Island must adopt a subarea plan for the area around the Link light rail transit station. As part of this effort, existing Land Use Element goals, policies, and maps regarding Town Center and transit-oriented development have been relocated to the draft Station Subarea Plan. (Multicounty Planning Policy DP-22 and RCW 36.70A.840)***

### AREAS OUTSIDE THE TOWN CENTER

Single-family residential zoning accounts for 88-78 percent of the Island's land use. There are 3,5343,161 acres zoned for single-family residential development. This compares to 77-120 acres in the Town Center zones, 19-16 acres in Commercial Office zones, and 103-69 acres in multifamily zones (Figure 1Table-2). City Hall is located in a Commercial Office zone, while other key civic buildings such as the Post Office and Fire Station 91 are in the Public Institution and Town Center zones. Many of the remaining public buildings, schools, recreational facilities, and places of religious worship are located in residential or public zones.

**Figure 1: Land Use Zones and Acreage**

**Figure 1: Land Use Zones and Acreage**

Zone	Acreage
Business - B	<u>2-2.98-2.98</u>
Commercial Office - CO	<u>17-5312.71</u>
Multifamily - MF-2	<u>41-833.78</u>
Multifamily - MF-2L	<u>7-69-3.29</u>
Multifamily - MF-3	61.41
Open Space - OS	234.21

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Public Institution - PI	<del>294.48</del> <u>294.32</u>
Planned Business - PBZ	13.89
Single Family - R-8.4	<del>767.46</del> <u>748.44</u>
Single Family - R-9.6	<del>1,218.64</del> <u>1,167.33</u>
Single Family - R-12	80.21
Single Family - R-15	<del>1,217.71</del> <u>1,165.42</u>
Town Center - TC-8	77.83
<u>Town Center Multifamily - TCMF-6</u>	<u>42.62</u>

Note: Figures above include adjacent right-of-way.

Over the last 30 years, many public facilities have been re-constructed or have planned additions. This category includes schools, parks and recreation facilities, streets and arterials, and fire stations. In 2015, the City constructed a new fire station on Southeast 68th Street to increase service capacity for the south end of the island. Northwood Elementary School was constructed in 2016, adding to the Mercer Island School District’s capacity. †Refer to the Capital Facilities Element for a more in-depth discussion of public facilities.

Residential zones in the City are ~~primarily~~ zoned for a mix of middle housing, accessory dwelling units, and single-family residential development. ~~Single-family Residential~~ zones have ~~four~~ minimum lot sizes, ranging from 15,000 square feet, ~~12,000 square feet, 9,600 square feet, and to~~ 8,400 square feet. Existing ~~single-family residential~~ development mostly comprises established neighborhoods constructed in the latter half of the 20th Century. Most lots ~~in the single-family zones~~ are already subdivided, and few are undeveloped. New development in the ~~single-family residential~~ zones is typically infill development of accessory dwelling units or middle housing on existing lots or the ~~demolition of an~~ redevelopment of existing home ~~and replacement with a newer homes.~~

The most densely developed neighborhoods are found on the Island's north end. This includes East Seattle and First Hill, as well as neighborhoods immediately north and south of the I-90 corridor and areas along the entire length of Island Crest Way.

The least densely populated neighborhoods are the ones with the largest minimum lot size and are designated as Zone R-15 (15,000-square-foot minimum lot size). These neighborhoods, generally located along East and West Mercer Way, contain the greatest amount of undeveloped residential land and often contain extremely steep slopes, deep and narrow ravines, and small watercourses. Because environmentally sensitive areas often require careful development and engineering techniques, many of these undeveloped lands are difficult and expensive to develop.

Generally, Mercer Island's oldest neighborhoods are situated on a fairly regular street grid, with homes built on comparatively small lots 40 to 60 years ago. Interspersed among the older homes are renovated and new homes that are often noticeably larger. Newer developments tend to consist of large homes on steeply pitched, irregular lots with winding, narrow private roads and driveways. Many residential areas of Mercer Island are characterized by large mature tree cover. Preservation of this greenery is an important community value.

Most Mercer Island multifamily housing is located in or on the borders of the Town Center. However, two very large complexes straddle I-90 and are adjacent to single-family areas. Shorewood Apartments is an older, stable development of 646 apartment units. It was extensively remodeled in 2000. North of Shorewood and across I-90 is the retirement community of Covenant Shores. This development has a total of 237 living units, ranging from independent living to fully assisted living.

One Commercial/Office (CO) zone is outside the Town Center. It is located along the south side of the I-90 corridor at East Mercer Way and contains several office buildings, including the Mercer Island City Hall. In the summer of 2004, the regulations in the CO zone were amended to add retirement homes as a permitted use with conditions.

For land use and planning purposes, Mercer Island is now designated as High-Capacity Transit Community (HCTC) in the Puget Sound Regional Council's Vision 2050 plan. The new [designation destination](#) recognizes Mercer Island's importance as a locality with high-capacity transit service, making it an ideal place to focus new development within walking distance of the high-capacity transit, walkable jobs, and in adherence with [HB 1220GMA](#) affordability and density guidelines. This is due to its excellent access to employment centers, educational institutions, and other opportunities. As such, Mercer Island will continue to see new employment and residential development, most of which will be concentrated in the Town Center. Employment will continue to grow slowly and will be significantly oriented towards serving the local residential community. Transit service will focus on connecting Mercer Island to other metropolitan and sub-regional centers via Interstate 90 and the region's high-capacity transit system, including Sound Transit's East Link Light Rail.

### III. GROWTH FORECAST

#### RESIDENTIAL AND EMPLOYMENT 20-YEAR GROWTH TARGETS

The King County Countywide Planning Policies (CPPs) establish growth targets for all the jurisdictions within King County. The CPPs were initially adopted in 1992 and have been amended several times. Elected officials from King County, the cities of Seattle and Bellevue, and the Sound Cities Association meet as the Growth Management Planning Council (GMPC). This Council makes recommendations to the County Council, which has the authority to adopt and amend the CPPs. King County amended the CPPs in 2021, updating the growth targets for cities and towns throughout the County. The updated growth targets extended the planning horizon through the year 2044. [Figure 2 Table 3](#) shows the City of Mercer Island's housing and employment growth targets for 2024 through 2044.

**Figure 2: Growth Targets**

Housing growth target (in dwelling units), 2024 – 2044	1,239
Employment growth target (in jobs), 2024 – 2044	1,300

**EMPLOYMENT AND COMMERCIAL CAPACITY**

According to the Puget Sound Regional Council, as of ~~March 2020~~2023 there ~~are~~ were approximately ~~7,325-7,888~~ jobs on Mercer Island. The City's development capacity is analyzed in the 2021 Urban Growth Capacity Report. ~~That report shows that Mercer Island has sufficient development capacity to accommodate the 2044 employment and housing growth targets.~~

**Figure 3: Employment Capacity 2018 – 2035**

**Figure 3: Employment Capacity 2018-2035**

Land Use	Vacant / Redevelopable	Floor Area Capacity	Square Feet per Job	Job Capacity
<b>Commercial</b>	Vacant	10,000	200	52
	Redevelopable	50,000	200	242
<b>Mixed Use</b>	Vacant	20,000	200	119
	Redevelopable	100,000	200	479
<b>Total</b>	Vacant	30,000	200	171
	Redevelopable	150,000	200	721
	Jobs in Pipeline	-	-	70
	<b>Totals</b>	<b>180,000</b>	<b>200</b>	<b>962</b>

Source: King County 2021 Urban Growth Capacity Report.

Note: The 2021 Urban Growth Capacity Report evaluates employment capacity for 2018 through 2035. If the study period were extended through 2044, there is sufficient capacity to accommodate the 1,300-job growth target.

**RESIDENTIAL GROWTH**

The Comprehensive Plan contains three types of housing figures: a capacity estimate, a growth target, and a housing and population forecast. Each of these housing numbers serves a different purpose. Housing capacity estimates by income level are provided in the Housing Element.

*As per GMHB Order 25-3-0003, Issue #1, the City of Mercer Island must analyze residential land capacity at each housing affordability level and close any identified gaps. The updated Land Capacity Analysis below represents Phase 1, compliance with the GMHB Order, of a two-phase compliance strategy whereby upzones and resulting development capacity increases is limited currently to the existing Town Center and adjacent multifamily zones. Implementation of the TOD bill (HB 1491) will be pursued as a second phase of work.*

*Updated adequate provisions identified in the Housing Element are necessary to address the 510-unit gap for extremely low-income households (0-30% AMI).*

**Housing Capacity**

~~As required in a 1997 amendment to the Growth Management Act (RCW 36.70A.215), recent growth and land capacity in King County and associated cities have been reported in the 2021 Urban Growth Capacity Report.~~

~~The Growth Management Act requires cities to estimate land capacity to understand the ability to absorb new growth over the 20-year planning horizon of each comprehensive plan. In response to the Growth Management Hearings Board Order 25-3-0003, the City of Mercer Island conducted a land capacity analysis based on an updated land use strategy to accommodate the City’s 2044 residential growth target. The complete 2026 Land Capacity Analysis that informs this section is **provided in Appendix G.**~~

The residential capacity estimate identifies the number of new units that could be accommodated on vacant and redevelopable land given existing development and under current zoning under the Station Area subarea plan adopted by reference below. The capacity estimate is not a prediction of what will happen, merely an estimate of how many new units the Island could accommodate based on our current zoning code, the number and size of vacant properties, and some standard assumptions about the redevelopment potential of other properties that could accommodate additional development.

According to the 2026 Land Capacity Analysis, the City of Mercer Island has an estimated residential capacity of 3,164 units. Most of this potential resides in the City’s multifamily and Town Center zones within or adjacent to the Mercer Island Station Area in the form of low- and mid-rise construction. Detailed planning and forecast growth for the Station Area is included in the Station Subarea Plan as adopted by reference. Additional capacity exists for single-family homes, middle housing, and ADUs in residential zones.

~~According to the 2021 Urban Growth Capacity Report, the City of Mercer Island has a development capacity to accommodate 1,429 new housing units. Most of the housing development capacity is in medium-high and high-density residential zones, including Town Center. Table 5 summarizes residential capacity findings from the 2021 Urban Growth Capacity Report. The 2021 Urban Growth Capacity Report provides residential capacity in five categories based on assumed density: very low density (2.6 – 3.3 dwellings per acre), low density (4.6 – 6.1 dwellings per acre), medium-low density (2.6 – 3.3 dwellings per acre), medium-high density (22.7 dwellings per acre), and high density (100.6 – 167 dwellings per acre). The assumed densities are based on the achieved density in each zone.~~

**Figure 4: Residential Development Capacity**

Assumed Density Level	Vacant/ Redevelopable	Assumed Densities (low/high units per acre)	Net-Developable Acres	Capacity in housing units
Very Low-Density	Vacant	2.6/3.3	32.05	85

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	Redevelopable	2.6/3.3	85.97	35
	Subtotal	N/A	118.02	120
Low-Density	Vacant	4.6/6.1	21.12	98
	Redevelopable	4.6/6.1	107.54	138
	Subtotal	N/A	128.65	235
Medium-Low Density	Vacant	22.7	0.45	10
	Redevelopable	22.7	1.13	0
	Subtotal	N/A	1.58	10
Medium-High Density	Vacant	26	0	0
	Redevelopable	26	43.7	535
	Subtotal	N/A	43.7	535
High-Density	Vacant	100.6/167	0.54	91
	Redevelopable	100.6/167	23.47	437
	Subtotal	N/A	24.01	528
All-Zones	Vacant	N/A	54.16	284
	Redevelopable	N/A	261.81	1,145
	Total	N/A	315.97	1,429

Source: King County 2021 Urban Growth Capacity Report

**Figure 4: Residential Development Capacity, 2026**

Zone Category	Assumed Densities (low/high units per acre)	Net Buildable Acres	Capacity in housing units**
Low Density	2.6/4.6	246.6*	356
Moderate Density	8.7/15.6		337
Low-Rise	22.7/26	45.3	535
Mid-Rise	4.5 FAR / 5.0 FAR	26.1	1,698
ADUs	N/A	N/A	239
	N/A	318.1	3,164

Source: City of Mercer Island, 2026; Community Attributes Inc., 2026

\*The net buildable acreage for R-8.45, R-9.6, R-12, and R-15 zones is split up to assume capacity for low density single-family homes and moderate density middle housing. See the complete 2026 Land Capacity Analysis in Appendix G for additional information.

\*\*Capacity estimates rely on a range of assumed densities depending on parcel size and underlying zoning characteristics.

### Housing Targets

As mentioned above, the City has a King Countywide Planning Policies (CPPs) County Growth Management Planning Council (GMPC) 2044 housing target of 1,239 new housing units. The housing

target represents the number of units that the City is required to plan for and accommodate under the Growth Management Act and is not necessarily the number of units that will be built on Mercer Island over the next two decades. Market forces, including regional job growth, interest rates, land costs, and other factors will have a major influence on the number of actual units created. As required by RCW 36.70A.070, the 2044 housing target is disaggregated by income band; detailed capacity estimates to satisfy various levels of affordability are included in the Housing Element and in Appendix G.

### Housing and Population Forecast

~~Another housing~~The third type of figure contained in the Comprehensive Plan is a local housing forecast. ~~Figure 5~~Table 6 contains a housing unit and population forecast for 2024 through 2044. The total number of housing units is expected to increase by 1,239 from 2024 to 2044. This would be a growth rate of approximately 62 dwelling units per year. During that same period, the PSRC projects that the population will increase by 1,880 people; 94 people per year.

~~Figure 5: 2024-2044 Housing Unit and Population Forecast~~

~~Figure 5: Housing Unit and Population Forecast~~

Year	Overall Average Household Size	SFR Units	Multifamily Units	Total Increase in units per decade	Total Housing Units	Population
Current	2.59 <sup>A</sup>	6,914 <sup>A</sup>	3,600 <sup>A</sup>	N/A	10,514	26,036 <sup>B</sup>
Forecasted (2044)	2.38 <sup>B</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	620	11,753 <sup>2</sup> 11,753 <sup>1</sup>	27,916 <sup>B</sup>

Sources:

- A. U.S. Census Bureau 2020 Decennial Census and 2022 American Community Survey. Tables DP1 and B25024.
- B. PSRC Land Use Vision Implementation Targets (LUV-IT) Land Use Projections.

Notes:

- ~~1. —20-year forecast of single-family and multifamily units unavailable for 2044.~~
- ~~2.1.~~ Total housing units forecasted to match the 20-year growth target (1,239 units) set by King County and assumed throughout this plan.

## IV. LAND USE ISSUES

*As per GMHB Order 25-3-0003, Issue #3, the City of Mercer Island must adopt a subarea plan for the area around the Link light rail transit station. As part of this effort, existing Land Use Element goals, policies, and maps regarding Town Center and transit-oriented development have been relocated to the draft Station Subarea Plan. (Multicounty Planning Policy DP-22 and RCW 36.70A.840)*

### ~~TOWN CENTER~~

- ~~1.—Town Center is an area in the City where most new development will be focused in the coming years. The Town Center area includes land zoned for commercial retail, service, mixed, and office uses. The Town Center is the largest mixed-use zone in the City and an important economic hub. Older commercial developments in the Town Center consist of many one-story strip centers surrounded by parking lots. The Town Center subarea plan, adopted in 1993, establishes the planning framework for Town Center to redevelop with a mix of residential and commercial development. Mixed-use development is replacing existing commercial development as the Town Center redevelops. This has led to an increase in the number of residential dwellings in this area, concurrent with changes to the type of commercial development in the zone. There is concern that redevelopment will displace existing businesses or reduce the total commercial square footage available for new and expanding businesses in Town Center. In 2022 the City adopted new regulations to limit the loss of commercial space as the area redevelops. As these regulations influence the built environment in Town Center, the City will need to monitor their influence on the availability and affordability of commercial space.~~
- ~~2.—In 1994, the City made significant street improvements in the Town Center, resulting in a more pedestrian-friendly environment. However, more needs to be done on the private development side to design buildings with attractive streetscapes so that people will have more incentive to park their cars and walk between shopping areas.~~
- ~~3.—The Town Center is poorly identified. The primary entrance points to the downtown are not treated in any special way that invites people into the business district.~~

### OUTSIDE THE TOWN CENTER

- Goal 1:**—The community needs to accommodate two important planning values: maintaining the Island’s existing single-family residential character, while planning for population and housing growth.
- Goal 2:**—Accessory dwelling units are allowed by City zoning regulations and offer a way to add housing capacity to single-family residential zones without disrupting the character as much as other types of higher-density residential development.
- Goal 3:**—Commercial Office and PBZ zones must serve the needs of the local population while remaining compatible with the community’s overall residential character.
- Goal 4:**—Ongoing protection of environmentally sensitive areas, including steep slopes, ravines, watercourses, and shorelines, is an integral element of the community’s residential character.
- Goal 5:**—View protection is important and must be balanced with the desire to protect the mature tree growth.
- Goal 6:**—Within limited public resources, open space and parkland must be preserved to enhance the community’s extraordinary quality of life and recreation opportunities.
- Goal 7: Goal 1:** There is a lack of pedestrian and transit connections between the Town Center, the Park and Ride, and Luther Burbank Park.

## V. LAND USE GOALS AND POLICIES

### TOWN CENTER

Figure -: Town Center Vision

Mercer Island Town Center Should Be:	
1.	<b>THE HEART</b> of Mercer Island and embody a small town character, where residents want to shop, eat, play and relax together.
2.	<b>ACCESSIBLE</b> to people of all ages and abilities.
3.	<b>CONVENIENT</b> to enter, explore, and leave with a variety of transportation modes.
4.	<b>WELL-DESIGNED</b> with public spaces that offer attractive settings for entertainment, relaxation, and recreation.
5.	<b>DIVERSE</b> with a range of uses, building types and styles that acknowledge both the history and future of the Island.
6.	<b>LOCAL</b> providing businesses and services that meet everyday needs on the Island.
7.	<b>HOME</b> to a variety of housing options for families, singles, and seniors.

**Goal 1:** — Create a mixed-use Town Center with pedestrian scale and connections.

- 1.1 — A walkable mixed-use core should be located adjacent to a regional transit facility with sufficient size and intensity to create a focus for Mercer Island.
- 1.2 — Street-level retail, office, and service uses should reinforce the pedestrian-oriented circulation system with amenities, tree-lined streetscapes, wide sidewalks, storefronts with canopies, and cross-block connections that make it easy to walk around.

#### Land Use and Development

**Goal 2:** — Create a policy and regulatory structure that will result in diverse uses that meet Islanders' daily needs and help create a vibrant, healthy Town Center serving as the City's business, social, cultural, and entertainment center.

- 2.1 — Use a variety of creative approaches to organize various land uses, building types, and heights in different portions of the Town Center.
- 2.2 — Maintain a minimum commercial square footage in the Town Center to preserve the quantity of commercial space in recent developments as new development occurs, with a specific focus on maintaining the current number of large grocery stores to ensure adequate access to food for residents.
- 2.3 — Retail street frontages should be the area where the majority of retail activity is focused. Retail shops and restaurants should be the dominant use, with personal services also encouraged to a more limited extent.

**Goal 3:** — Have a mixture of building types, styles, and ages that reflect the evolution of the Town Center over time, with human-scaled buildings, varied height, setbacks and step-backs, and attractive facades.

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- 3.1 — Buildings taller than two stories may be permitted if appropriate public amenities and enhanced design features are provided.
- 3.2 — Locate taller buildings on the north end of the Town Center and step down building height through the center to lower heights on the south end, bordering Mercerdale Park.
- 3.3 — Calculate building height on sloping sites by measuring from the lowest point on that side of a building.
- 3.4 — Mitigate the "canyon" effect of straight building facades along streets through the use of upper floor step-backs, façade articulation, and similar techniques.
- 3.5 — Buildings on larger parcels or with longer frontage should provide more variation of the building face to allow for more light and create the appearance of smaller-scale, more organic, village-like development pattern. Building mass and long frontages resulting from a single user should be broken up by techniques such as creating a series of smaller buildings (like Island Square), providing public pedestrian connections within and through a parcel, and use of different but consistent architectural styles to create smaller building patterns.
- 3.6 — Building facades should provide visual interest to pedestrians. Street-level windows, building setbacks, on-street entrances, landscaping, and articulated walls should be encouraged.

**Goal 4:** — Allow a variety of housing forms for all life stages, including townhomes, apartments, and live-work units that are attractive to families, singles, and seniors at a range of price points consistent with the goals and policies in the Housing Element.

- 4.1 — Land uses and architectural standards should provide for the development of a variety of housing types, sizes, and styles.
- 4.2 — Allow development of low-rise multifamily housing in the Town Center Multifamily (TCMF) subareas of the Town Center.
- 4.3 — Allow the development of affordable housing within the Town Center.
- 4.4 — Allow the development of accessible and visitable housing within the Town Center.
- 4.5 — Allow options for ownership housing within the Town Center.

**Public Realm**

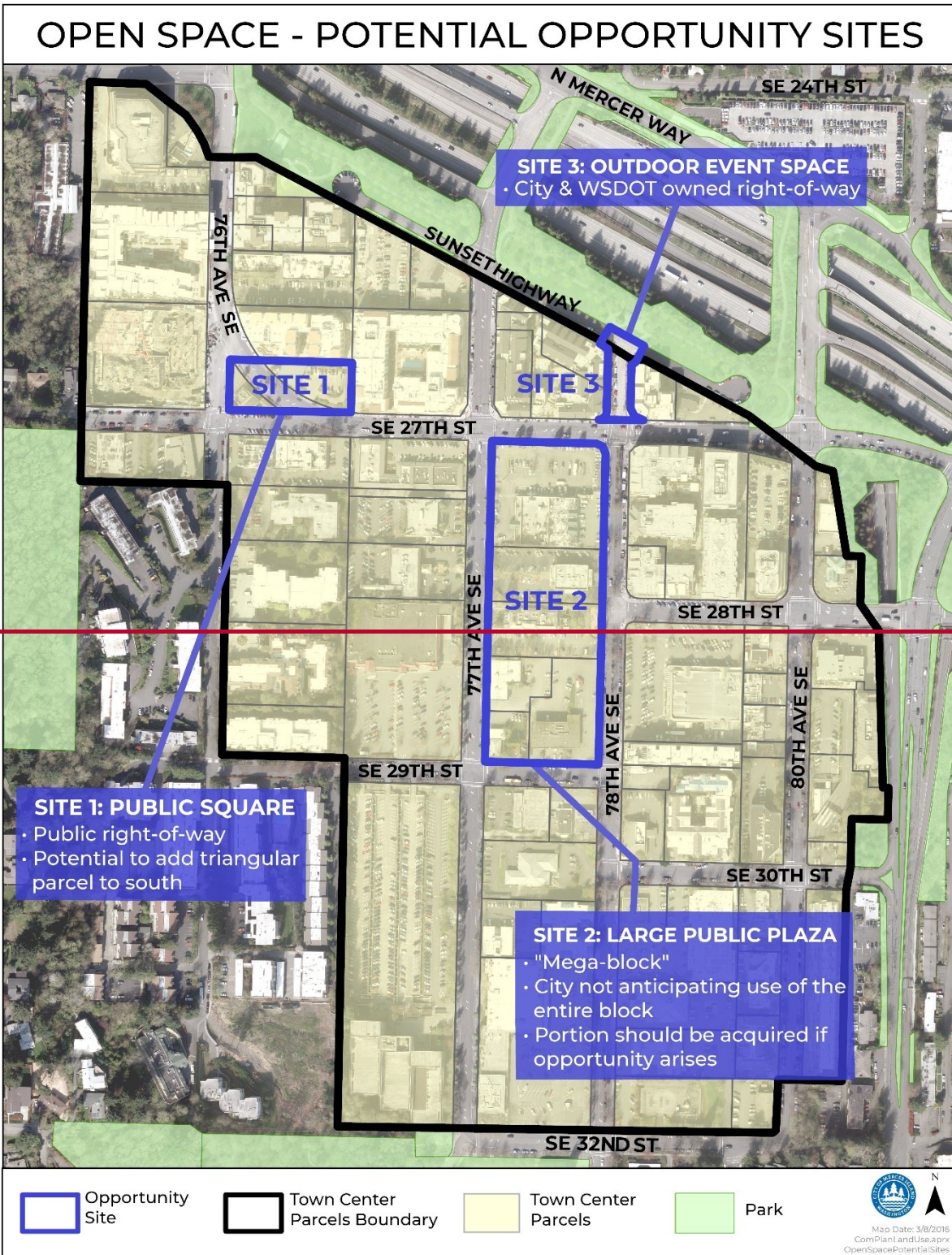
**Goal 5:** — Have inviting, accessible outdoor spaces with seating, greenery, water features, and art that offer settings for outdoor entertainment and special events as well as for quiet contemplation.

- 5.1 — Outdoor public spaces of various sizes in the Town Center are important and should be encouraged.
- 5.2 — Encourage the provision of on-site open space in private developments. This can include incentives, allowing development agreements, and as an alternative to land dedication. In addition, encourage the aggregation of smaller open spaces between parcels to create a more substantial open space.

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5.3 — Investigate potential locations and funding sources for the development (and acquisition if needed) of one or more significant public open space(s) that can anchor the Town Center's character and redevelopment. Identified "opportunity sites" are shown in Figure TC-2 and described below. These opportunity sites should not preclude the identification of other sites should new opportunities or circumstances arise.

**Figure 1: Open Space – Potential Opportunity Sites**



### **Economic Development**

~~Goal 6: Support the further economic development of Mercer Island, particularly in the Town Center.~~

~~6.1 Establish economic development policies in an Economic Development Element.~~

~~6.2 Maintain a diversity of Town Center land uses.~~

~~6.3 Support economic growth that accommodates Mercer Island's share of the regional employment growth target of 1,300 new jobs from 2024–2040 by maintaining adequate zoning capacity, infrastructure, and supportive economic development policies.~~

~~6.4 Create a healthy and safe economic environment where Town Center businesses can serve the needs of Mercer Island residents and draw upon broader retail and commercial market areas.~~

Outside the Town Center

### **Land Use Pattern**

~~Goal 7-Goal 1: Establish a Station Area Mercer Island should to capitalize on regional transit infrastructure by encouraging affordable mid-rise housing development within walking distance of the station, while remaining principally a single-family residential community. Mercer Island should remain principally a low density, single family residential community.~~

~~1.1 Establish the Mercer Island Station Area to include the areas approximately a half-mile walking distance from the Light Rail Station entrances. The Station Area Subarea Plan is hereby adopted by reference along with the Modified Station Area Boundary therein.~~

~~1.2 Encourage multifamily and mixed-use housing, including income-restricted affordable housing, within the Station Area which includes Town Center, and multifamily zones to zones to accommodate moderate- to extremely low-income households.~~

~~7.1.1.3 Preserve the neighborhood character in residential zones. For the purpose of implementing this element, neighborhood character only refers to the form, bulk, scale, and intensity of the built environment.~~

~~1.4 Provide for moderate density housing types in residential zones, such as accessory dwelling units and additional middle housing types at slightly higher densities, as outlined in the Housing Element to encourage a larger mix of income levels and household types within residential zones.~~

~~7.2.1.5 Preserve the neighborhood character in residential zones. For the purpose of implementing this element, neighborhood character only refers to the form, bulk, scale, and intensity of the built environment.~~

~~7.3 Encourage multifamily and mixed-use housing within the Station Area existing boundaries of the Town which includes Town Center, and multifamily zones, to accommodate moderate to extremely low income households.~~

7.41.6 Social and recreation clubs, schools, and religious institutions are predominantly located in single-family residential areas of the Island. The City may consider measures within the land use code to address the maintenance, updating, and renovation of these facilities, while ensuring compatibility with surrounding neighborhoods. Such facilities contribute to the mental, physical, and spiritual well-being of Mercer Island residents. Land use decisions should balance the retention of these facilities with overall community planning and zoning regulations.

7.51.7 Encourage compatible uses such as education, recreation, open spaces, government, social services, and religious activities.

7.61.8 Manage impacts that could result from new development in residential zones by establishing standards to:

7.6.11.8.1 Regulate on- and off-street parking;

7.6.21.8.2 Encourage the retention of landscaped areas and the retention and planting of trees;

7.6.31.8.3 Establish incentives and anti-displacement measures consistent with the Housing Element; and

7.6.41.8.4 Control new development to be compatible in scale, form, and character with surrounding neighborhoods.

**Goal 8-Goal 2:** Achieve additional residential capacity in residential zones through flexible land use techniques and land use entitlement regulations.

8.12.1 Encourage using existing homes to meet changing population needs and help people age in place.

8.22.2 Through zoning and land use regulations, provide adequate development capacity to accommodate Mercer Island's projected share of the King County population growth over the next 20 years.

8.32.3 Promote a range of housing opportunities to meet the needs of people who work and desire to live in Mercer Island.

8.42.4 Promote accessory dwelling units in all zones where single-family homes are allowed subject to specific development standards.

8.52.5 Encourage the development of middle housing outside of critical areas where mandated by state law and ensure that it is compatible with the surrounding neighborhoods, with preference given to areas near high-capacity transit.

8.62.6 Encourage the preservation and maintenance of naturally occurring affordable housing.

**Goal 9-Goal 3:** The allowed uses in commercial and mixed-use zones balance the City's economic development and housing needs.

9.13.1 The Planned Business Zone (PBZ) uses on the south end of Mercer Island are compatible with the surrounding single-family zone needs. All activities in the PBZ are subject to design review. Supplemental design guidelines have been adopted.

3.2 Commercial uses and densities near the I-90/East Mercer Way exit and SE 36th Street are appropriate for that area. All activities in the Commercial Office zone are subject to design review, and supplemental design guidelines may be adopted.

9.23.3 The Station Area with Town Center at its heart provides a walkable and vibrant downtown mixed-use district where ~~station area~~ residents and visitors can complete errands on foot.

### Natural Environment Policies

~~Goal 10:~~ Goal 4: Protecting the natural environment will continue to be a priority in all Island development. Protection of the environment and private property rights will be consistent with all state and federal laws.

10.14.1 The City of Mercer Island shall protect environmentally sensitive lands such as watercourses, geologic hazard areas, steep slopes, shorelines, wildlife habitat conservation areas, and wetlands. Such protection should continue through the implementation and enforcement of critical areas and shoreline regulations.

10.24.2 Land use actions, stormwater regulations, and basin planning should reflect an intent to maintain and improve the ecological health of watercourses and Lake Washington water quality.

10.34.3 New development should be designed to avoid increasing risks to people and property associated with natural hazards.

10.44.4 The ecological functions of watercourses, wetlands, and habitat conservation areas should be maintained and protected from the potential impacts associated with development.

10.54.5 The City shall utilize the best available science during the development and implementation of critical area regulations. Regulations will be updated periodically to incorporate new information as required by the Growth Management Act.

10.64.6 Encourage low- impact development approaches for managing stormwater and protecting water quality and habitat.

10.74.7 Services and programs provided by the City regarding land use should encourage residents to minimize their carbon footprint, especially concerning energy consumption and waste reduction.

10.84.8 The City's development regulations should encourage long- term sustainable stewardship of the natural environment. Examples include the preservation and enhancement of native vegetation, tree retention, and rain gardens.

10.94.9 Outreach campaigns and educational initiatives should inform residents of the collective impact of their actions on local, county, and state greenhouse gas emissions reduction goals.

10.104.10 The Stormwater Management Program Plan is hereby adopted by reference.

10.114.11 Ensure all residents of Mercer Island have a clean and healthy environment, regardless of race, social, or economic status.

10.124.12 Establish development standards to reduce the risk to life and property posed by wildfires through community wildfire preparedness and fire adaptation measures. These should include measures to separate human development from wildfire - prone landscapes and protect existing residential development and infrastructure.

**Goal 11: Goal 5:** Protect and enhance habitat for native plants and animals for their intrinsic value and the benefit of human health and aesthetics. Regulatory, educational, incentive-based, programmatic, and other methods should be used to achieve this goal, as appropriate.

11.15.1 Designate bald eagles as a Species of Local Concern for protection under the Growth Management Act. Identify additional Species and Priority Habitats of Local Concern referencing the best available science and the Washington Department of Fish and Wildlife Priority Habitats and Species List. Determine how best to protect these species and habitats.

11.25.2 Encourage inventorying native plants and animals on Mercer Island and the habitats that support them. As part of this effort, identify pollinators and the native plants they depend upon.

11.35.3 Evaluate and enhance the quality of habitat to support the sustenance of native plants and animals with the appropriate balance of ground, mid-level, and tree canopy that provides cover, forage, nectar, nest sites, and other essential needs. In addition to parks and open spaces, preserve and enhance habitat in conjunction with residential, institutional, and commercial development and in road rights-of-way.

11.45.4 Critical areas and associated buffers should consist of mostly native vegetation.

11.55.5 Plants listed on the King County Noxious Weed and Weeds of Concern lists should be removed as part of new development and should not be planted during the landscaping of new development. Efforts should be made to reduce or eliminate, over time, the use of these plants in existing public and private landscapes and in road right-of-way. New plantings in road rights-of-way should be native plants selected to benefit wildlife and community environmental values.

11.65.6 Important wildlife habitats, including forests, watercourses, wetlands, and shorelines, should be connected via natural areas, including walking paths along forested road rights-of-way.

11.75.7 View preservation actions should be balanced with the efforts to preserve the community's natural vegetation and tree cover.

11.85.8 Community tree canopy goals should be adopted and implemented to protect human health and the natural environment and to promote aesthetics. Encourage the conversion of grass to forest and native vegetation. Promote the preservation of snags (dead trees) for forage and nesting by wildlife.

11.95.9 Consider a community effort to establish new wetlands to recognize the historical loss of wetlands.

- [11.105.10](#) When considering the purchase of land to add to community open space, prioritize the purchase and preservation of wetlands, stream headwaters, and areas that will enhance open space networks.
- [11.115.11](#) Support conservation on private property on Mercer Island through conservation tools and programs including, but not limited to, the King County Public Benefit Rating System and Transfer of Development Rights programs.
- [11.125.12](#) Promote soft shoreline techniques and limitations on night lighting to provide shallow-water rearing and refuge habitat for out-migrating and lake-rearing endangered Chinook salmon. Encourage the removal of bulkheads and otherwise hardened shorelines, overwater structures, and night lighting, especially south of I-90 where juvenile Chinook are known to congregate.
- [11.135.13](#) Promote the reduction of nonpoint pollution that contributes to the mortality of salmon, other wildlife, and vegetation. This pollution consists of pesticides, chemical fertilizers, herbicides, heavy metals, bacteria, motor oils, and other pollutants and is primarily conveyed to surface water features by stormwater runoff.
- [11.145.14](#) Promote the preservation of organic matter in planting beds and landscapes, including leaves, grass clippings, and small woody debris. Encourage the import of organic material to landscapes, including wood chips and finished compost to reduce water and fertilizer use and to promote food production for wildlife.
- [11.155.15](#) Promote awareness and implementation of the American Bird Conservancy's bird-friendly building design guidelines, which prevent bird mortality caused by collisions with structures.
- [11.165.16](#) Promote awareness and implementation of the International Dark-Sky Association's methods to reduce the excess lighting of the night sky that negatively affects wildlife, particularly birds. Consider seeking certification as an International Dark-Sky Community.
- [11.175.17](#) Consider participation in the National Wildlife Federation's Community Wildlife Habitat Program. Encourage community members to seek certification of their homes as Certified Wildlife Habitat and consider seeking certification of Mercer Island as a Wildlife-Friendly Community.
- [11.185.18](#) Promote the establishment of bird nest boxes in parks and on private property for species that would benefit. Remind pet owners of the significant bird mortality related to cats and keep them indoors.
- [11.195.19](#) Promote wildlife watering.

### Disaster Planning and Recovery

~~Goal 12:~~ **Goal 6:** Maintain and enhance current community emergency preparedness and planning efforts and provide for long-term recovery and renewal.

- [12.16.1](#) Periodically review and update the City's emergency management plans. Adopt the following emergency management-related plans and their successors by reference:  
[12.1.16.1.1](#) Comprehensive Emergency; Management Plan;

- ~~12.1.26.1.2~~ Hazard Mitigation Plan;
- ~~12.1.36.1.3~~ Continuity of Operations Plan
- ~~12.1.46.1.4~~ Pandemic Plan;
- ~~12.1.56.1.5~~ Terrorism Response Plan and Threat and Hazard Identification and Risk Assessment;
- ~~12.1.66.1.6~~ Debris Management Plan;
- ~~12.1.76.1.7~~ Volunteer Operations Plan; and
- ~~12.1.86.1.8~~ Shelter Plan.

~~12.26.2~~ Coordinate with, incorporate, and support the emergency management preparedness and planning efforts of local, regional, state, and national agencies and organizations, focusing on impacts on vulnerable populations.

~~12.36.3~~ Maintain current local community emergency preparedness programs, including volunteer coordination, City staff drills, and community outreach and education programs, with attention to impacts on vulnerable populations.

### Climate Change

~~Goal 13: Goal 7:~~ Continue to develop and refine City policies and implementation strategies to address climate change.

~~13.17.1~~ Adopt a Climate Element or equivalent components in this plan, as directed by state law, to plan to reduce greenhouse gas emissions and vehicle miles traveled and improve community resilience by planning for climate preparedness, response, and recovery efforts.

~~13.27.2~~ The most recent version of the Climate Action Plan is hereby adopted by reference. This plan provides more specific policy direction and implementation guidance for climate action. It shall be updated periodically to reflect changing community needs.

~~13.37.3~~ Town Center buildings should meet a high standard of energy efficiency and sustainable construction practices and include other innovative green features. Maintain requirements for major new construction in the Town Center to incorporate green building techniques.

## VI. ACTION PLAN

~~Goal 14: Goal 8:~~ To implement land use development and capital improvement projects consistent with the policies of the comprehensive plan.

~~14.18.1~~ Improve the usability of the "Development Code" by simplifying information and Code format, eliminating repetitious, overlapping and conflicting provisions, and consolidating various regulatory provisions into one document.

~~14.28.2~~ ~~Mercer Island has consistently accepted and planned for its fair share of regional growth, as determined by the GMPC and the King County CPPs. However, the build-out of the City is approaching and could occur before 2035 or shortly thereafter. In the future, the City will Advocate for growth allocations from the GMPC that will be consistent with its the City's community vision, as reflected in the Comprehensive~~

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Plan and development regulations; environmental constraints; infrastructure and utility limitations; and its remaining supply of developable land.

~~14.38.3~~ Establish a Land Use Element implementation strategy and schedule in conjunction with each biennial budget cycle. This implementation strategy can be periodically updated and amended by the City Council at any time thereafter and should detail the following:

~~14.3.18.3.1~~ Actions from this element to be added to department work plans for the next biennial budget cycle;

~~14.3.28.3.2~~ Any funding, including grants allocated to support the completion of these actions;

~~14.3.38.3.3~~ Any staff resources allocated to support the completion of these actions;

~~14.3.48.3.4~~ A schedule detailing the key actions and milestones for the completion of each action and

~~14.3.58.3.5~~ A list of near-term future actions expected to be proposed to be added to department work plans in the next three to five years.

~~14.48.4~~ Prepare a biennial report tracking the implementation of the Land Use Element. The report will be provided to the City Council prior to the adoption of the budget.

~~14.58.5~~ Provide resources for actions to implement this element and respond to limited resources by using strategies such as:

~~14.5.18.5.1~~ Alternate funding sources;

~~14.5.28.5.2~~ Public-private partnerships;

~~14.5.38.5.3~~ Reducing project or program scope to align with current biennial budget constraints provided such reductions comply with requirements set in state law; and

~~14.5.48.5.4~~ Amending the policies of the Land Use Element to reflect the City’s capacity to implement the element provided such amendments comply with requirements set in state law.

~~14.68.6~~ Prioritize services and access to opportunity for people of color, people with low incomes, and historically underserved communities to ensure all people can attain the resources and opportunities to improve their quality of life and address past inequities.

~~14.78.7~~ Coordinate with tribes to identify and mitigate potential impacts when implementing this element.

~~14.88.8~~ Create opportunities for multi-modal transportation.

## VII. LAND USE DESIGNATIONS

Land Use Designation	Implementing Zoning Designations	Description

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Park	<del>P</del> <del>PI</del> <del>R-8.4</del> <del>R-9.6</del> <del>R-12</del> <del>R-15</del> <del>OS</del>	The park land use designation represents land within the City that is intended for public use consistent with the adopted Parks and Recreation Plan.
Linear Park (I-90)	PI <del>OS</del>	The linear park (I-90) land use designation primarily contains the Interstate 90 right-of-way. The land use designation is also improved with parks and recreational facilities (e.g., Aubrey Davis park, I-90 Outdoor Sculpture Gallery, etc.) adjacent to and on the lid above the Interstate 90 freeway.
Open Space	<del>PI</del> <del>R-8.4</del> <del>R-9.6</del> <del>R-12</del> <del>R-15</del> OS	The open space use designation represents land within the City that should remain as predominantly unimproved open space consistent with the adopted Parks, Recreation and Open Space Plan.
Commercial Office	C-O B	The commercial office land use designation represents commercial areas within Mercer Island, located outside of the Town Center, where the land use will be predominantly commercial office. Complementary land uses (e.g., healthcare uses, schools, places of worship, etc.) are also generally supported within this land use designation.
Neighborhood Business	PBZ	The neighborhood business land use designation represents commercial areas within Mercer Island, located outside of the Town Center, where the land uses will be predominantly a mix of small scale, neighborhood-oriented business, office, service, public and residential uses.
Single Family Residential (R)	R-8.4 R-9.6 R-12 R-15	The single-family residential land use designation (R) represents areas within Mercer Island where development will be predominantly single-family residential neighborhoods. Complementary land uses (e.g., private recreation areas, schools, home businesses, public parks, etc.) are generally supported within this land use designation.
Multifamily Residential (MF)	MF-2 MF-2L MF-3	The multifamily residential land use (MF) represents areas within Mercer Island where the land use will be predominantly multifamily residential development. Complementary land uses (e.g., private recreation areas, schools, home businesses, public parks, etc.) are generally supported within this land use designation.
Town Center (TC)	<del>TC-8</del> <del>TCMF-6</del>	The Town Center land use designation represents the area where land uses consistent with the <del>small town character</del> <u>Station Subarea Plan</u> and the heart of Mercer Island will be located. This land use designation supports a mix of uses including outdoor pedestrian spaces, residential, retail, commercial, mixed-use and office-oriented businesses.

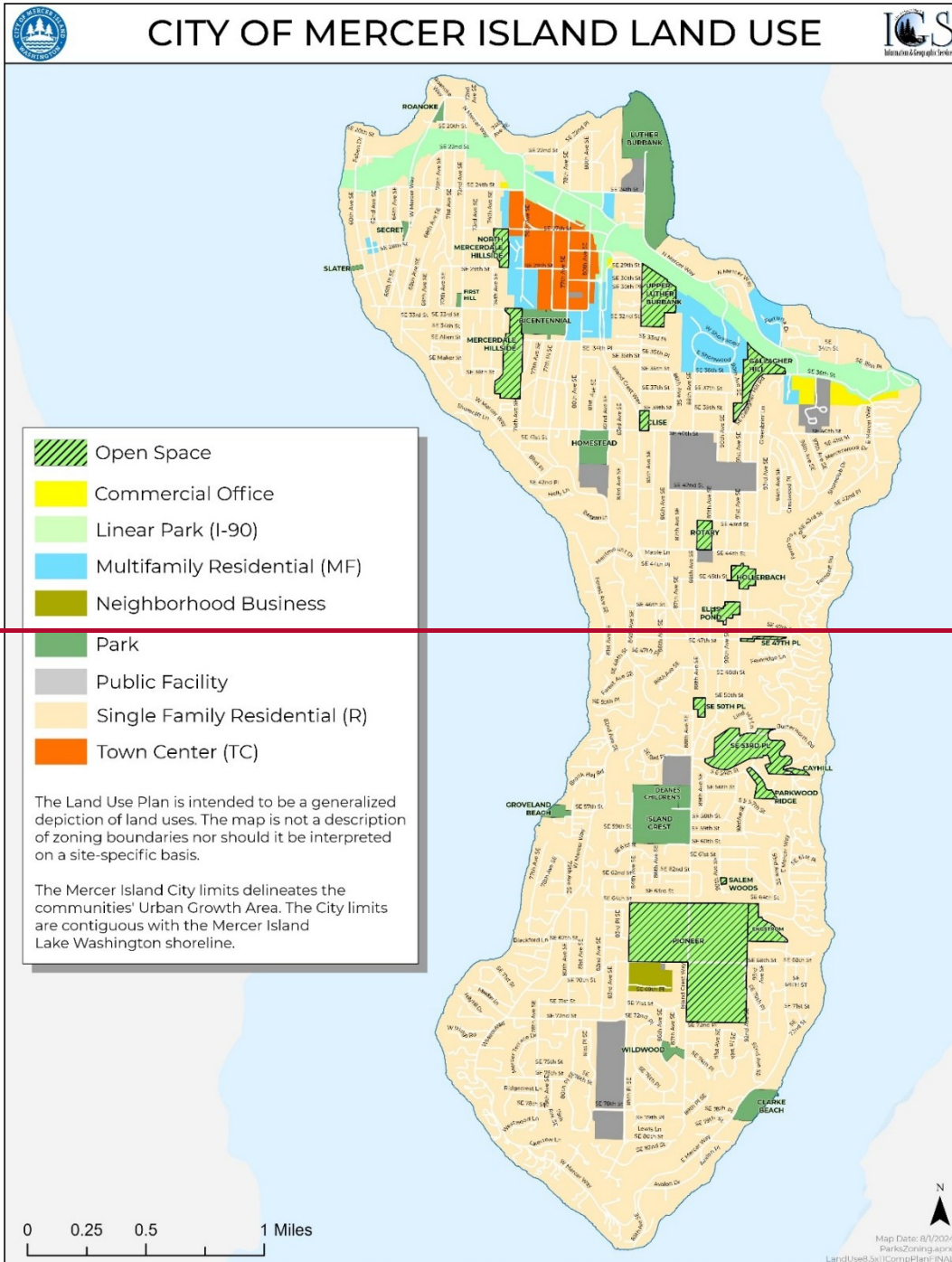
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Public Facility	<del>CO</del> PI <del>R-8.4</del> <del>R-9.6</del> <del>R-15</del> TC OS	The public facility land use designation represents land within the City that is intended for public uses, including but not limited to schools, community centers, City Hall, and municipal services.
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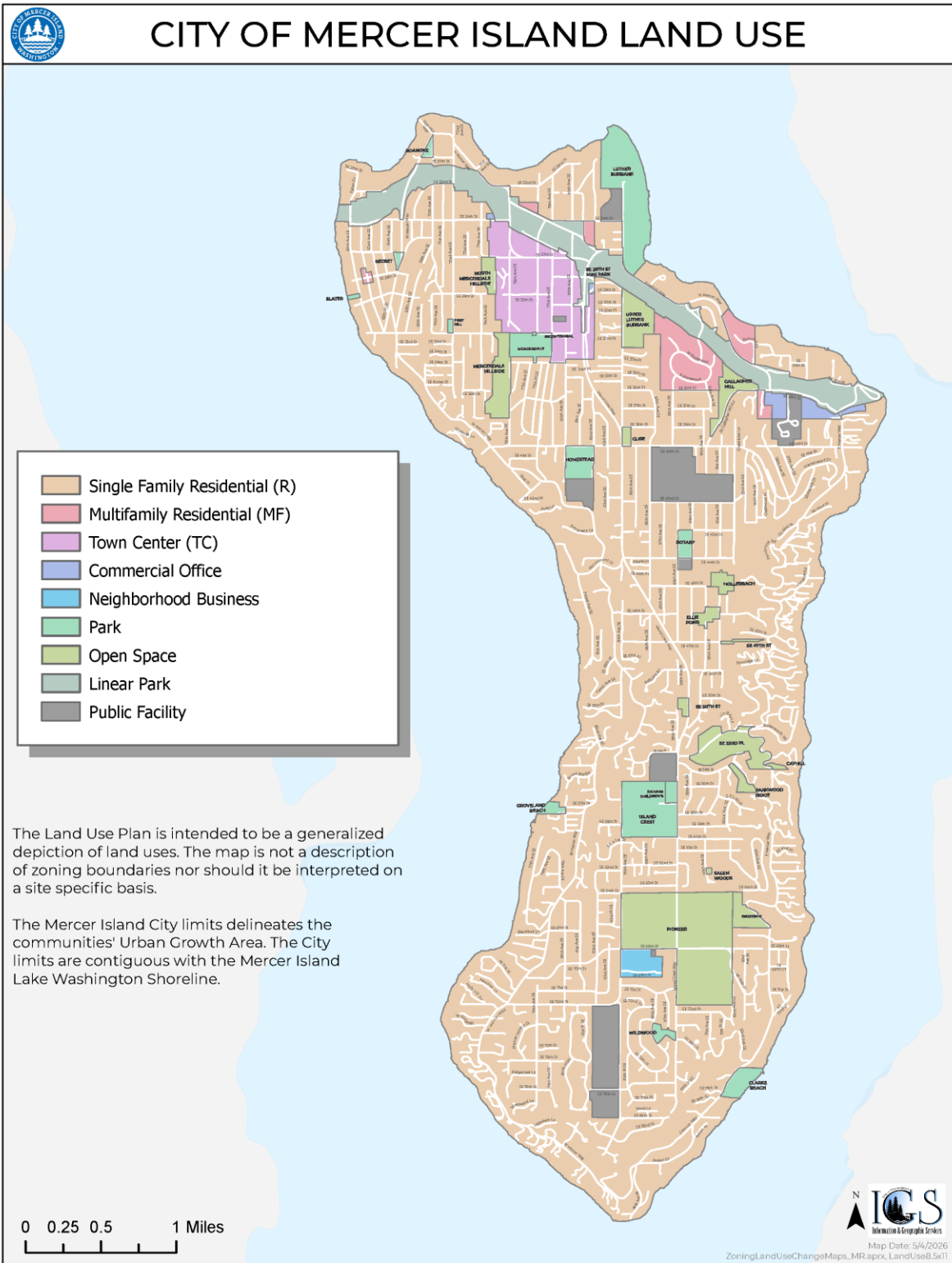
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Figure 6: Land Use Map

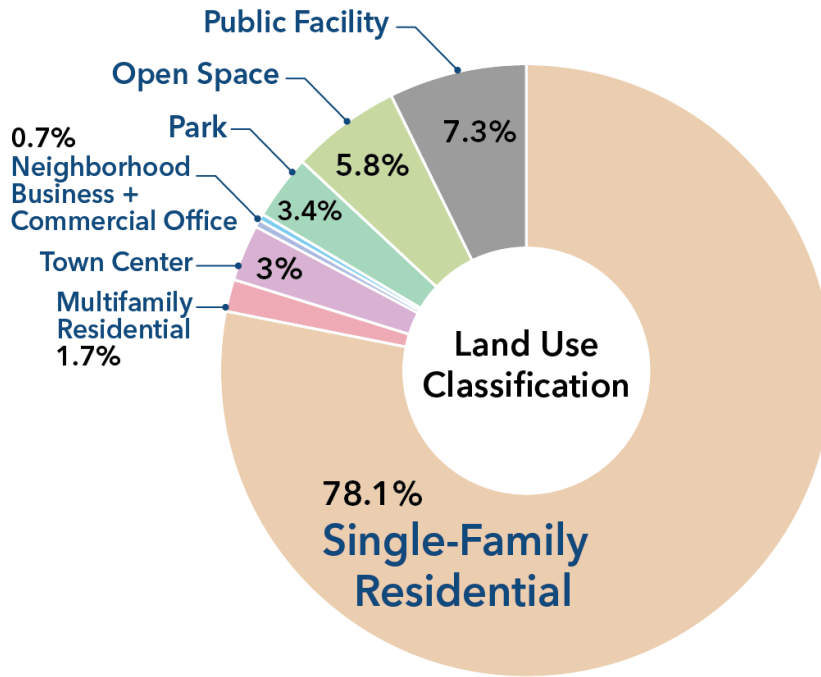
Figure 6: Future Land Use Map



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**Figure 7. Land Area Breakdown of Future Land Use Classifications**



*City of Mercer Island; Framework, 2026*

## Element 3 - Housing

### I. INTRODUCTION

This Housing Element of the Comprehensive Plan details the policy approaches the City will take to manage projected housing growth and accommodate its housing needs.

#### HOUSING GROWTH TARGET AND HOUSING NEEDS

In 2021, King County adopted Ordinance 19384, which amended the Countywide Planning Policies (CPPs) and set housing growth targets for the cities in King County. Mercer Island's ~~projected 2044~~ housing growth target is 1,239 dwelling units.

In 2023, King County adopted Ordinance 19660, which amended the CPPs to establish the number of dwelling units needed to accommodate moderate, low, very low, and extremely low-income households for cities throughout the county. The Housing Growth Target and Housing Needs by income level are shown in ~~Figure 8~~ Table 1.

~~Figure 7: Mercer Island Housing Growth Target~~

~~Figure 8: Mercer Island Housing Growth Target~~

Total Housing Growth Target		Housing Needs By Income Level							Emergency Housing <sup>2</sup>	
		0-≤30% AMI <sup>3</sup>			>30-≤50% AMI	>50-≤80% AMI	>80-≤100% AMI	>100-≤120% AMI		>120% AMI
		PSH <sup>1</sup>	Non-PSH <sup>1</sup>	Total ≤30% AMI						
20-years Total Need	1,239	339	178	517	202	488	4	5	23	237
% of total	100%	27%	14%	41%	16%	39.39%	0.32%	0.40%	1.86%	N/A
Average Units/year achieve in 20 Years (2024-44)	62	17	9	26	10	24	0	0	1	12

Source: King County Countywide Planning Policies (CPPs), current through Ordinance 19660.

Notes:

1. Permanent Supportive Housing (PSH)
2. Emergency Housing need is its own metric and not part of the housing need or housing growth target.
3. Area Median Income (AMI) for King County as tracked by the U.S. Department of Housing and Urban Development (HUD).

#### CAPACITY TO ACCOMMODATE HOUSING GROWTH TARGET AND HOUSING NEEDS

~~In 2022, King County enacted Ordinance 19369, which adopted the King County Urban Growth Capacity (UGC) Report. The UGC Report established the land capacity analysis for the City of Mercer~~

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Island and found that the City has a capacity for 1,429 dwelling units, enough capacity to accommodate its housing growth target.

In response to Growth Management Hearings Board Order 25-3-0003, the City of Mercer Island produced an updated land capacity analysis based on a new 20-year land use strategy to accommodate its 2044 housing targets and fulfill its station subarea planning requirements per RCW 36.70A.840. The 2026 Land Capacity Analysis provided in Appendix G uses a methodology issued by the WA Department of Commerce to demonstrate how much residential growth the City’s existing zoning regulations can support by income level.

Figure 9 compares the estimated housing capacity with the housing need allocated to Mercer Island by King County in 2023. Overall, the City has adequate capacity for its gross growth target of 1,192 units in its current land use plan. However, there is a deficit of 510 units that are affordable to extremely low-income households earning less than 30% of the area median income. New subsidies and/or incentives introduced in the Adequate Provisions section below are necessary for these units to be built.

**Figure 9: Mercer Island Housing Units Requiring New Subsidies or Incentives**

Affordability Level	Zone Categories Serving These Needs	Allocated Housing Need (Units)	Total Housing Capacity (Units)	Mercer Island Capacity Surplus or Deficit (Units)	Units Requiring New Subsidies or Incentives
Extremely Low Income (0-30% AMI PSH)	Low-Rise, Mid-Rise	178	0	(178)	(178)
Extremely Low Income (0-30% AMI excl. PSH)	Low-Rise, Mid-Rise	339	7	(332)	(332)
Very Low Income (>30-50% AMI)	Low-Rise, Mid-Rise	202	390	188	0
Low Income (>50-80% AMI)	Moderate Density, Low-Rise, Mid-Rise, ADUs	473	1,698	1,225	0
Moderate Income (>80-100% AMI)	Moderate Density, Low-Rise, Mid-Rise, ADUs	0	583	583	0
High Income (>100-120% AMI)	Moderate Density, Low-Rise, Mid-Rise	0	130	130	0
Very High Income (>120% AMI)	Low Density	0	356	356	0
<b>Total</b>		<b>1,192</b>	<b>3,164</b>	<b>1,972</b>	<b>(510)</b>

*Sources: City of Mercer Island, 2025; CoStar, 2025; Zillow, 2025; Redfin, 2025; Individual Property Websites, 2025; Community Attributes Inc, 2026.*

In 2023, the WA Department of Commerce (Commerce) issued new guidance for counties and cities to comply with updated housing requirements in the WA Growth Management Act (GMA). That guidance recommended a process by which cities should evaluate development capacity to accommodate housing needs disaggregated by income level. Based on the Commerce guidance, the City prepared the Land Capacity Analysis Supplement (Appendix G).

*As per GMHB Order 25-3-0003, Issue #1, the City of Mercer Island must analyze residential land capacity at each housing affordability level and close any identified gaps. The Land Capacity Analysis narrative below has been updated to reflect phase 1 upzones limited to the existing Town Center and adjacent multifamily zones. Implementation of the TOD bill (HB 1491) will be pursued as a second phase of work.*

The Land Capacity Analysis ~~Supplement~~ found that the City needed to increase multifamily and mixed-use development capacity ~~by at least 143 units during the Comprehensive Plan periodic review to accommodate lower- income housing needs~~ ([Appendix G](#)). During the Comprehensive Plan ~~periodic review update to comply with GMHB Order 25-3-0003~~, the City expanded its development capacity. The City increased the maximum building height in ~~selected the~~ Town Center ~~subareas and adjacent multifamily zones under Phase 1 of the Station Subarea Plan. The Town Center was increased to a maximum building height of eight stories and the adjacent multifamily zones were increase to a maximum building height of six stories~~. The increase in height was analyzed in the Land Capacity Analysis ~~Supplement~~ and was found to generate adequate capacity to accommodate the City's housing needs.

The City prepared a Housing Needs Assessment during the Comprehensive Plan periodic review ([Appendix E](#)). This assessment included an inventory and analysis of the existing housing stock, which, combined with the Land Capacity Analysis (LCA), found that the City can accommodate its projected growth.

#### PERMANENT SUPPORTIVE ~~AND EMERGENCY~~ HOUSING

Under the GMA, the City must plan for two types of housing for households with income at or below 30 percent of the AMI: Permanent Supportive Housing and ~~other extremely-low income non-permanent supportive~~ housing. Housing need for extremely low-income housing is split into these two categories because these are two distinct housing types. Permanent supportive housing is intended to house people who need support services, whereas non-permanent supportive housing, extremely low-income housing, is meant for people at the lowest income level who do not necessarily need additional services. For reference, permanent supportive housing is defined in [RCW 36.70A.030\(31\)](#).

In addition to planning for permanent supportive housing, the City must also plan for emergency housing. Emergency housing provides temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless. ~~Its-It is~~ intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families ([RCW 36.70A.030\(14\)](#)). Emergency housing differs from housing for extremely low-income households and permanent supportive housing in that it is intended to be shorter-term accommodations. Emergency housing can include shelter space.

The ~~Land Capacity Analysis Supplement~~[LCA](#) evaluated capacity for permanent supportive housing and emergency housing. The ~~Supplement~~[LCA](#) found that the Comprehensive Plan allows

adequate capacity to accommodate its permanent supportive housing and emergency housing needs because these uses are allowed in all zones in Mercer Island.

### ADEQUATE PROVISIONS

***As per GMHB Order 25-3-0003, Issue #2, the City of Mercer Island must adopt incentives, mandatory provisions, and planned actions that will increase the supply of affordable housing.***

The GMA requires the Housing Element to make adequate provisions for existing and projected needs of all economic segments of the community. This includes taking actions to address potential barriers to housing production. Barriers are factors that negatively affect production for different housing types. The Commerce Housing Element Update Guidebook 2 explains barriers as follows:

*“For example, a city may be seeing a lot of detached single-family housing production on vacant land, and therefore determine that there are no significant barriers to single-family home construction. However, the same city may be seeing very little production of moderate density housing types such as townhomes or triplexes in zones where those types are allowed. If the city’s housing element is relying on capacity for those housing types to meet the needs of moderate-income households, then its housing element should also assess barriers specific to those housing types as well as actions to help overcome those barriers.”*

~~Table 2 provides the documentation of potential barriers, and the programs and actions detailed in this Housing Element to overcome those barriers and achieve housing availability.~~

Figure 8: Programs and Actions Needed to Achieve Housing Availability:

Housing Type	Share of Existing Housing Units <sup>1</sup>	Likelihood Barriers Exist	Potential Barriers	Action or Program
Single-Family	67%	Very Low Likelihood given the large share of existing units	Development Regulations	No change.
			Other Limitations: Permitting Process	Comply with statewide legislation <sup>8(d)</sup> .
			Other Limitations: Development Capacity	No change.
Multifamily and Mixed-Use	27% <sup>2</sup>	Moderate Likelihood given the lower share of existing units and the need to increase capacity <sup>3</sup> during the periodic review	Development Regulations	Review multifamily zone development regulations to: <ul style="list-style-type: none"> <li>• Simplify the requirements</li> <li>• Reduce permit review times</li> <li>• Consider adjustments to bulk, dimensions, and parking standards</li> </ul>
			Other Limitations: Permitting Process	Consider streamlining design review for multifamily and mixed-use development, particularly for developments with income-restricted affordable units.
			Other Limitations: Development Capacity	Increase development capacity within existing Town Center and Commercial Office zone boundaries to address the capacity shortfall identified in the City's Land Capacity Analysis Supplement <sup>7</sup> .
			Other Limitations: Displacement Risk	Establish anti-displacement measures to reduce and mitigate risk of displacement in areas with increased displacement risk.
Middle Housing	6% <sup>4</sup>	Moderate Likelihood given the small share of existing units	Development Regulations	Comply with statewide legislation <sup>8(b)</sup> .
			Other Limitations: Permitting Process	Comply with statewide legislation <sup>8(b)</sup> .
			Other Limitations: Development Capacity	Comply with statewide legislation <sup>8(b)</sup> .
Income Restricted Units, Permanent Supportive Housing (PSH) and Emergency Housing	<1% <sup>5</sup>	High Likelihood given the small share of existing units	Development Regulations	<ul style="list-style-type: none"> <li>• Comply with statewide legislation<sup>8(a)</sup> for PSH and emergency housing</li> <li>• Adopt additional incentives to spur development of new income-restricted affordable housing units</li> </ul>
			Other Limitations: Permitting Process	<ul style="list-style-type: none"> <li>• Comply with statewide legislation<sup>8(a)</sup></li> <li>• Consider streamlining design review for developments with income-restricted affordable units.</li> </ul>
			Other Limitations: Development Capacity	<ul style="list-style-type: none"> <li>• Increase land capacity within existing boundaries to address the capacity shortfall identified in the City's Land Capacity Analysis Supplement<sup>7</sup></li> <li>• Comply with statewide legislation<sup>8(a)</sup></li> </ul>
			Funding Gaps	<ul style="list-style-type: none"> <li>• Maintain membership in A Regional Coalition for Housing (ARCH) and continue to contribute to the ARCH Housing Trust Fund (HTF)</li> <li>• Evaluate potential local revenue sources for affordable housing</li> <li>• Evaluate an affordable housing fee-in-lieu program</li> <li>• Use incentives to reduce the per-unit costs for affordable housing</li> </ul> Coordinate efforts with providers, developers, and government agencies
Accessory Dwelling Units (ADUs)	N/A <sup>6</sup>	Very Low Likelihood given ADUs are allowed in all single-family zones	Development Regulations	Comply with statewide legislation <sup>8(e)</sup>
			Other Limitations: Permitting Process	Comply with statewide legislation <sup>8(e)</sup>
			Other Limitations: Development Capacity	Comply with statewide legislation <sup>8(e)</sup>

Notes:

1. Source: U.S. Census Bureau 2022 American Community Survey (ACS), Table B25024. This is an estimate of the number of existing housing units based on an annual survey.
2. Multifamily and mixed-use housing type is categorized as residential development with ten or more units per structure.
3. A multifamily and mixed-use housing capacity deficit was found in the Land Capacity Analysis Supplement (Appendix X). The capacity deficit was addressed in the Comprehensive Plan periodic review, but additional actions can address other potential barriers.
4. Middle housing development is categorized as residential development with 2-9 units per structure.
5. The Puget Sound Regional Council (PSRC) maintains an inventory of income-restricted housing units per jurisdiction. As of November 6, 2023, PSRC tracked that there were 102 income-restricted affordable housing units in Mercer Island. Per the PSRC inventory, there were 30 units for extremely low-income households, 59 units for very low-income households, and 13 units for low-income households.
6. Accessory dwelling unit share of housing units is combined with the single-family. Between 2006 and 2022, the City permitted 104 ADUs.
7. The Land Capacity Analysis Supplement was developed to evaluate whether the Comprehensive Plan allows adequate capacity to accommodate its housing needs (Appendix X).
8. Statewide legislation passed in the years preceding the Comprehensive Plan periodic review affected several types of housing as follows:
  - a. House Bill 1220—Adopted in 2021, this bill amended several GMA requirements and also set limits on how jurisdictions can regulate PSH and emergency housing;
  - b. House Bill 1110—Adopted in 2023, this bill requires cities to allow middle housing types in zones where single-family homes are allowed. Jurisdictions must make amendments to comply with this bill within six months of the Comprehensive Plan periodic review;
  - c. Housing Bill 1337—Adopted in 2023, this bill requires cities and counties to amend the development regulations for ADUs. Jurisdictions must make amendments to comply with this bill within six months of the Comprehensive Plan periodic review; and
  - d. Senate Bill 5290—Adopted in 2023, this bill requires cities and counties to meet permit review timetables.

**BARRIER’S ANALYSIS**

In 2026, the City prepared a Barriers Analysis following updated Commerce Guidance (See Appendix X for Barriers Analysis). The analysis, whose results are summarized in Figure 10, examined existing development regulations and permit processes to identify potential barriers and developed actions and programs that could reduce or resolve those barriers. The City prepared a Barriers Analysis during the Comprehensive Plan Update (Appendix X). The Barriers Analysis was based on the Commerce Guidance updated in 2026 and examined development regulations and permit processes to identify potential barriers and the programs and actions needed to reduce those barriers. The actions identified in Figure 10 will be implemented concurrently with the Comprehensive Plan update which includes Station Subarea Planning efforts.

**Figure 10: Potential Barriers Identified in the Barriers Analysis in Appendix X**

Housing Type	Potential Barrier	Action Needed <sup>1</sup>
Low- to Mid-rise Multifamily and Mixed-use	Maximum Density	Implement Phase 1 of the Station Subarea Plan
	Maximum Building Height	Implement Phase 1 of the Station Subarea Plan
	Setbacks	Implement Phase 1 of the Station Subarea Plan
	Parking Minimums	Affordable housing parking standard
	Lot Coverage	Implement Phase 1 of the Station Subarea Plan
	SEPA Review Process	Adopt ODNs policy in the Housing Element
Permanent Supportive Housing	Environmental Constraints	Implement Phase 1 of the Station Subarea Plan
	Spacing	Adopt permanent STEP Housing regulations
	CUP Requirements	Adopt permanent STEP Housing regulations
	Other Regulations, Including Operational Requirements	Adopt permanent STEP Housing regulations

Notes

1. A full description of each action needed is provided in the tables of Appendix X and under the Step 3 section of Barriers Analysis.

**RACIALLY DISPARATE IMPACTS AND DISPLACEMENT RISK**

In 2021, the GMA was amended to require jurisdictions to identify potential racially disparate impacts, address those impacts, and reduce displacement risk. In 2023, Commerce provided guidance for complying with the GMA requirement to identify and begin undoing racially disparate impacts established in RCW 36.70A.070(2)(e)-(g). Based on that guidance, the City prepared the Racially Disparate Impacts (RDI) Evaluation. The RDI Evaluation provides the analysis and evaluation to identify policies that may have resulted in racially disparate impacts and identify areas at higher risk of displacement (Appendix H).

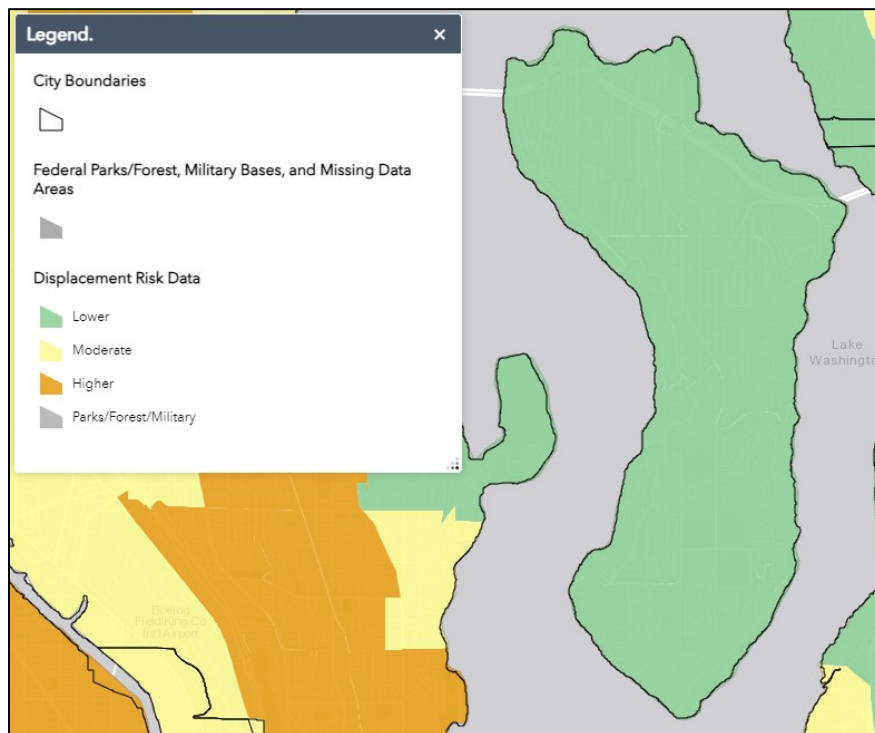
The RDI Evaluation found that the primary racially disparate impacts are:

- Renting households are more cost-burdened than homeownership households by a margin of 20 percentage points;
- Households of color are eight percentage points more likely than White households to be housing cost-burdened, and
- Black or African American households in Mercer Island are severely housing cost-burdened at more than double the rate of any other racial group.

**Figure 11** shows the PSRC displacement risk mapping for Mercer Island census tracts. All tracts on Mercer Island were in the lower risk category, suggesting that most of Mercer Island, in general, has a lower risk of displacement occurring compared to other census tracts in King, Pierce, Snohomish, and Kitsap counties.

**Figure 9: PSRC Displacement Risk Map**

**Figure 11: PSRC Displacement Risk Map**



Source: Puget Sound Regional Council (PSRC) Displacement Risk Mapping. <https://www.psrc.org/our-work/displacement-risk-mapping>.

The RDI Evaluation identified three areas that may be at higher risk of displacement relative to other areas in the City. Displacement could occur due to changes in development regulations or capital investments. The three areas that may be at higher risk of displacement are:

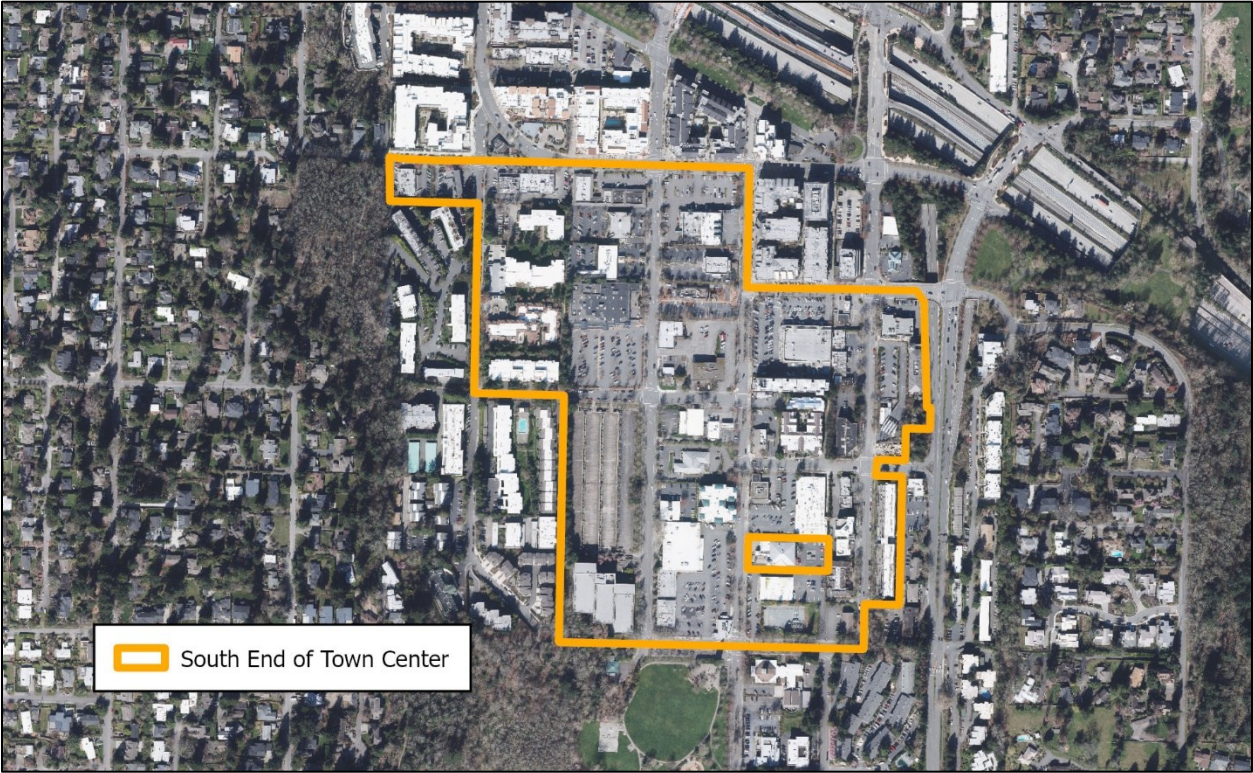
- The south end of Town Center;
- Multifamily zones adjacent to Town Center; and

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- Multifamily zones east of Town Center.

Figure 12, Figure 13, and Figure 14 Figures 2, 3, and 4 show maps of the three areas that may be at higher risk of displacement.

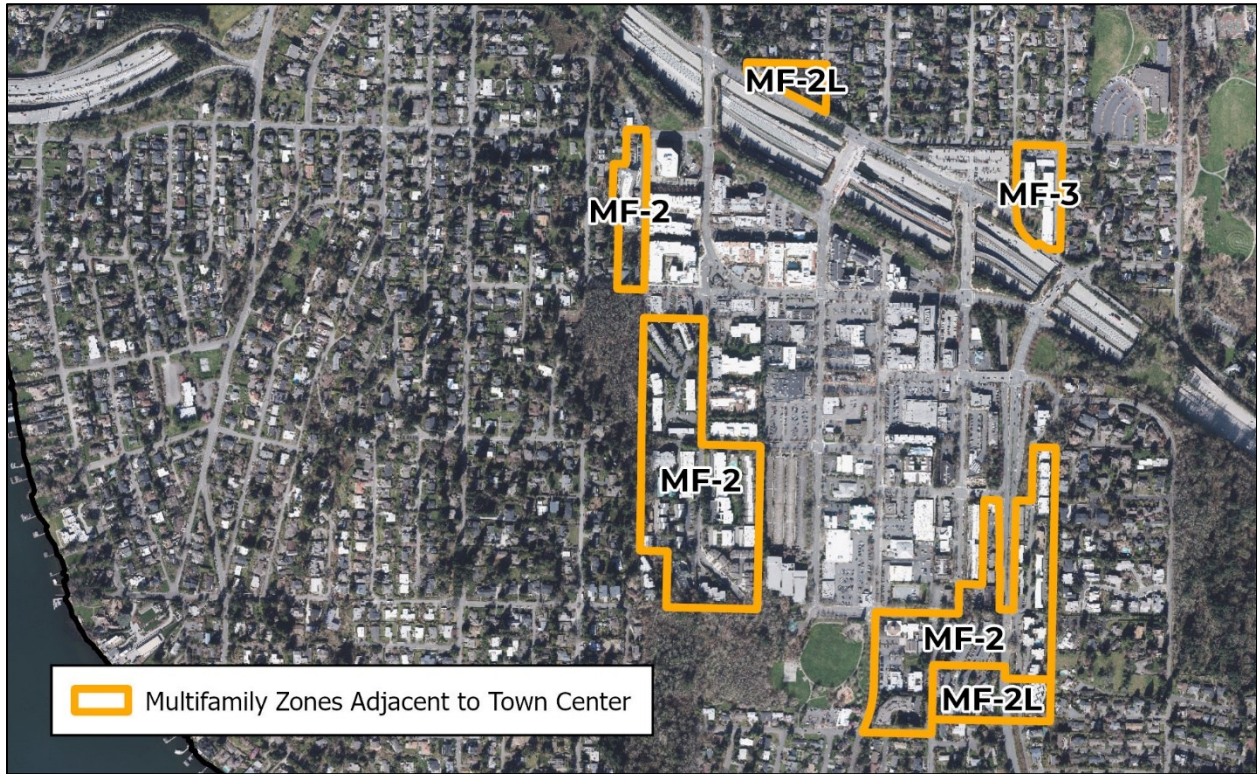
Figure 12: South End of Town Center



Source: RDI Evaluation dated December 15, 2023.

Figure 13: Multifamily Zones Adjacent to Town Center

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Source: RDI Evaluation dated December 15, 2023.

Figure 14~~12~~: Multifamily Zones East of Town Center



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Source: RDI Evaluation dated December 15, 2023.

The following strategies detailed in this Housing Element are directed at addressing and beginning to undo the impacts identified in the RDI Evaluation:

- Expand tenant protections;
- Intentional public outreach during implementation of the Comprehensive Plan;
- Increase the supply of affordable rental housing;
- Add incentives for the construction of affordable housing; and
- Increase capacity for multifamily and mixed-use housing.

### GOALS AND POLICIES

The goals and policies in this Housing Element are divided into six sections focusing on a specific topic:

- Overall housing strategies;
- Affordable housing;
- Racially disparate impacts;
- Anti-Displacement;
- Residential regulations, and
- Implementation.

The strategies outlined in the policies should be implemented throughout the planning period to accomplish the following by the year 2044:

- Accommodate the City’s housing target and projected housing needs;
- Make adequate provisions for housing needs for all economic segments of the community;
- Provide for and address potential barriers to the preservation, improvement, and development of housing;
- Begin undoing racially disparate impacts from past housing policies;
- Reduce or mitigate displacement risk as zoning changes and development occur; and
- Realize the City’s goals for housing.

*As per GMHB Order 25-3-0003, Issue #3, the City of Mercer Island must adopt a subarea plan for the area around the Link light rail transit station. As part of this effort, existing Housing Element goals and policies regarding Town Center and transit-oriented development have been relocated to the draft Station Subarea Plan. (Multicounty Planning Policy DP-22 and RCW 36.70A.840)*

## II. GOALS AND POLICIES

### Overall housing strategies

**Goal 1:** Mercer Island provides affordable housing for all income levels meeting its current and future needs.

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- 1.1 Accommodate the Mercer Island housing growth target and housing needs shown in Table 1 by:
  - 1.1.1 Ensuring the Comprehensive Plan allows adequate capacity for the Mercer Island housing growth target and housing needs assigned by King County;
  - 1.1.2 Adopting policies that will increase the supply of income-restricted and naturally occurring affordable housing;
  - 1.1.3 Addressing racially disparate impacts;
  - 1.1.4 Reducing or mitigating displacement risk and
  - 1.1.5 Taking actions to implement this element throughout the Comprehensive Plan planning period.
- 1.2 Categorize household income level for the purposes of this element as follows:
  - 1.2.1 High income is a household income that exceeds 120 percent of the AMI;
  - 1.2.2 Moderate income is a household income at or below 120 percent and above 80 percent of the AMI;
  - 1.2.3 Low income is household income at or below 80 percent and above 50 percent of the AMI;
  - 1.2.4 Very low income is household income at or below 50 percent and above 30 percent of the AMI, and
  - 1.2.5 Extremely low income is household income at or below 30 percent of the AMI.
- 1.3 Accommodate the Mercer Island housing growth target and housing needs by income level with the following approaches:
  - 1.3.1 High Income – Continue to allow market rate single-family, moderate density, and condominium housing;
  - 1.3.2 Moderate, Low-, and Very Low-Income –
    - 1.3.2.1 Implement strategies to preserve existing units;
    - 1.3.2.2 Implement strategies to increase the supply of new income restricted units; and
    - 1.3.2.3 Reduce barriers to new moderate density, multifamily, and mixed-use construction.
  - 1.3.3 Extremely Low-Income and Permanent Supportive Housing (PSH) –
    - 1.3.3.1 Implement strategies to increase the supply of new income- restricted units for extremely low-income households and PSH and
    - 1.3.3.2 Coordinated efforts among providers, developers, and government agencies and
    - 1.3.3.3 Organize resources in support of new income restricted development.

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- 1.3.4 Emergency Housing – Allow use consistent with state law and ensure ~~that occupancy, spacing, and intensity~~ regulations allow sufficient capacity to accommodate the City’s level of need.
- 1.4 Plan for residential neighborhoods that protect and promote the health and well-being of residents by supporting equitable access to:
  - 1.4.1 Parks and open space;
  - 1.4.2 Recreation opportunities and programs;
  - 1.4.3 Safe pedestrian and bicycle routes;
  - 1.4.4 Clean air, soil, and water;
  - 1.4.5 Shelter from extreme heat events;
  - 1.4.6 Fresh and healthy foods;
  - 1.4.7 High-quality education from early learning through kindergarten through twelfth grade;
  - 1.4.8 Public safety;
  - 1.4.9 Artistic, musical, and cultural resources
  - 1.4.10 Affordable and high-quality transit options and living wage jobs;
  - 1.4.11 The opportunity to thrive in Mercer Island regardless of race, gender identity, sexual identity, ability, use of a service animal, age, immigration status, national origin, familial status, religion, source of income, military status, or membership in any other category of protected people, and
  - 1.4.12 Neighborhoods in which environmental health hazards are minimized to the extent possible.
- 1.5 Take actions to promote healthy and safe homes.
- 1.6 Mitigate climate impacts related to housing by executing the Climate Action Plan.
- 1.7 Strive to increase class, race, and age integration by ~~fairly~~ dispersing affordable housing opportunities with consideration for access to employment opportunities and proximity to transit.
- 1.8 Discourage neighborhood segregation and the isolation of special needs populations.
- 1.9 Increase housing choices for everyone, particularly those earning lower wages, in areas with access to employment centers and high-capacity transit.
- 1.10 Encourage accessory dwelling units (ADUs) as a housing form that can help to meet housing needs for moderate to low-income households.
- 1.11 Focus on the ~~Town-Center~~Station Subarea and Commercial-Office zones when increasing multifamily and mixed-use development capacity to accommodate the Mercer Island housing growth target and housing needs. Strive to reduce and/or mitigate displacement of businesses resulting from an increase in residential capacity.
- 1.12 Consider alternatives for maximizing housing capacity in the ~~Town-Center zones~~Station Subarea before analyzing alternatives for increasing multifamily capacity elsewhere.

### Affordable Housing

- Goal 2:** Households at all income levels can afford to live in Mercer Island because of the mix of market rate and income-restricted housing.
- 2.1 Support the development and preservation of income-restricted housing that is within walking distance of planned or existing high-capacity transit.
  - 2.2 Implement strategies to overcome cost barriers to housing affordability. Strategies should include:
    - 2.2.1 Periodic review of development standards, staffing levels, and permit processes to reduce permit review times and costs;
    - 2.2.2 Periodic review of residential densities in high-density zones to adjust multifamily and mixed-use capacity as needed to accommodate housing needs;
    - 2.2.3 Programs, policies, partnerships, and incentives to decrease costs to build and preserve affordable housing.
  - 2.3 Decrease barriers and promote access to affordable homeownership for extremely low-, very low-, and low-income, households.
  - 2.4 Increase affordable homeownership options for moderate income households by increasing moderate density housing capacity.
  - 2.5 Encourage the construction of new permanent income-restricted housing through approaches such as the following:
    - 2.5.1 Affordable housing incentives that require units at varying income levels to be incorporated into new construction to address the Mercer Island housing growth target and housing needs for households earning less than the area median income (AMI). ~~Affordable housing unit requirements should be set at levels to yield more lower income units as the benefit of the incentive increases.~~
    - 2.5.2 Height bonuses concurrent with any increase in development capacity to address Mercer Island's affordable housing needs;
    - 2.5.3 Incentives for the development of housing units affordable to extremely low-, very low-, low-, and moderate-income households;
    - 2.5.4 A Multifamily Tax Exemption (MFTE) linked to substantial additional affordability requirements.
    - 2.5.5 Reduced design review processes and simplified standards for developments with affordable units.
    - 2.5.6 Reduced or waived permit fees for developments with affordable units.
    - 2.5.7 Reduced parking requirements for income-restricted units.
  - 2.6 Evaluate potential revenue sources to fund a local affordable housing fund.
  - 2.7 Evaluate a fee-in-lieu program whereby payments to the local affordable housing fund can be made as an alternative to constructing required income-restricted housing.

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- 2.8 Prioritize the use of local and regional resources for income-restricted housing, particularly for extremely low-income households, populations with special needs, and others with disproportionately greater housing needs.
- 2.9 Evaluate the feasibility of establishing zoning in existing multifamily and mixed-use zones that would require developers to provide affordable housing in new high-density developments.
- 2.10 Continue to participate in A Regional Coalition for Housing (ARCH) as a key strategy for addressing affordable housing needs for low-, very low-, and extremely low-income households.
- 2.11 Evaluate increasing the contribution to the ARCH Housing Trust Fund (HTF) at a per-capita rate consistent with other participating/member cities as a key strategy to address PSH, extremely low-, very low-, and low-income housing needs.
- 2.12 Develop partnerships to address barriers to the production of affordable housing to extremely low-income households by connecting with government agencies, housing service providers, religious organizations, affordable housing developers, and interested property owners.
- 2.13 Periodically meet with partners to gather feedback on actions the City can take to reduce barriers to the production of extremely low-income housing units, including PSH and emergency housing.

**Racially disparate impacts**

**Goal 3:** Undo identified racially disparate impacts, avoid displacement, and eliminate exclusion in housing so that every person has the opportunity to thrive in Mercer Island regardless of their race.

- 3.1 Begin undoing racially disparate impacts by prioritizing actions that:
  - 3.1.1 Increase the supply of affordable rental housing;
  - 3.1.2 Expand tenant protections;
  - 3.1.3 Add incentives for the construction of affordable housing;
  - 3.1.4 Increase capacity for multifamily and mixed-use housing and
  - 3.1.5 Include intentional public outreach during the implementation of the Comprehensive Plan.
- 3.2 Acknowledge historic inequities in access to homeownership opportunities for communities of color.
- 3.3 Seek partnerships with impacted communities to promote equitable housing outcomes and prioritize the needs and solutions expressed by these disproportionately impacted communities for implementation.
- 3.4 Include a statement in all future Public Participation Plans adopted for actions that implement this Housing Element explaining how the City will reach impacted communities.
- 3.5 Seek partnerships and dedicated resources to eliminate racial and other disparities in access to housing and neighborhoods of choice.

### Anti displacement

- Goal 4:** City actions reduce and mitigate displacement risk as regulations change and development occurs.
- 4.1 Seek partnerships to develop an affordable housing inventory to catalog the location, quantity, and ownership of income-restricted affordable units and Naturally Occurring Affordable Housing ~~(NOAH)~~.
  - 4.2 Evaluate and consider implementing the following tenant protections:
    - 4.2.1 Required advance notice of rent increases, and
    - 4.2.2 Relocation assistance, and
    - 4.2.3 ~~Right of first refusal or tenant opportunity to purchase requirements when an apartment building is converted to a condominium.~~
  - 4.3 Evaluate the potential increased risk of displacement that could accompany any increase in development capacity concurrent with proposed zoning changes affecting a zone where multifamily or mixed-use development is allowed. This evaluation should:
    - 4.3.1 Be paid for by an applicant requesting a rezone and conducted on behalf of the City;
    - 4.3.2 Consider economic, physical, and cultural displacement as defined by ~~the WA Department of~~ Commerce;
    - 4.3.3 Recommend strategies to reduce or mitigate identified displacement risks and
    - 4.3.4 Be presented to City decision- makers before making findings, recommendations, or decisions.
  - 4.4 Policy or regulatory amendments that affect development capacity in zones where multifamily or mixed-use residential development is allowed must be accompanied by findings that displacement risk has been adequately reduced and mitigated.

### Residential Regulations

- Goal 5:** Regulations that affect residential development are balanced so that they safeguard the public health, safety, and welfare.
- 5.1 Consider reviewing the residential development standards to identify potential amendments that would:
    - 5.1.1 Reduce permit review times and costs;
    - 5.1.2 Simplify requirements,
    - 5.1.3 Limit the design review process to administrative design review and ensure that all design standards are objective and measurable;
    - 5.1.4 Ensure parking requirements are right-sized to adequately balance the need for parking with the per-unit cost of parking and consistent with state law.
    - 5.1.5 Increase affordable housing incentives and
    - 5.1.6 Address displacement risk from zoning changes.

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- 5.2 Identify the regulatory amendments necessary to allow duplexes, triplexes, townhomes, and other moderate- density housing types in residential zones consistent with state law and this comprehensive plan.
- 5.3 Amend residential development standards to allow middle housing types and ADUs in residential zones consistent with state law and consistent with this comprehensive plan.
- 5.4 Consider amending ADU development standards to add flexibility and expand options for developing this type of housing to help meet housing needs for moderate to low-income households.
- 5.5 Consider restructuring existing ADU incentives, such as the gross floor area bonus, to require affordable housing.
- 5.6 Use the optional determination of nonsignificance process when issuing a State Environmental Policy Act determination of nonsignificance for multifamily and mixed-use development. [Added 5/28]

**Implementation**

**Goal 6:** The Housing Element is implemented in a timely and efficient manner so that the City's goals are realized.

- 6.1 Establish a Housing Element implementation strategy and schedule in conjunction with each biennial budget cycle. This implementation strategy can be periodically updated and amended by the City Council at any time thereafter and should detail the following:
  - 6.1.1 Actions from this element to be added to department work plans for the next biennial budget cycle;
  - 6.1.2 Any funding, including grants allocated to support the completion of these actions;
  - 6.1.3 Any staff resources allocated to support the completion of these actions;
  - 6.1.4 A schedule detailing the key actions and milestones for the completion of each action; and
  - 6.1.5 A list of future actions expected to be proposed to be added to department work plans in the next three to five years.
- 6.2 Prepare a biennial report tracking the implementation of the Housing Element. The report will be provided to the City Council prior to the adoption of the budget.
- 6.3 Partner with state, regional, and countywide agencies to periodically track the effectiveness of the policies in this element, including the GMA- required implementation progress report due five years after each Comprehensive Plan periodic review.
- 6.4 Provide resources for actions to implement this element and respond to limited resources by using strategies such as:
  - 6.4.1 Alternate funding sources;
  - 6.4.2 Public-private partnerships;

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- 6.4.3 Reducing project or program scope to align with current biennial budget constraints provided such reductions comply with requirements set in state law; and
- 6.4.4 Amending the policies of the Housing Element to reflect the City's capacity to implement the element constraints provided such amendments comply with requirements set in state law.

## Element 4 - Transportation

### I. INTRODUCTION

The Transportation Element provides policies and projects to guide the development of the Mercer Island transportation system in support of the City's vision for the future. The policies guide the City's actions, as well as the decisions related to individual developments.

The Transportation Element provides an inventory of Mercer Island's existing transportation system ~~and includes~~ including auto, truck, bicycle, transit, and pedestrian.

#### OBJECTIVES OF THE TRANSPORTATION ELEMENT

The City of Mercer Island has three main objectives within its Transportation Element:

- Develop multimodal goals, policies, programs, and projects which support the implementation of the Land Use Element of the Comprehensive Plan,
- Define policies and projects that encourage the safe and efficient development of the transportation system and
- Comply with legislative requirements for multimodal transportation planning.

Washington State's Growth Management Act (GMA) outlines specific requirements for the Transportation Element of the city's Comprehensive Plan. It calls for a balanced approach to land use and transportation planning to ensure that a city's transportation system can support expected growth and development. In addition, it mandates that capital facilities funds be adequate to pay for any necessary improvements to the transportation system. Finally, a city must adopt specific standards for the acceptable levels of congestion on its streets; these standards are called level of service (LOS) standards.

At the federal level, transportation funds have been focused on the preservation and improvement of transportation facilities and creating a multimodal approach to transportation planning. For Mercer Island, transportation projects that combine improvements for auto, buses, bicycles, and pedestrians have a much greater chance of receiving state and federal grant funds than those focusing solely on widening the road to carry more single-occupant vehicles.

Other legislative requirements addressed by the Transportation Element include the King County 2023 Countywide Planning Policies, the 1991 Commute Trip Reduction Act, the Americans with Disabilities Act (ADA), and the 1990 federal Clean Air Act Amendments. Each of these laws emphasizes closer coordination between a jurisdiction's land use planning and its approach to transportation planning.

#### TRANSPORTATION TODAY

Most of Mercer Island's streets are two-lane residential streets with low to moderate traffic volumes. Island Crest Way, a north-south arterial that runs the length of the Island, is an exception because it is a principal feeder route to I-90 and the Town Center. East and West Mercer Way ring the Island and provide two more connections with I-90. SE 40th Street and Gallagher Hill Road also carry high traffic volumes in the north-central portion of the Island. In addition to arterial streets, the local street network provides access to private residences and properties. Public transit serves the Mercer Island Park and Ride and other locations on the Island.

Mercer Island has over 56 miles of trails, sidewalks, and bicycle lanes for non-motorized travel. The regional Mountains-to-Sound Greenway Trail runs along the I-90 corridor, providing a convenient connection to Seattle and Bellevue for pedestrians and bicyclists.

The March 2026 opening of the Sound Transit East Link light rail line will has begun to change how Mercer Island residents travel and live. ~~A-The~~ new light rail station located north of the Town Center, on the I-90 corridor between 77th Avenue SE and 80th Avenue SE, ~~is scheduled to provides~~ access to destinations in Seattle, Bellevue, and other cities that are part of the Sound Transit system. As part of this change, many of the buses from the east side of Lake Washington will terminate at Mercer Island, and bus riders will transfer to light rail. ~~The existing park-and-ride at North Mercer Way was frequently at or near capacity prior to the pandemic, and parking demand will likely increase when the new light rail station opens. As part of the mitigation agreement with Sound Transit, additional parking for the light rail station will be added in the Town Center. In sum, these~~ These regional changes are expected to will likely affect travel and land use development patterns, particularly for the north end of the Island. The changes will also provide new opportunities for the Island and will support the vision and development of the Town Center.

*As per GMHB Order 25-3-0003, Issue #1, the City of Mercer Island must analyze residential land capacity at each housing affordability level and close any identified gaps. The updated Land Capacity Analysis, overviewed in the Land Use Element, represents Phase 1 of a two-phase compliance strategy whereby upzones and resulting development capacity increases is limited to the existing Town Center and adjacent multifamily zones. The land use assumptions used in the transportation analysis below have been updated for alignment with Phase 1. Implementation of the TOD bill (HB 1491) will be pursued as a second phase of work.*

#### LAND USE ASSUMPTIONS — THE COMPREHENSIVE PLAN

Mercer Island's Comprehensive Plan, of which the Transportation Element is a component, must be internally consistent. This means that the various requirements in each element must not contradict one another. Of particular importance is the relationship between the Transportation Element and the Land Use Element.

The transportation forecasts used in this element are based on Mercer Island's growth ~~targets forecasts~~ for housing and employment, regional traffic forecasts by the Puget Sound Regional Council, and local traffic counts. Within the 20-year planning period, the ~~transportation analysis evaluated City's growth target of is 1,239 new housing units and 1,300 new jobs and 3,1654 new housing units in the City. to be generated on the Island by 2044. The majority of the employment and housing growth is forecast to occur within the Town Center and adjacent multifamily zones. This 2026-2044 Comprehensive Plan reflects the adoption of the Station Subarea Plan and implementation of Phase 1 of the plan, including rezoning of the Town Center Area and multifamily zones and changes amending the development regulations to provide adequate affordable housing at each affordability level throughout the City.~~

The Land Use Element defines Mercer Island's strategy for managing future growth and physical land development over the 20-year planning period. The Transportation Element identifies transportation and multimodal goals and policies consistent with the vision of the Land Use Element.

**TOWN CENTER PLAN**

The 1994 Town Center Plan for Mercer Island was updated in 2016 through a two-year long cooperative effort of City staff, consultants, and many community members. Specific goals and policies related to transportation and mobility in the Town Center are in the Land Use element.

The Sound Transit Link Light Rail station located on the I-90 corridor between 77th Avenue SE and 80th Avenue SE will continue to focus on multimodal development and population growth within the Town Center area.

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## II. TRANSPORTATION GOALS AND POLICIES

The following transportation goals and policies have been developed to guide transportation decisions for Mercer Island. They have been crafted to be consistent with all other Comprehensive Plan elements, including the Land Use Element. They also serve to further articulate and implement the City's vision for the future.

### GOAL 1:

Encourage the most efficient use of the transportation system through effective management of transportation demand and the transportation system.

- 1.1 Encourage measures to reduce vehicular trips using Transportation Demand Management strategies, such as preferential parking for carpools/vanpools, alternative work hours, bicycle parking, and distribution of information and promotion of non-motorized travel, transit and ridesharing options.
- 1.2 Encourage businesses and residential areas to explore opportunities for shared parking and other parking management strategies.
- 1.3 Employ transportation system management (TSM) techniques to improve the efficient operation of the transportation system, including, but not limited to: through traffic and turn lanes, management of street parking, signals, and other traffic control measures.

### GOAL 2:

Receive the maximum value and utility from the City's investments in the transportation system.

- 2.1 Place a high priority on maintaining the existing transportation facilities and the public rights-of-way.
- 2.2 Prioritize expenditures in the transportation system, recognizing the need to maintain existing transportation assets, meet adopted service level goals, and emphasize continued investments in non-motorized transportation facilities. Make transportation investments that improve economic and living conditions to retain and attract businesses and workers to Mercer Island.
- 2.3 Encourage partnerships with nonprofit providers and the private sector in the provision and operation of the transportation system.
- 2.4 Coordinate street improvement projects with utilities, developers, neighborhoods, and other parties in order to minimize roadway disruptions and maintain pavement integrity.
- 2.5 Explore all available sources for transportation funding, including grants, impact fees, and other local options as authorized by the state legislature.
- 2.6 Prioritize transportation investments in the Town Center that promote mixed-use and compact development and provide multimodal access to regional transit facilities.
- 2.7 Apply technologies, programs, and other strategies to optimize the use of existing infrastructure and reduce congestion, vehicle miles traveled, and greenhouse gas emissions.

### GOAL 3:

Minimize negative transportation impacts on the environment.

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- 3.1 Use design, construction and maintenance methods, and low- impact development strategies to minimize adverse health and environmental impacts related to water quality, noise, light, stormwater, and pollution for all communities.
- 3.2 Work with WSDOT and other agencies to minimize impacts on Island facilities and neighborhoods from traffic congestion on regional facilities, implement ramp metering, and provide transit services and facilities.
- 3.3 Construct transportation improvements with sensitivity to existing trees and vegetation. Encourage programs that plant and retain trees in unused portions of public rights-of-way.

**GOAL 4:**

Provide transportation choices for travelers through the provision of a complete range of transportation facilities and services.

- 4.1 Work with King County Metro, Sound Transit, and other providers to ensure adequate transit services to meet the needs of the Island, including:
  - 4.1.1 Maintain convenient transit connections to regional activity centers, including the Seattle CBD, Bellevue, University of Washington, and other centers;
  - 4.1.2 Provide convenient transit service for travel on Mercer Island and enhance connections to regional transit ~~stations~~, including the ~~future~~ Link light rail station; ~~and~~
  - 4.1.3 Continue to expand innovative transit services, including demand- responsive transit for the general public, subscription bus, or custom bus services-; ~~and~~
  - 4.1.4 Explore the possibility of on-demand intra-Island shared EV shuttle services to connect neighborhoods to Town Center and Link ~~Light-light~~ rail.
- 4.2 Provide for and encourage non-motorized travel modes consistent with the Parks, Recreation and Open Space Plan and Pedestrian and Bicycle Facilities Plan.
- 4.3 Support opportunities to facilitate transfers between different travel modes through strategies such as:
  - 4.3.1 Providing small park and ride facilities throughout the Island; and
  - 4.3.2 Improving pedestrian access to transit with on and off-road pedestrian improvements.
- 4.4 Investigate opportunities for operating, constructing and financing park-~~and~~-ride lots for Mercer Island residents only.
- 4.5 Encourage site and building design that promotes pedestrian activity, ridesharing opportunities, and the use of transit.
- 4.6 Study opportunities to provide innovative last-mile solutions serving the Town Center, light rail station, and park-~~and~~-ride.
- 4.7 Promote the development of multimodal linkages to transit in the Town Center District.
- 4.8 Promote the mobility of people and goods through a multimodal transportation system consistent with the Pedestrian and Bicycle Facilities Plan.

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- 4.9 Development of programs to address the needs of people who do not drive (e.g., elderly, minors, low-income, and persons with disabilities).
- 4.10 Provide adequate facilities for secure bicycle storage in City parks and at customer-facing City buildings.
- 4.11 Prioritize “complete street” concepts in all material roadway construction or expansion.

**GOAL 5:**

Comply with local, regional, state and federal requirements related to transportation.

- 5.1 Comply with the requirements of the federal and state Clean Air Acts and work with other jurisdictions in the Puget Sound region to achieve conformance with the State Implementation Plan.
- 5.2 Ensure that all transportation improvements are consistent with the adopted Americans with Disabilities Act (ADA) Transition Plan. The 2022 Americans with Disabilities Act (ADA) Transition Plan and its successors is adopted by reference.
- 5.3 Comply with the Commute Trip Reduction requirements through the continued implementation of a CTR plan.
- 5.4 Work with the participants of the Eastside Transportation Partnership (ETP) to coordinate transportation planning for the Eastside subarea.

**GOAL 6:**

Ensure coordination between transportation and land use decisions and development.

- 6.1 Ensure compatibility between transportation facilities and services and adjacent land uses, evaluating aspects such as:
  - 6.1.1 potential impacts of transportation on adjacent land use;
  - 6.1.2 potential impacts of land development and activities on transportation facilities and services; and
  - 6.1.3 need for buffering and/or landscaping alongside transportation facilities.
- 6.2 Develop strategies to manage property access along arterial streets in order to preserve their function.
- 6.3 In the project development review process, evaluate transportation implications including,
  - 6.3.1 congestion and level of service;
  - 6.3.2 connectivity of transportation facilities and services from a system perspective;
  - 6.3.3 transit needs for travelers and transit operators; and
  - 6.3.4 non-motorized facilities and needs.
- 6.4 Ensure that transportation improvements, strategies, and actions needed to serve new developments are in place at the time new development occurs or are financially committed and scheduled for completion within six years.
- 6.5 As part of a project's SEPA review, review the project's impact on transportation and require mitigation of on-site and off-site transportation impacts. The City shall mitigate the

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- cumulative impacts of SEPA-exempt projects through the implementation of the Transportation Improvement Program.
- 6.6 Maintain standards and procedures for measuring the transportation impact of a proposed development and for mitigating impacts.
  - 6.7 Participate in the review of development and transportation plans outside the City boundaries that may have an impact on the Island and its transportation system and consider the effect of the City's transportation plans on other jurisdictions.
  - 6.8 Encourage transit, bicycle, and pedestrian principles in the design of projects, including:
    - 6.8.1 locating structures on the site in order to facilitate transit and non-motorized travel modes;
    - 6.8.2 placing and managing on-site parking to encourage travel by modes other than single- occupant vehicles;
    - 6.8.3 provision of convenient and attractive facilities for pedestrians and bicyclists; and
    - 6.8.4 provision of public easements for access and linkages to pedestrian, bicycle, and transit facilities.
  - 6.9 Require adequate parking and other automobile and bicycle facilities to meet the anticipated demand generated by new development.

**GOAL 7:**

Provide a safe, convenient, and reliable transportation system for Mercer Island.

- 7.1 Include safety accommodations for all travelers in the City's roadway design standards.
- 7.2 Provide a safe transportation system through maintenance and upkeep of transportation facilities.
- 7.3 Seek to reduce the number of deaths and serious injuries caused by vehicle collisions on Mercer Island.
- 7.4 Emphasize transportation network connectivity to minimize travel distances and emergency response times by avoiding permanent street closures for through traffic.
- 7.5 Monitor the condition and performance of the transportation system to compare growth projections with actual conditions, assess the adequacy of transportation facilities and services, and identify locations where improvements may become necessary.
- 7.6 Monitor traffic collisions, community input/complaints, traffic violations, and traffic volumes to identify and prioritize locations for safety improvements.
- 7.7 Where a need is demonstrated, consider signage, traffic controls, or other strategies to improve the safety of pedestrian crossings.
- 7.8 Verify the policies, criteria, and process to determine when and under what conditions private roads and privately maintained roads in the public right-of-way should be accepted for public maintenance and improvement.
- 7.9 Coordinate with local and regional emergency services to develop priority transportation corridors and coordinated strategies to protect and recover from disaster.

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- 7.10 Strive to create a complete, connected, active transportation system allowing direct and safe access for active transportation modes.
- 7.11 Consider requiring that new or materially remodeled public institutions, commercial mixed-use, and multifamily facilities should have sufficient storage for bicycles and other active transportation modes.

**GOAL 8:**

Preserve adequate levels of accessibility between Mercer Island and the rest of the region.

- 8.1 Continue to recognize I-90 as a highway of statewide significance.
- 8.2 Work with King County Metro and Sound Transit to ensure mobility and adequate transit service levels linking Mercer Island to the rest of the region.
- 8.3 Work with WSDOT, King County Metro, and Sound Transit to ensure the provision of adequate Park and Ride capacity for Island residents.
- 8.4 Maintain an effective role in regional transportation planning, decision-making, and implementation of transportation system improvements.

**GOAL 9:**

Balance the maintenance of quality Island neighborhoods with the needs of the Island's transportation system.

- 9.1 Strive to minimize traffic impacts to neighborhoods and foster a "pedestrian-friendly" environment.
- 9.2 Address parking overflow impacts on neighborhoods caused by major traffic generators such as schools, businesses, parks, and multifamily developments.
- 9.3 Provide facilities for pedestrians and bicyclists designed to keep individual neighborhood characteristics.
- 9.4 Work with King County Metro to provide public transit vehicles and services that are more in scale with the transportation needs of the City's neighborhoods and the capacity of its local road network.
- 9.5 Maintain comprehensive street design guidelines and standards that determine the appropriate function, capacity, and improvement needs for each street/roadway, while minimizing construction and neighborhood impacts.

**GOAL 10:**

Maintain acceptable levels of service for transportation facilities and services on Mercer Island.

- 10.1 The City of Mercer Island Level of Service (LOS) at arterial street intersections shall be a minimum of "C" within and adjacent to the Town Center and "D" for all other intersections.
- 10.2 Use the level of service standard to evaluate the performance of the transportation system and guide future system improvements and funding. Emphasize projects and programs that focus on the movement of people and provide alternatives to driving alone.
- 10.3 Implement the following strategy when vehicle capacity or funding is insufficient to maintain the LOS standard: (1) seek additional funding for capacity improvements, (2) explore alternative, lower-cost methods to meet level-of-service standards (e.g.,

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transportation demand management program, bicycle corridor development or other strategies), (3) reduce the types or size of development, (4) restrict development approval, and (5) reevaluate the level of service standard to determine how it might be adjusted to meet land use objectives.

- 10.4 Ensure that the City's level of service policies is linked to the land use vision and comply with concurrency requirements.
- 10.5 Revise the Transportation Element if the Land Use and/or Capital Facilities Element of the Comprehensive Plan are changed to maintain a balanced and consistent plan.
- 10.6 Levels of service for pedestrian, bicycle, and transit transportation modes should be established.
- 10.7 Work with partners to establish multimodal level of service (MMLOS) standards. MMLOS policies should detail the City's actions to ensure transportation facilities and services meet those standards.

***Most of Goal 11, and all of Goal 13 have been moved to station area plan: As per GMHB Order 25-3-0003, Issue #3, the City of Mercer Island must adopt a subarea plan for the area around the Link light rail transit station. As part of this effort, existing Transportation Element goals and policies regarding Town Center and transit-oriented development have been relocated to the draft Station Subarea Plan. (Multicounty Planning Policy DP-22 and RCW 36.70A.840)***

**GOAL 11:**

Ensure parking standards support the land use policies of the Comprehensive Plan.

- ~~11.1 Continue implementing flexible parking requirements for Town Center development based on the type and intensity of the proposed development; site characteristics; likelihood for parking impacts to adjacent uses; opportunities for transit, carpooling, and shared parking; and potential for enhancements to the pedestrian environment.~~
- ~~11.111.2~~ Maintain the current minimum parking requirements as adopted in City code or as required by GMA.
- ~~11.3 Support business development in the downtown area by prioritizing on-street parking spaces in the Town Center for short-term parking and encourage the development of off-street shared parking facilities for long-term parking in the Town Center.~~
- ~~11.4 Have ample Town Center parking, both on-street and off, and the ability to park once and walk to a variety of retail shops.~~
- ~~11.5 Reduce the Town Center land area devoted to parking by encouraging structured and underground parking. Parking should be convenient and safe.~~
- ~~11.6 Encourage improved access to transit, bicycle, pedestrian, and shared parking facilities to reduce trip generation and provide transportation alternatives, particularly for secondary trips once users reach the Town Center.~~
- ~~11.7 Consider a range of regulatory and incentive approaches that can increase the supply of public parking in the Town Center in conjunction with development proposals.~~

~~11.8 On and off street parking in Town Center should be well lit, convenient, and well signed so that drivers can easily find and use it.~~

~~11.211.9~~ Develop long-range plans to meet the commuter parking needs of Mercer Island residents.

~~11.10~~ Prioritize parking for Mercer Island residents within the Town Center.

~~11.311.11~~ Adopt the 2023 Town Center Parking Plan and its successors by reference.

#### **GOAL 12:**

Promote bicycle and pedestrian networks that safely access and link commercial areas, residential areas, schools, parks, and transit within the City.

- 12.1 Maximize the safety and functionality of the bicycle system by enhancing road shoulders which are distinguished from designated bicycle lanes.
- 12.2 Adopt the Pedestrian and Bicycle Facilities Plan and its successors by reference. Implement the Plan to meet existing and anticipated needs for nonmotorized transportation. This Plan should be coordinated with other transportation planning efforts and periodically updated.
- 12.3 Standardize treatments for pedestrian crossings within the City.
- 12.4 Study opportunities for electric bicycle facilities that serve the Town Center, light rail station, and park-and-ride.
- 12.5 Strive to build community through the in-person interactions facilitated by active transportation at community connection points (schools, library, community centers, bike-share hubs, etc.).
- 12.6 Prioritize areas near schools and commercial areas to provide higher level of service for pedestrians, bicycles, and transit.
- 12.7 Coordinate with Mercer Island School District to plan for safe routes to schools.

#### **~~GOAL 13:~~**

~~13.1 Town Center streets should be viewed as multiple-use facilities, providing for the following needs:~~

~~13.1.1 Access to local businesses and residences.~~

~~13.1.2 Access for emergency vehicles.~~

~~13.1.3 Routes for through traffic.~~

~~13.1.4 Transit routes and stops.~~

~~13.1.5 On-street parking.~~

~~13.1.6 Pedestrian and bicycle travel~~

~~13.1.7 Sidewalk activities, including limited advertising and merchandising and restaurant seating.~~

~~13.1.8 Occasional special events and outdoor entertainment.~~

~~13.2 Town Center streets should be pedestrian friendly and provide for safe and convenient multi-modal access to existing and future development in the Town Center.~~

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- ~~13.3 Design streets using universal design principles to allow older adults and individuals with disabilities to "stroll or roll," and cross streets safely. Pedestrian routes should be designed to break up larger City blocks.~~
- ~~13.4 78th Avenue SE and SE 27<sup>th</sup> Street should be the primary pedestrian corridors in the Town Center, with ample sidewalks, landscaping, and amenities.~~
- ~~13.5 77th Avenue SE should serve as the primary bicycle corridor connecting the regional bicycle network along I-90 and the planned light rail station with Mercerdale Park and the rest of the Island south of the Town Center.~~

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### III. TRANSPORTATION SYSTEM—EXISTING CONDITIONS

This section describes and inventories the current transportation system serving Mercer Island. Major modes of transportation serving Mercer Island include automobiles, non-motorized modes such as walking and biking, and public and school transit.

#### ROADWAY NETWORK

Mercer Island has over 75 miles of public roads. Interstate 90 (I-90) runs east-west across the northern end of Mercer Island, providing the only road and transit connection to the rest of the Puget Sound region. Access to the I-90 on-ramps and off-ramps is provided at West Mercer Way, 76th Avenue SE, 77th Avenue SE, 80th Avenue SE, Island Crest Way, and East Mercer Way.

Most of the road network comprises two-lane local streets serving the Island's residential areas. Arterial roadways comprise approximately 25 miles, or one-third, of the system. In addition to public roads, numerous private roads are serving individual neighborhoods and developments on the Island.

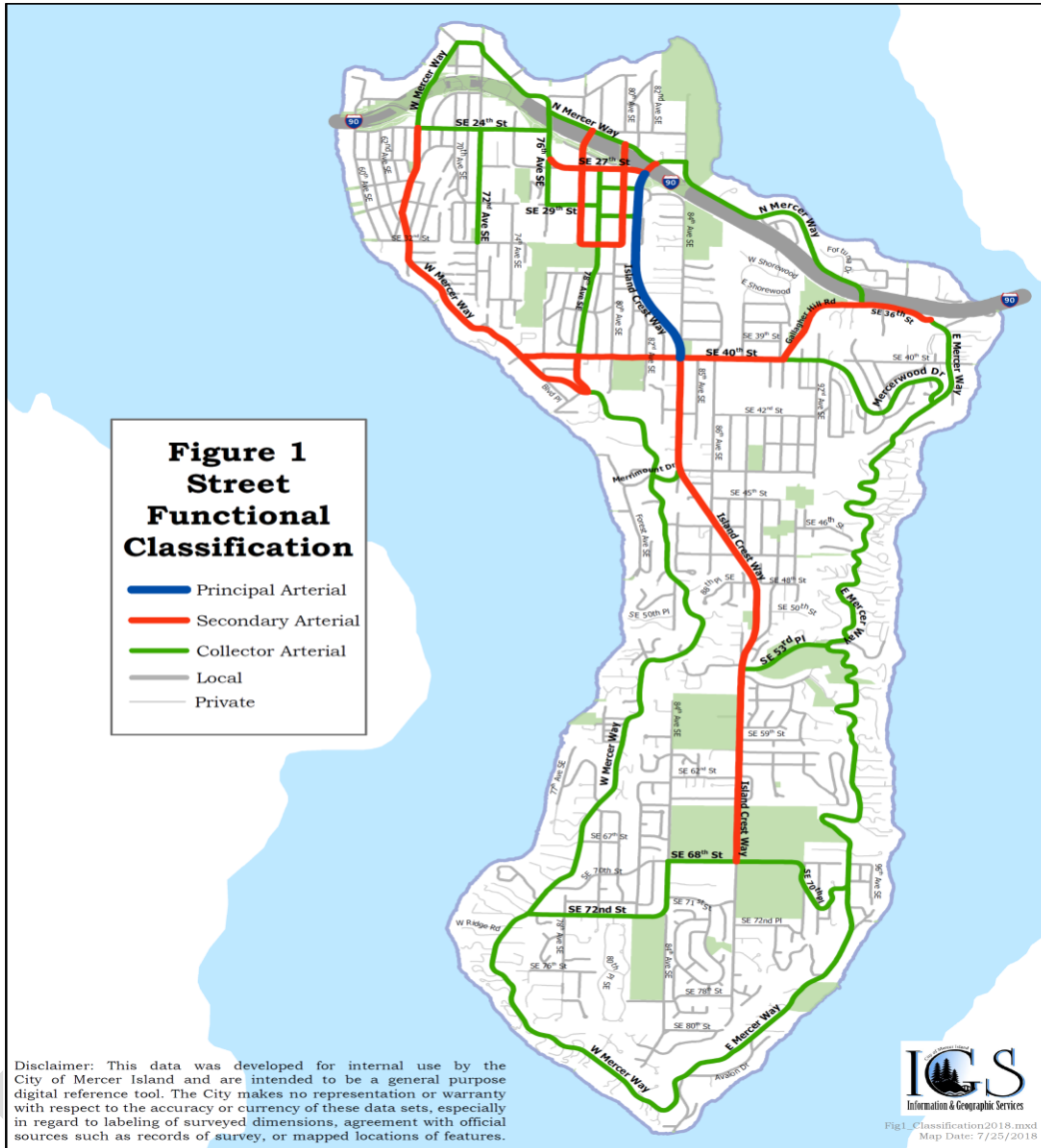
Roadways on the Island are classified into different categories according to their purpose and physical characteristics. The categories are:

- **Principal arterials** carry the highest volumes of traffic and provide the best mobility in the roadway network. These roads generally have higher speed limits, higher traffic volumes, and limited access to adjacent land uses.
- **Secondary arterials** connect with and augment principal arterials and generally have a higher degree of access to adjacent land, lower traffic volumes, and lower travel speeds.
- **Collector arterials** provide for movement within neighborhoods, connecting to secondary and principal arterials; they typically have low traffic volumes and carry little through traffic.
- **Local streets** provide direct access to abutting properties and carry low traffic volumes at low travel speeds. Local streets are usually not intended for through traffic.

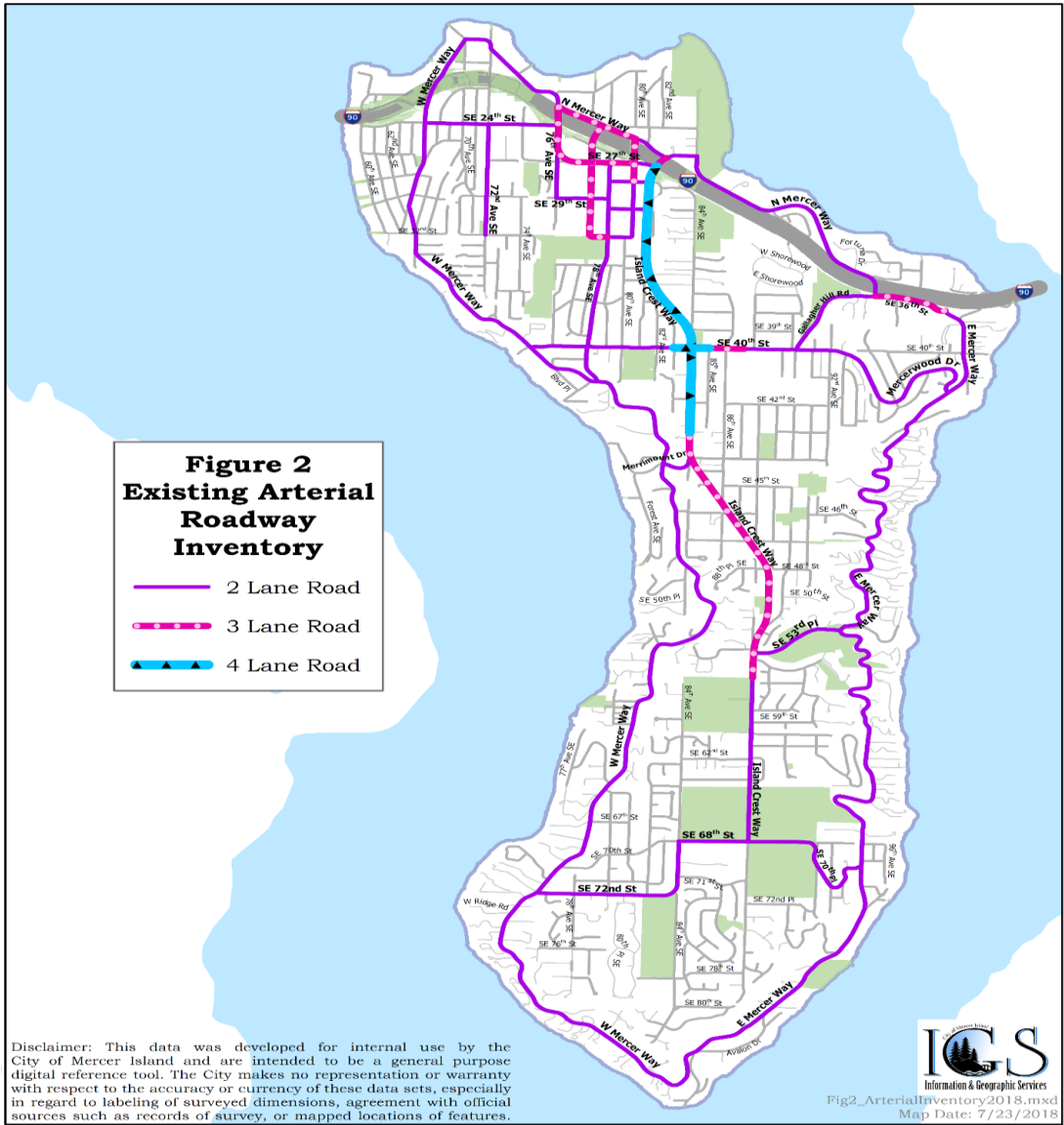
Individual streets are assigned classifications based on several criteria, including the type of travel to be served, the role of the street in the overall street network and transportation system, physical characteristics, traffic characteristics, and adjacent land uses. Based on City staff recommendations, the City Council periodically reviews and updates the street classification system, its criteria, and specific street classification designations.

Figure 1 shows the street functional classifications. Figure 2 shows the number of travel lanes, and Figure 3 shows the posted speed limits of arterial roadways.

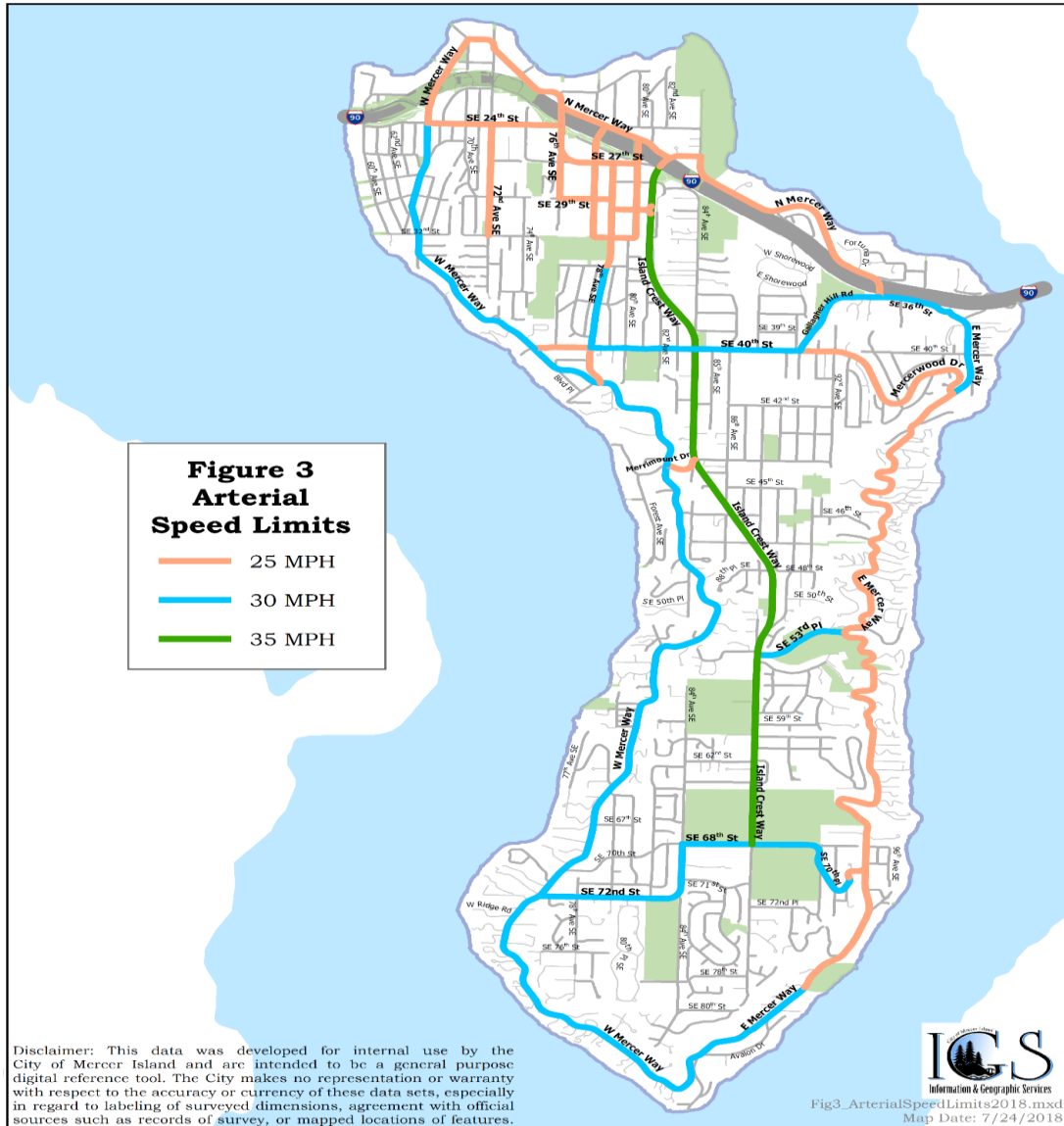
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**LEVEL OF SERVICE STANDARDS**

Level of Service (LOS) is a measurement of the quality of traffic flow and congestion at intersections and roadways. LOS is defined by the amount of delay experienced by vehicles traveling through an intersection or on a roadway. LOS is based on an A-F scale with LOS A representing little or no delay and LOS F representing very long delays.

Under the Growth Management Act, each local jurisdiction is required to establish a minimum threshold of performance for its arterial roadways. Cities use this standard to identify specific actions to maintain the adopted LOS standard. The City of Mercer Island has established its Level of Service standard at intersections of two arterial streets as LOS C within and adjacent to the Town Center and LOS D elsewhere. This standard applies to the operation during either the AM or PM peak periods. The intersection of SE 53rd Place/Island Crest Way does not have sufficient volumes on SE 53rd Street to warrant a signal and is exempt from the LOS D standard until traffic volumes increase, and signal warrants are met.

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To be consistent with the WSDOT standard for I-90 and its ramp intersections, the City will accept LOS D at those intersections. I-90 is designated as a Highway of Statewide Significance under RCW 47.06.140.

**TRAFFIC OPERATIONS**

For transportation planning purposes, traffic operations are typically analyzed during the busiest hour of the street system, when traffic volumes are at peak levels. On Mercer Island, the peak hour of traffic operations typically corresponds with the afternoon commute, which falls between 4:00 PM and 6:00 PM (PM peak hour). In April 2026, updated traffic counts were collected and analyzed at 39 intersections throughout the Island. These new counts reflect the March 2026 opening of the Link light rail service.

Select intersections for the AM peak hour were counted and analyzed to understand transportation system during the morning commute, which typically peaks between 7:30 AM and 8:30 AM.

Table 1 and Figure 4 show the AM and PM peak hour operations for each of the study intersections. Outside of the Town Center, the analysis shows that during the AM and PM peak hours, all intersections operate at LOS D or better for existing conditions, except the intersection of SE 53rd Place/Island Crest Way, which operates at LOS F during the morning and afternoon peak hours.

Within and adjacent to the Town Center, where the LOS C standard applies, all intersections operate within this standard during the morning and afternoon peak hours.

Compared with traffic counts conducted in 2018 and 2021, traffic volumes have generally remained consistent or decreased slightly. This is likely related to increases in telecommuting since the Covid-19 Pandemic.

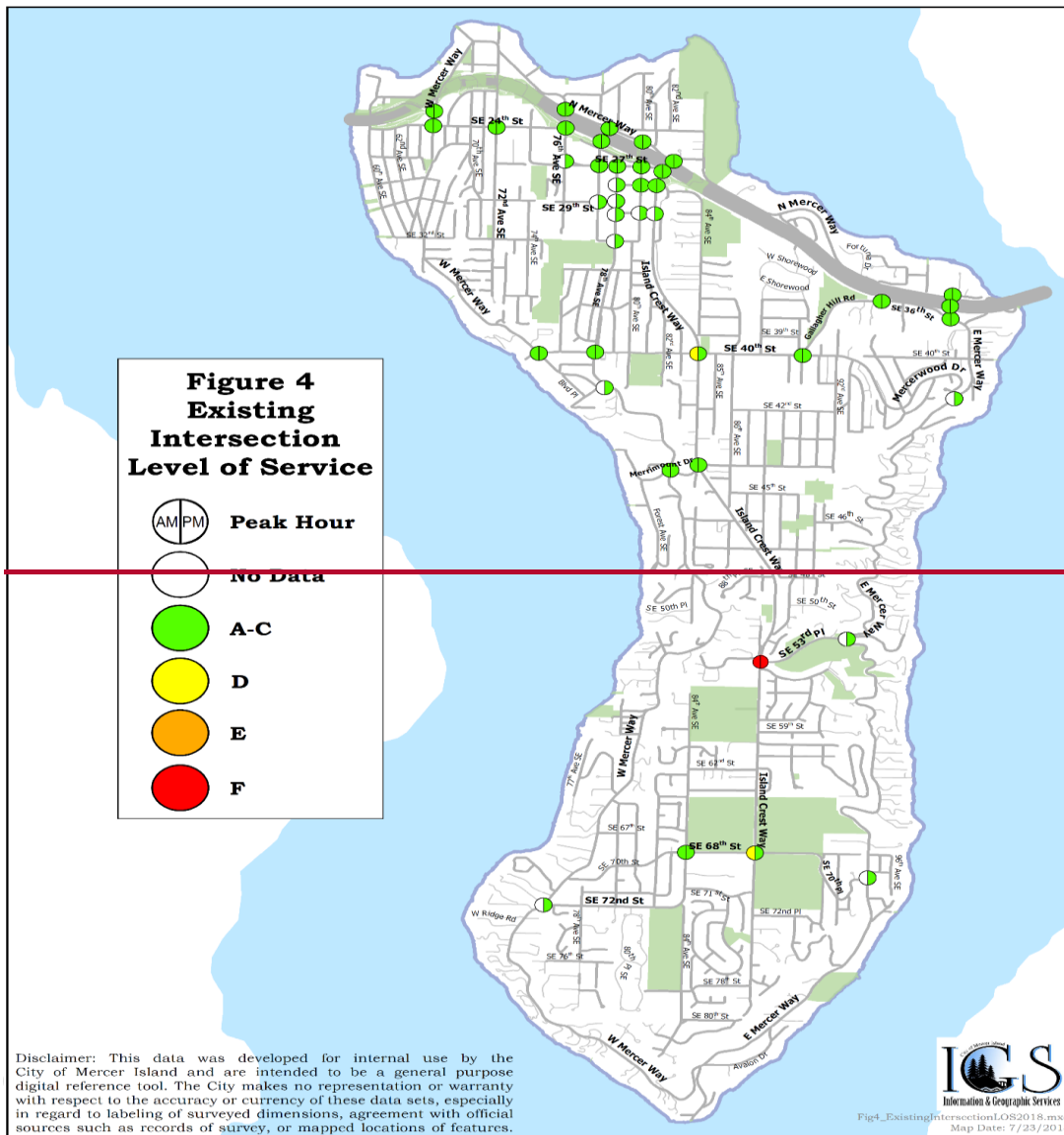
**Table 1. Existing Intersection Operations**

Intersection	AM Peak Hour	PM Peak Hour
<b>Intersections Within and Adjacent to the Town Center (LOS C Standard)</b>		
SE 24th St/76th Ave SE	BA	B
N Mercer Way/77th Ave SE	A	A
N Mercer Way/Park & Ride/80th Ave SE	B	C
SE 27th St/76th Ave SE	—	AB
SE 27th St/77th Ave SE	B	B
SE 27th St/78th Ave SE	A	B
SE 27th St/80th Ave SE	B	CB
SE 28th St/78th Ave SE	—	A
SE 28th St/80th Ave SE	B	B
SE 28th St/Island Crest Way	B	B
SE 29th St/77th Ave SE	—	BA
SE 29th St/78th Ave SE	—	B
SE 30th St/78th Ave SE	—	B
SE 30th St/80th Ave SE	—	A
SE 30th St/Island Crest Way	—	B
SE 32nd St/78th Ave SE	—	B
<b>WSDOT Intersections (LOS D Standard)</b>		
I-90 EB off-ramp/I-90 WB on-ramp/W Mercer Way	BA	B

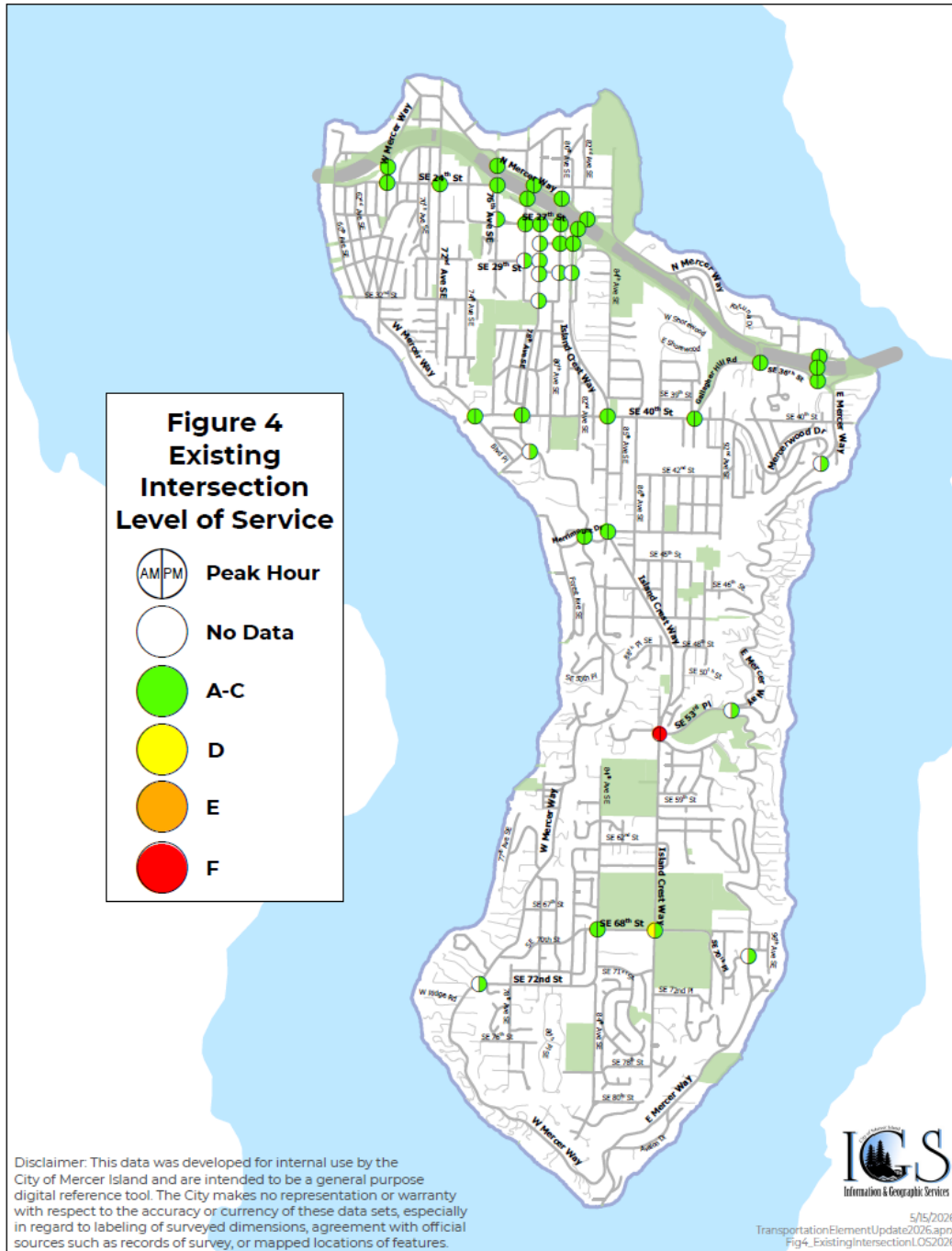
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I-90 WB on-ramp/N Mercer Way/76th Ave SE	A	A
I-90 EB off-ramp/77th Ave SE	B	B
I-90 WB off-ramp/N Mercer Way/Island Crest Way	<del>DC</del>	C
I-90 EB on-ramp/SE 27th St/Island Crest Way	B	B
I-90 WB ramps/100th Ave SE	B	A
I-90 EB off-ramp/100th Ave SE/E Mercer Way	B	B
I-90 EB on-ramp/SE 36th St/E Mercer Way	B	B
<b>Outside of Town Center Intersections (LOS D Standard)</b>		
SE 24th St/W Mercer Way	B	B
SE 24th St/72nd Ave SE	A	<del>BC</del>
SE 36th St/N Mercer Way	C	C
SE 40th St/W Mercer Way	B	A
SE 40th St/78th Ave SE	A	B
SE 40th St/Island Crest Way	<del>DC</del>	C
SE 40th St/SE Gallagher Hill Rd	C	B
Mercerwood Dr/E Mercer Way	—	A
W Mercer Way/78th Ave SE	—	B
Merrimount Dr/W Mercer Way	B	B
Merrimount Dr/Island Crest Way	C	C
SE 53rd Place/Island Crest Way	F	F
SE 53rd Place/E Mercer Way	—	A
SE 68th St/84th Ave SE	<del>CB</del>	B
SE 68th St/Island Crest Way	D	<del>CB</del>
SE 70th Place/E Mercer Way	—	A
SE 72nd St/W Mercer Way	—	A

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**PARKING**

Most parking in the City is provided by private off-street parking lots, along residential access streets, or on-street spaces in select areas of the Town Center.

**BICYCLE AND PEDESTRIAN FACILITIES**

Bicycle and pedestrian facilities are a valuable asset for the residents of Mercer Island. These facilities are used for basic transportation, recreation, and going to and from schools, and contribute to our community's quality of life. In 1996, the City developed a Pedestrian and Bicycle Facilities Plan to provide a network of bicycle and pedestrian facilities. The plan focused on encouraging non-motorized

travel and improving the safety of routes near the Island's elementary schools. Of the 47 projects identified in the plan, 38 were either fully or partially completed during the first 12 years of the plan.

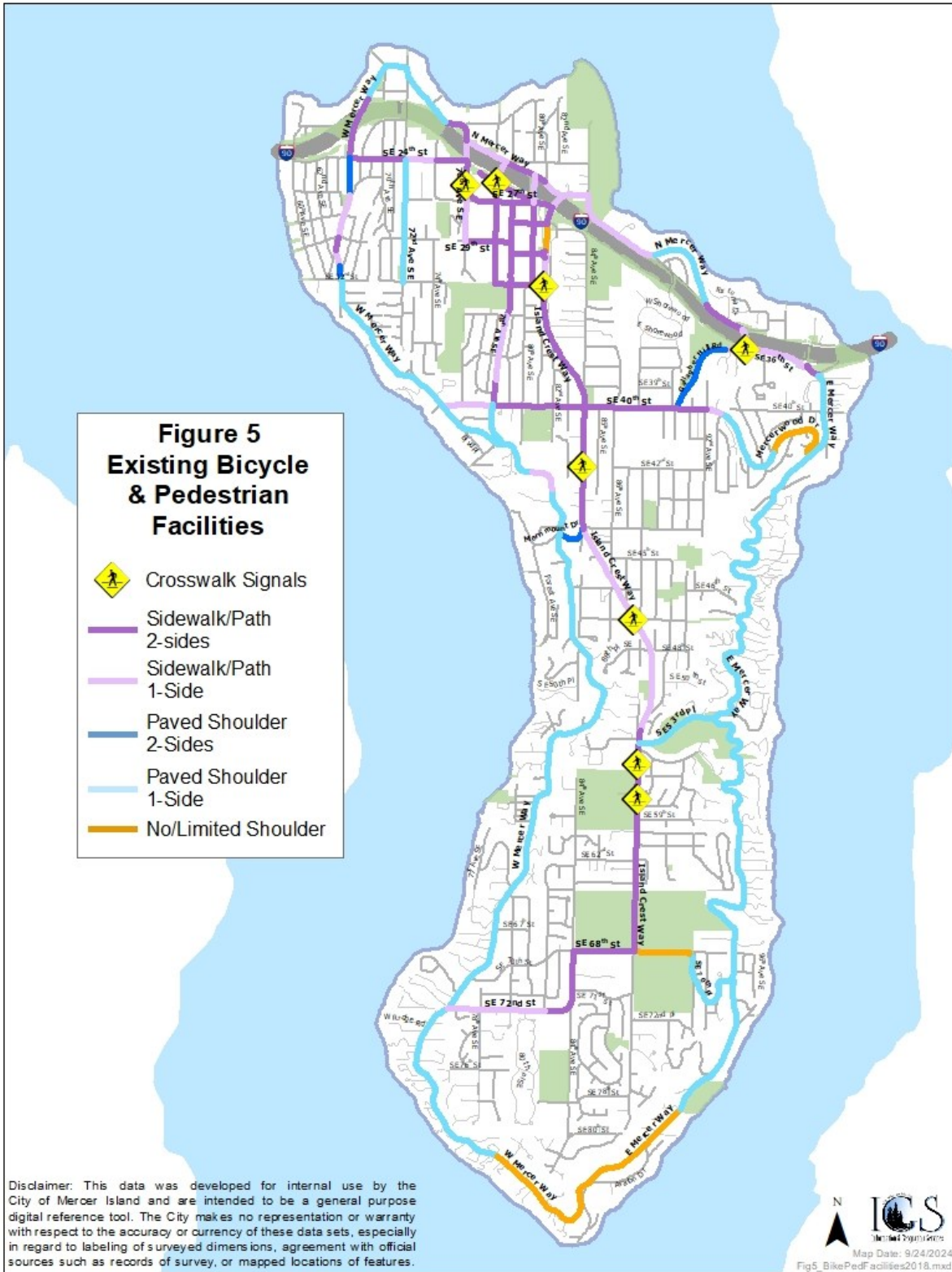
A 2010 update to the plan included vision and guiding principles, goals and policies, an existing and future network, a list of completed projects, revised facility design standards, and a prioritized list of projects. The plan emphasizes further development of safe routes to schools, completion of missing connections, and application of design guidelines. [The City's next update of the Pedestrian and Bicycle Facilities Plan is expected to be completed in 2027.](#)

A regional trail runs across the north end of the Island along the I-90 corridor, providing a convenient connection to Seattle and Bellevue for pedestrians and bicyclists. The majority of streets in the Town Center have sidewalks. In addition, there are sidewalks near schools and select streets. Throughout the Island, there are paved and unpaved shoulders and multiuse trails that provide for pedestrian mobility.

The bicycle network consists of designated bicycle facilities including bicycle lanes and sharrows, and shared non-motorized facilities, including shared use pathways, off-road trails, and paved shoulder areas. Figure 5 shows the pedestrian and bicycle facilities on the Island's arterial network.

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## PUBLIC TRANSPORTATION

The King County Metro Transit Department (Metro) and the regional transit agency, Sound Transit, provide public transportation services for Mercer Island and throughout King County. Five major types of service are offered on the Island: Link light rail, local fixed route service, regional express service, custom bus service, and access service.

~~When it opens, linkLink~~ light rail ~~will run~~s through Mercer Island along the median of I-90 with a station located north of the Town Center, between 77th Avenue SE and 80th Avenue SE. The light rail ~~will provide~~s frequent connections to Seattle, Bellevue, and other regional destinations.

Local fixed route transit service operates on the arterial roadway system and provides public transit service connecting residential and activity areas.

Regional express transit service, which also operates on fixed routes, is oriented toward peak-hour commuter trips between the Mercer Island Park and Ride and major employment and activity centers off the Island. ~~Sound Transit and Metro provide express transit service west and east along I-90 into Seattle and Bellevue.~~

Custom bus service includes specially designed routes to serve specific travel markets, such as major employers, private schools, or other special destinations. These services are typically provided during peak commute hours and operate on fixed routes with limited stops. Custom bus service (Route 981) is provided between the Mercer Island Park-and-Ride, Lakeside School, and University Prep in Seattle.

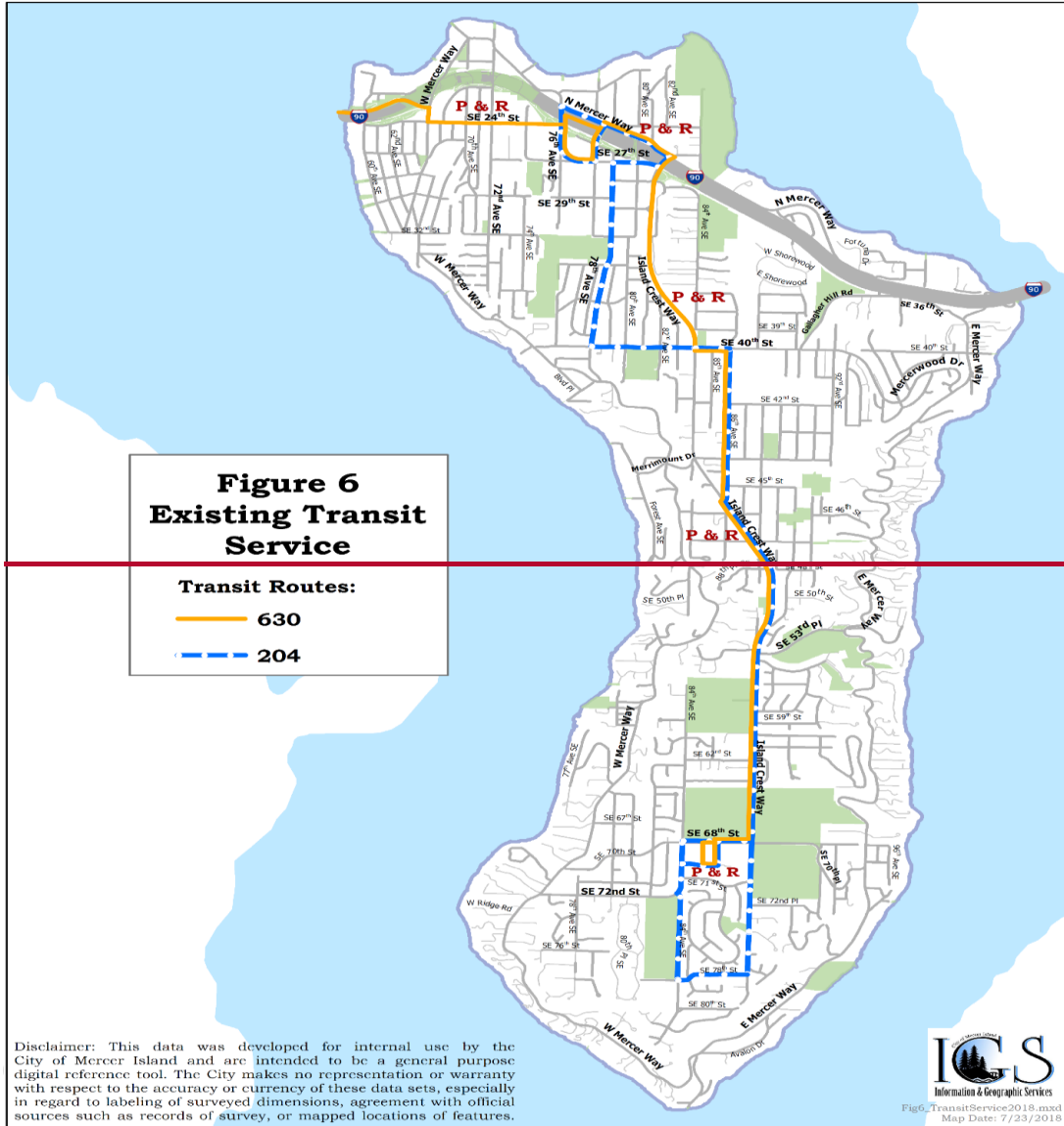
Access service provides door-to-door transportation to elderly and special needs populations who have limited ability to use public transit. It covers trips within the King County Metro transit service area.

Figure 6 shows the current transit routes serving the Island. On Mercer Island, there are two routes that circulate throughout the City (Metro routes 204 and 630). ~~At the Mercer Island Park-and-Ride, Sound Transit routes 550 and 554 connect Mercer Island to Seattle, Bellevue, and Issaquah.~~

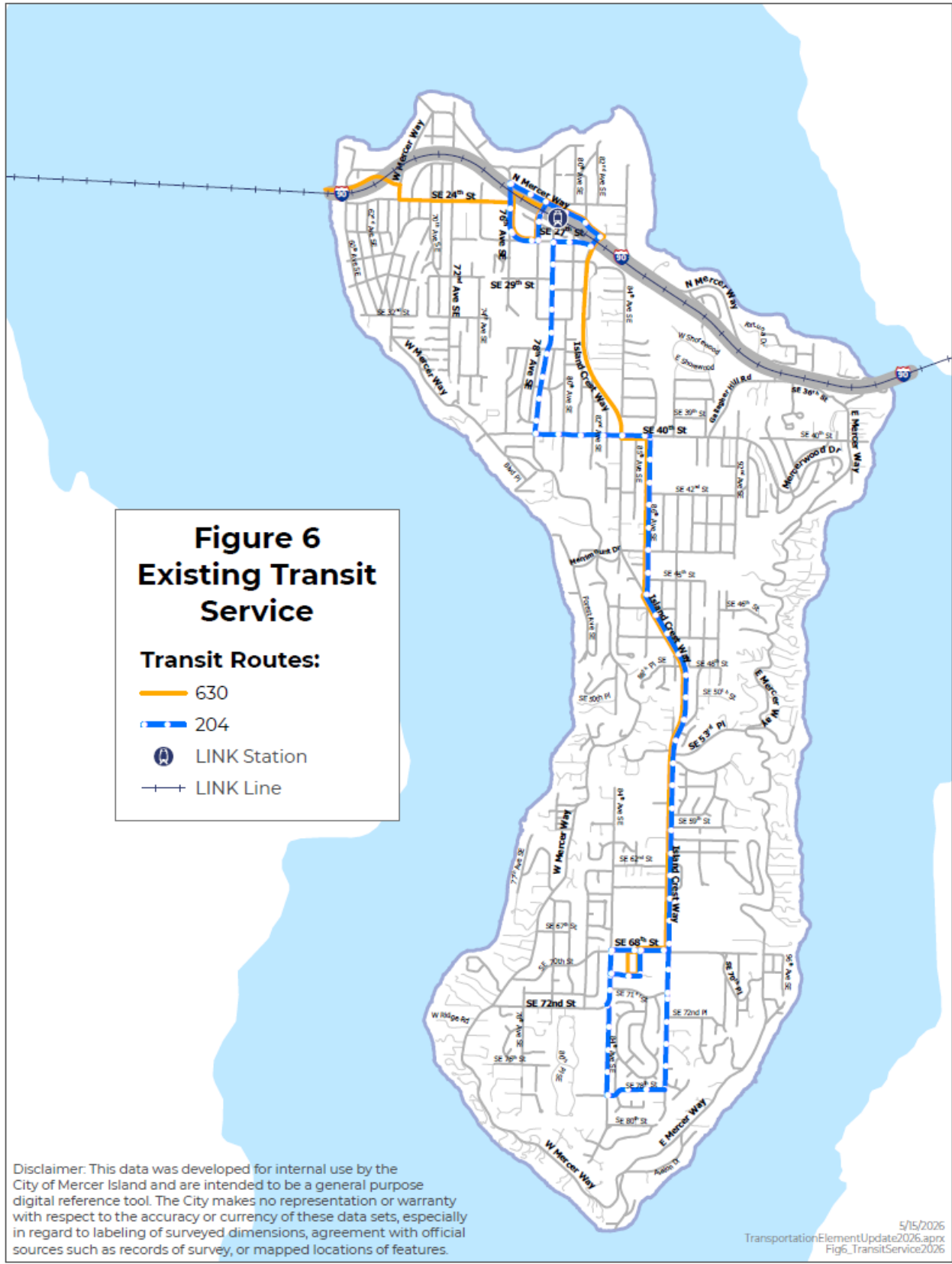
Route 204 provides service between the Mercer Island Park- and -Ride lot and the Mercer Village Center. It travels on 78th Avenue SE, SE 40th Street, 86th Avenue SE, Island Crest Way, and SE 68th Street to the Mercer Village Center.

Route 630 is a community shuttle that provides service between downtown Seattle and the Mercer Village Center.

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### **PARK - AND - RIDE**

The Mercer Island Park--and--Ride is located north of I-90 on N Mercer Way near Mercer Island's Town Center. It has 447 spaces and is served by Metro and Sound Transit buses. In 2025, the City opened 34-space pay parking lot located just south of the light rail station.

~~According to the Fourth Quarter 2017 Park and Ride Utilization Report prepared by King County, the Mercer Island lot was typically fully occupied during weekdays. Full occupancy of the Park and Ride was consistently observed prior to the pandemic. The 2023 Town Center Parking plan reports a single point in time weekday utilization at 67%, a consistent pattern post-pandemic. The City is continuing to take quarterly counts at the Park and Ride to measure use ahead of the opening of the new light rail station.~~

To supplement park and ride capacity on the Island, Metro has leased four private parking lots for use as park- and- ride lots, located at the Mercer Island Presbyterian Church, Mercer Island United Methodist Church, Congregational Church of Mercer Island, and the Mercer Village Center. These lots are described in Table 2. Together, they provide an additional 81 parking spaces for use by Island residents.

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**Table 2: Mercer Island Park and Ride Locations and Capacities**

Lot	Location	Capacity
Mercer Island Park and Ride	8000 N Mercer Way	447
Mercer Island Presbyterian Church	3605 84th Ave SE	14
United Methodist Church	70th Ave SE & SE 24th St	18
Mercer Village Center	84th Ave SE & SE 68th St	21
Congregational Church of Mercer Island	4545 Island Crest Way	28

#### **SCHOOL TRANSPORTATION**

The Mercer Island School District (MISD) provides bus transportation for public early education (starting at age 3) through adult transition students (up to age 21) on Mercer Island; this includes primary education from kindergarten through 12<sup>th</sup> grade. The MISD operates approximately 40 scheduled bus routes during the morning and afternoon.

#### **RAIL SERVICES & FACILITIES**

There are no railroad lines or facilities on Mercer Island. In the region, the Burlington Northern Railroad and Union Pacific Railroad companies provide freight rail service between Seattle, Tacoma, Everett, and other areas of Puget Sound, connecting with intrastate, interstate, and international rail lines. Amtrak provides scheduled interstate passenger rail service from Seattle to California and Chicago. Major centers in Washington served by these interstate passenger rail routes include Tacoma, Olympia, Vancouver, Everett, Wenatchee, Spokane, and Vancouver B.C.

#### **AIR TRANSPORTATION**

Mercer Island does not have any air transportation facilities or services. Scheduled and chartered passenger and freight air services are provided at Seattle-Tacoma International Airport in SeaTac, Payne Field in Everett, King County International Airport in south Seattle, and via float plane from Lake Union.

#### **WATER TRANSPORTATION**

Mercer Island does not have any public water transportation services. The City's public boat launch is on the east side of the Island, off East Mercer Way, under the East Channel Bridge.

## IV. TRANSPORTATION SYSTEM—FUTURE NEEDS

*As per GMHB Order 25-3-0003, Issue #1, the City of Mercer Island must analyze residential land capacity at each housing affordability level and close any identified gaps. The updated Land Capacity Analysis, overviewed in the Land Use Element, represents Phase 1 of a two-phase compliance strategy whereby upzones and resulting development capacity increases is limited to the existing Town Center and adjacent multifamily zones. The analysis of future travel demand below has been updated for alignment with Phase 1. Further analysis and recommended transportation infrastructure improvements will be made during Phase 2 when the City pursues full implementation of the TOD bill (HB 1491).*

This section describes the future transportation conditions and analysis used to identify future transportation needs and improvements.

### FUTURE TRAVEL DEMAND

Future traffic volumes were forecast for 2044 based on the City's land use and zoning, including implementation of the Station Subarea Plan Phase 1 zoning changes, as well as the housing and employment growth targets identified in the 2021 King County Urban Growth Capacity report. More than 70 percent of new households, housing and employment growth and 76 percent of new jobs are forecasted to occur within or adjacent to the Town Center. The forecast shows an increase in traffic growth related to the additional housing growth expected as part of the Phase 1 Station Subarea Plan implementation. That said, traffic growth is attenuated by the decrease in existing traffic identified in traffic counts between 2018 and 2026, as well as the potential for more transit trips with the opening of East Link light rail in March 2026.

The analysis assumes that opening the East Link light rail line in 2025 will provide an additional travel option between the Town Center and regional destinations.

Town Center traffic growth reflects the higher potential for pedestrian and transit trips due to the land uses and proximity to transit of this neighborhood. Overall, during the PM peak hour, the traffic growth in the Town Center is forecasted to increase by approximately 28-35 percent between 2024-2026 and 2044, an annual growth rate of 1.4 percent. For areas outside the Town Center, traffic growth is expected to be lower, with approximately ten-15 percent growth between 2024-2026 and 2044, with an annual growth rate of 0.5 percent. The resulting forecasted traffic volumes directly reflect the anticipated land use, housing, and employment growth assumptions for the Island.

### TRAFFIC OPERATIONS WITHOUT IMPROVEMENTS

The 2044 traffic analysis uses the forecasted growth in traffic and planned changes to the regional transportation system. Figure 7 shows the future traffic operations at the study intersections without any changes to roadway capacity on Mercer Island.

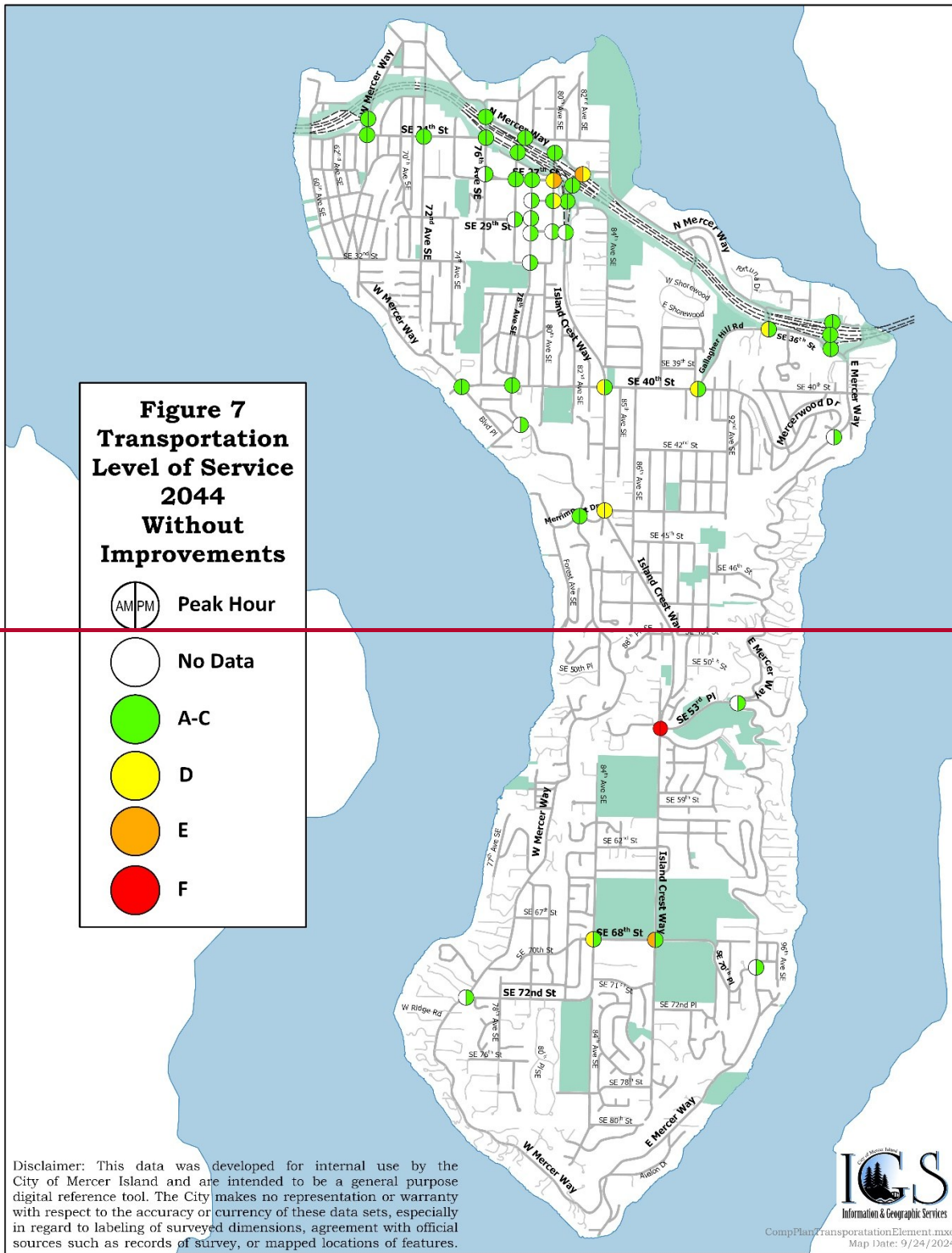
Results of the 2044 traffic operations analysis show that five-four intersections would operate below the LOS standards by 2044 if improvements are not made to the intersections. Within the Town Center, the two intersections of SE 27th Street/80th Avenue SE and SE 28th Street/80th Avenue SE intersection would operate at LOS D during the AM or PM peak hours, without improvements.

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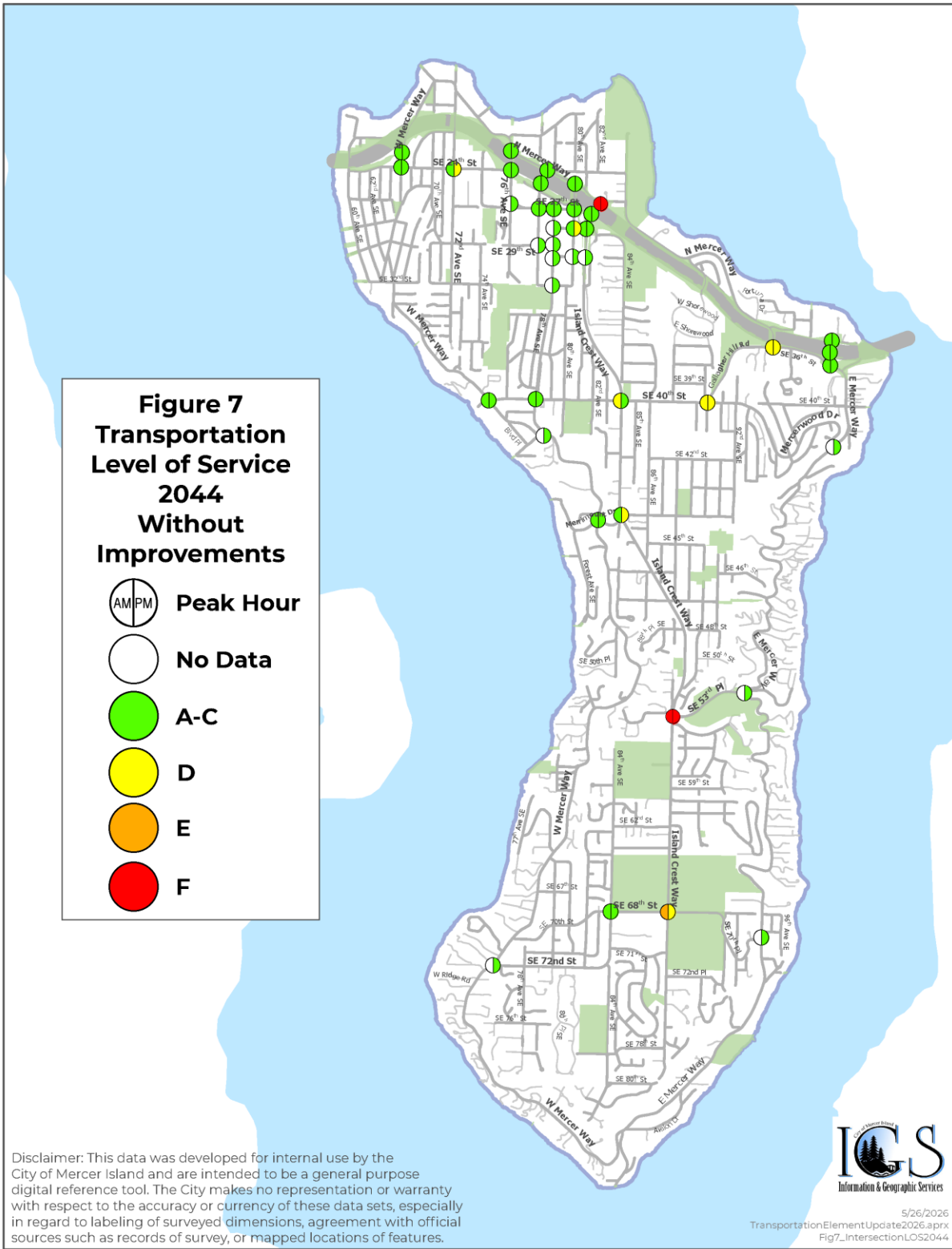
Outside the Town Center, the intersections of SE 53rd Place/Island Crest Way and SE 68th Street/Island Crest Way would operate below the LOS D standard during the AM or PM peak hours. The WSDOT-controlled intersection at the I-90 westbound off-ramp/N Mercer Way/Island Crest Way intersection would operate at LOS ~~E-F~~ during the 2044 AM and PM peak hours. The City will work with the WSDOT to ~~explore~~ implement improvements at this intersection when needed.

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### RECOMMENDED IMPROVEMENTS

In addition to the projects identified in the City's Six-Year ~~2023–2028~~2027 - 2032 Transportation Improvement Program (~~TIP~~TIP), a future transportation needs analysis recommended additional projects based on the long-range mobility and safety needs through 2044. These include projects from the City's Transportation Impact Fee program and select projects from the City's Pedestrian and Bicycle Facilities Plan. Figure 8 shows the locations of the recommended improvement projects. Table 3 provides map identification, describes the location and details of each of the projects, and estimates project costs. The table is divided into two main categories of project types:

**Non-Motorized Projects** — The listed projects include new crosswalk improvements and pedestrian and bicycle facilities. They include projects from the City's Pedestrian and Bicycle Facilities Plan that connect residential areas to schools, parks, regional transit, and other destinations.

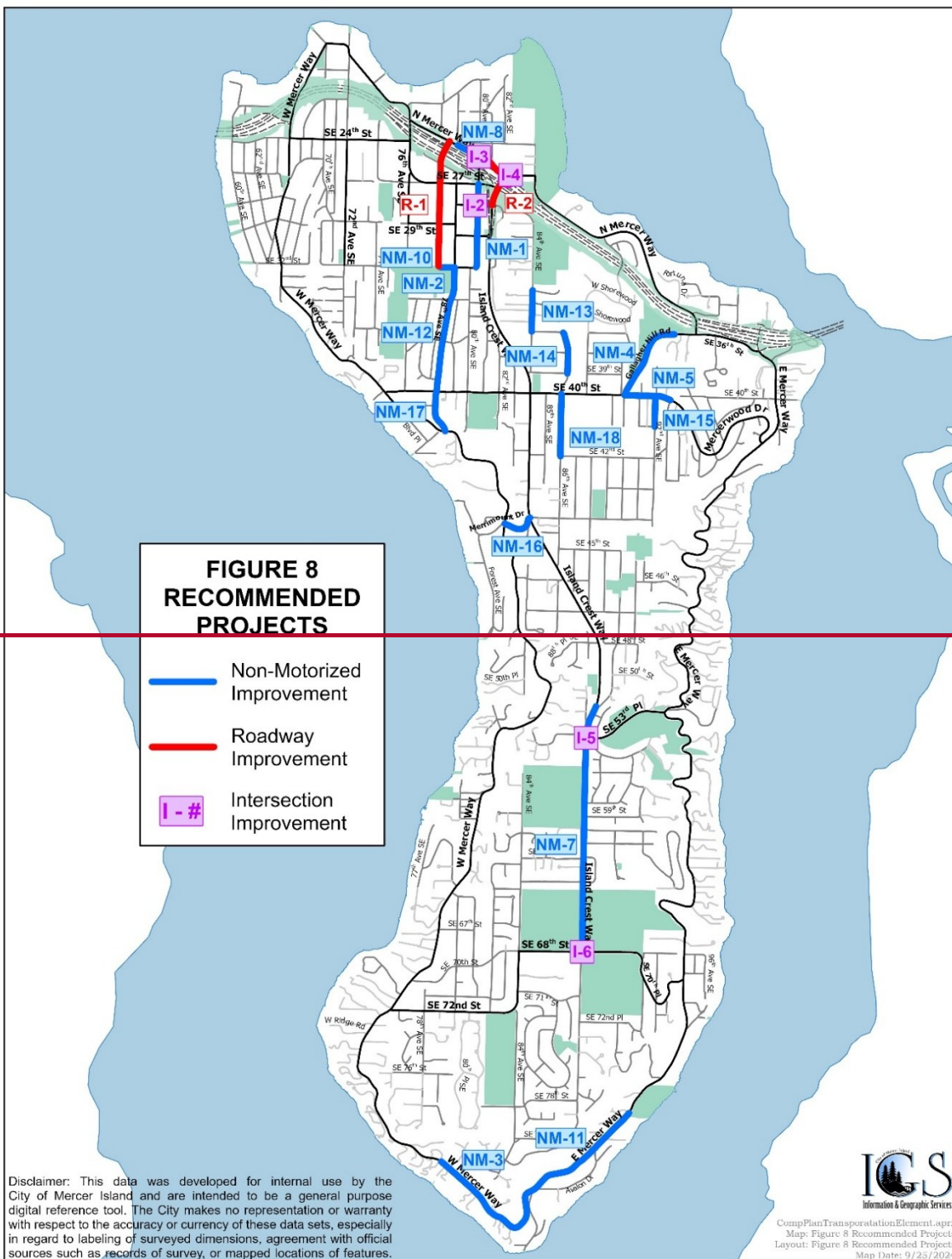
**Intersection/Road Projects** — These projects increase the capacity and safety of an intersection or roadway segment. They include the maintenance of existing roadway segments to ensure that the City's current street system is maintained.

The recommended improvements identify approximately \$~~60-65~~ million in transportation improvements over the next ~~20-18~~ years. About ~~50-44~~ percent (\$~~28.630~~ million) of the total is for street preservation and resurfacing projects to maintain the existing street system. Another ~~37.44~~ percent (\$~~22.28.4~~ million) is for non-motorized system improvements. About ~~13-12~~ percent (\$8 million) is for intersection and roadway improvements.

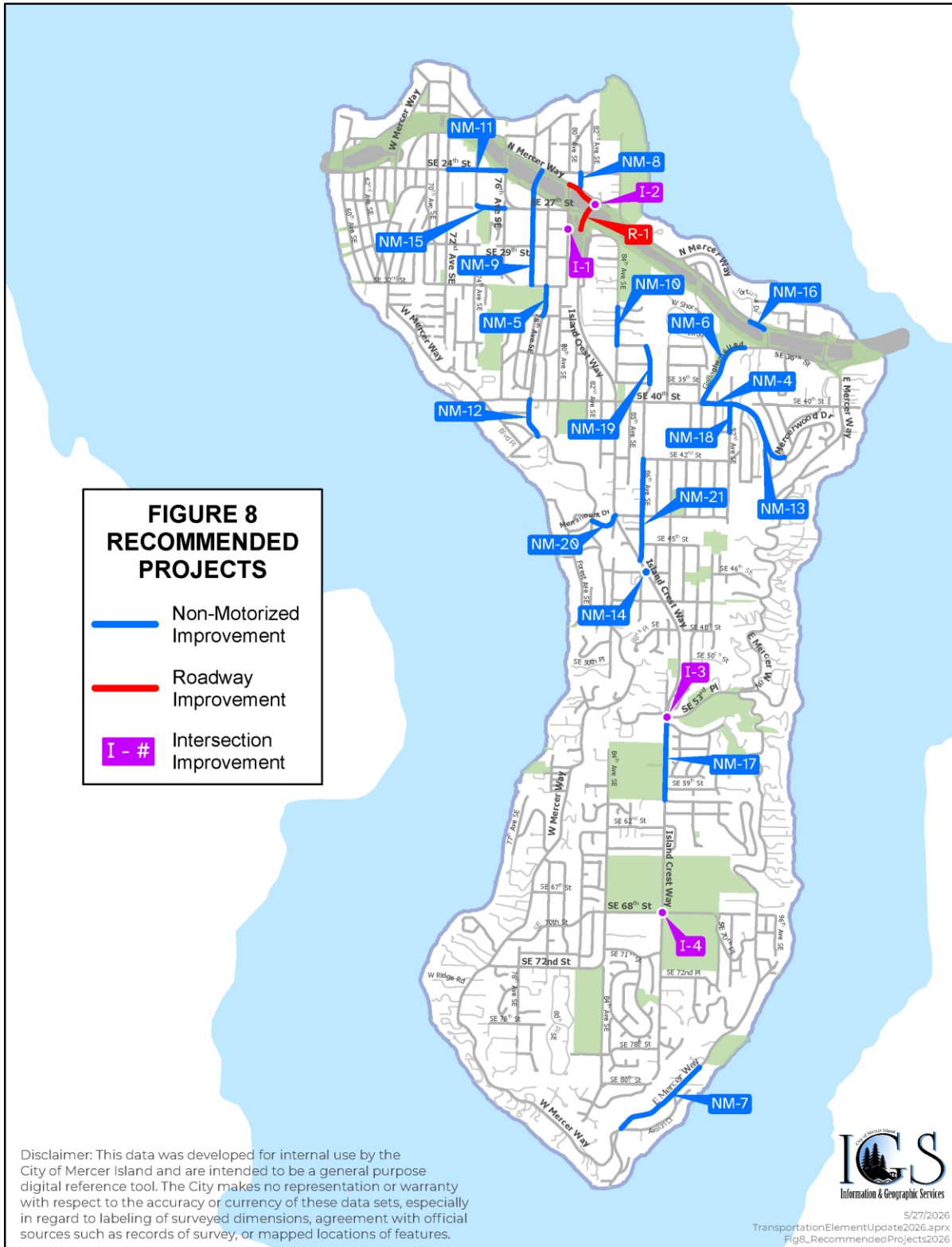
### TRAFFIC OPERATIONS WITH RECOMMENDED IMPROVEMENTS

With the recommended improvements, the intersection operations will meet the City's LOS standard for intersection operation, and the transportation system will provide a better network for pedestrian and bicycle travel, allowing greater mobility for Island residents. In addition, ~~improvements to regional transportation facilities will accommodate~~ growth in housing and employment, ~~which~~ will be focused in and around the Town Center, where residents can be easily served by high-capacity transit. Table 4 compares the ~~2044 study~~ intersections ~~study locations~~ without and with the recommended improvements for each during the 2044 AM and PM ~~study location~~ peak hours.

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**Table 3. Recommended Project List 2026 – 2044**

<u>ID</u>	<u>Location</u>	<u>Description</u>	<u>Justification</u>	<u>Cost (\$)</u>
<b>Non-Motorized Projects (NM)</b>				
<u>NM-1</u>	<u>ADA Transition Plan Implementation</u>	<u>Construct pedestrian facility improvements to comply with the ADA Transition Plan.</u>	<u>2027-2032 TIP</u>	<u>4,542,900</u>
<u>NM-2</u>	<u>Traffic Safety and Operations Improvements</u>	<u>Minor transportation improvements to address transportation operation and safety issues.</u>	<u>2027-2032 TIP</u>	<u>2,271,300</u>
<u>NM-3</u>	<u>Pedestrian and Bicycle Facilities (PBF) Plan Implementation</u>	<u>Annual program to construct small spot improvements and gap completion projects to pedestrian and bicycle facilities citywide, as identified in the PBF Plan.</u>	<u>2027-2032 TIP</u>	<u>1,135,100</u>
<u>NM-4</u>	<u>SE 40th St Sidewalk Improvements (Gallagher Hill Rd to 93rd Ave SE)</u>	<u>Replace/improve existing sidewalk and construct bike lanes.</u>	<u>2027-2032 TIP</u>	<u>893,000</u>
<u>NM-5</u>	<u>78th Ave SE Sidewalk Improvements (SE 32nd St to SE 34th St)</u>	<u>Replace existing curb, sidewalk, ADA ramps, street trees, and lighting.</u>	<u>2027-2032 TIP</u>	<u>860,300</u>
<u>NM-6</u>	<u>Gallagher Hill Road Sidewalk Improvements (SE 36th St to SE 40th St)</u>	<u>Construct sidewalk along one side and add bike lane in the uphill direction.</u>	<u>2027-2032 TIP</u>	<u>869,000</u>
<u>NM-7</u>	<u>East Mercer Way Roadside Shoulders - Ph 11 (SE 79th St to 8400 block)</u>	<u>Construct a new paved shoulder. Final phase of Mercer Ways Roadside Shoulders project.</u>	<u>2027-2032 TIP</u>	<u>470,600</u>
<u>NM-8</u>	<u>81st Ave SE Sidewalk Improvement (NMW to SE 24th St)</u>	<u>Replace/improve existing sidewalk along the east side.</u>	<u>2027-2032 TIP</u>	<u>286,600</u>
<u>NM-9</u>	<u>77th Ave SE Channelization Upgrades (SE 32nd St to North Mercer Way)</u>	<u>Implement street standards required by MICC 19.11.120. Specific scope to be determined.</u>	<u>2027-2032 TIP</u>	<u>84,200</u>
<u>NM-10</u>	<u>84th Ave SE Pedestrian Improvements (SE 33rd Place to SE 36th St)</u>	<u>Construct a new sidewalk or path along the east side of street to provide a continuous pedestrian facility.</u>	<u>2027-2032 TIP</u>	<u>310,400</u>
<u>NM-11</u>	<u>SE 24th St Sidewalk Improvements (72nd Ave SE to 76th Ave SE)</u>	<u>Replace/improve existing sidewalk, ADA ramps, and crosswalks.</u>	<u>2027-2032 TIP</u>	<u>783,900</u>
<u>NM-12</u>	<u>78th Ave SE Sidewalk (SE 40th St to West Mercer Way)</u>	<u>Add new sidewalk along the west side of street.</u>	<u>2027-2032 TIP</u>	<u>423,400</u>
<u>NM-13</u>	<u>Mercerwood Dr Pedestrian Improvements (93rd Ave SE to 96th Ave SE)</u>	<u>Construct new sidewalk along the south side, ADA ramps, and crosswalk.</u>	<u>2027-2032 TIP</u>	<u>1,555,400</u>

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<u>NM-14</u>	<u>Island Crest Way Crosswalk Enhancement (SE 46th St)</u>	<u>Enhance existing crosswalk with pedestrian signal and ADA ramps.</u>	<u>2027-2032 TIP</u>	<u>662,500</u>
<u>NM-15</u>	<u>SE 27th St Sidewalk Improvements (74th Ave SE to 76th Ave SE)</u>	<u>Replace/improve existing curb, sidewalk, ADA ramps, street trees, and lighting.</u>	<u>2027-2032 TIP</u>	<u>923,700</u>
<u>NM-16</u>	<u>North Mercer Way Sidewalk Improvements (Fortuna Dr to SE 35th St)</u>	<u>Construct new sidewalk along north side of street.</u>	<u>2027-2032 TIP</u>	<u>175,100</u>
<u>NM-17</u>	<u>Island Crest Way Shared Use Path Phase 1 (SE 60th St to Island Park Elementary)</u>	<u>Construct Phase 1 of shared use path along ICW.</u>	<u>2027-2032 TIP</u>	<u>1,909,000</u>
<u>NM-18</u>	<u>92nd Ave SE Sidewalk Improvements (SE 40th to SE 41st St)</u>	<u>Construct new sidewalk along west side of street to provide walk route for nearby schools.</u>	<u>2027-2032 TIP</u>	<u>725,500</u>
<u>NM-19</u>	<u>86th Ave SE Sidewalk Phase 2 (SE 36th St to SE 39th St)</u>	<u>Construct sidewalk along east side of street.</u>	<u>Transportation Impact Fee Program</u>	<u>5,452,000</u>
<u>NM-20</u>	<u>Merrimount Dr Sidewalk (ICW to West Mercer Way)</u>	<u>Construct sidewalks along both sides of street.</u>	<u>Transportation Impact Fee Program</u>	<u>2,726,000</u>
<u>NM-21</u>	<u>86th Ave SE Nonmotorized Improvements (SE 42nd St to ICW)</u>	<u>Construct bike facilities and sidewalk along the west side of street.</u>	<u>Transportation Impact Fee Program</u>	<u>1,363,000</u>
<b><u>Intersection Projects (I)/Road Projects (R)</u></b>				
<u>I-1</u>	<u>SE 28th St/80th Ave SE Intersection</u>	<u>Install traffic signal.</u>	<u>Fails to meet LOS standard in the future</u>	<u>1,757,000</u>
<u>I-2</u>	<u>North Mercer Way/I-90 Westbound Off-Ramp/ Island Crest Way Intersection</u>	<u>Add exclusive westbound left turn lane at I-90 off-ramp.</u>	<u>Fails to meet LOS standard in the future</u>	<u>780,000</u>
<u>I-3</u>	<u>SE 53rd Pl/Island Crest Way Intersection</u>	<u>Install traffic signal.</u>	<u>Fails to meet LOS standard</u>	<u>2,289,000</u>
<u>I-4</u>	<u>SE 68th St/Island Crest Way Intersection</u>	<u>Install traffic signal or roundabout.</u>	<u>Fails to meet LOS standard in the future</u>	<u>2,582,000</u>
<u>R-1</u>	<u>Signal Coordination along Island Crest Way and along North Mercer Way (between SE 28th St and 80th Ave SE)</u>	<u>Coordinate four existing traffic signals along Island Crest Way and North Mercer Way.</u>	<u>Transportation Impact Fee Program</u>	<u>828,000</u>
<u>R-2</u>	<u>Street Preservation/Maintenance</u>	<u>Resurfacing arterial and residential streets based on pavement conditions.</u>	<u>2027-2032 TIP</u>	<u>28,646,900</u>
<b><u>Total 2026 — 2044 Projects</u></b>				<b><u>65,305,800</u></b>

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**Table 3. Recommended Project List 2022 — 2044**

ID	Location	Description	Justification	Cost (\$)
<b>Non-Motorized Projects (NM)</b>				
NM-1	80th Ave SE Sidewalk (SE 27th St – SE 32nd St)	Replace existing curb, sidewalk, ADA ramps, trees, and lighting.	2023-2028 TIP (SP136)	1,376,000
NM-2	78th Ave SE Sidewalk (SE 32nd St – SE 34th St)	Replace existing curb, sidewalk, ADA ramps, trees, and lighting.	2023-2028 TIP (SP137)	779,488
NM-3	West Mercer Way Roadside Shoulders (8100 WMW – 8400 EMW)	Add shoulder along the east side of West Mercer Way for nonmotorized users.	2023-2028 TIP (SP138)	690,979
NM-4	Gallagher Hill Road Sidewalk Improvement	Construct sidewalk.	2023-2028 TIP (SP139)	508,455
NM-5	SE 40th St Sidewalk Improvement (Gallagher Hill Road – Mercer Way)	Replace/improve existing sidewalks and construct bike lanes.	2023-2028 TIP (SP140)	997,639
NM-6	ADA Transition Plan Implementation	Construct pedestrian facility improvements to comply with the City's ADA Transition Plan.	2023-2028 TIP (SP141)	5,000,000
NM-7	Island Crest Way Corridor Improvements (90th Ave SE – SE 68th St)	Implementation of recommendations from Island Crest Way Corridor Safety Analysis.	2023-2028 TIP (SP142)	1,526,375
NM-8	North Mercer Way – MI Park and Ride Frontage Improvements	Remove bus bay on the north side of NMW, widen trail, and construct safety improvements.	2023-2028 TIP (SP144)	1,203,081
NM-9	Pedestrian and Bicycle Facilities Plan Implementation	Annual program to identify, prioritize, design, and construct spot improvements and gap completion projects.	2023-2028 TIP (SP145)	1,340,000
NM-10	SE 32nd St Sidewalk Replacement (77th Ave SE – 78th Ave SE)	Replace the sidewalk and trees adjacent to Mercerdale Park due to tree damage.	2023-2028 TIP (SP147)	324,719
NM-11	East Mercer Way Roadside Shoulders (SE 79th St – 8400 block)	Add shoulder along the west side of East Mercer Way for nonmotorized users.	2023-2028 TIP (SP148)	531,105
NM-12	78th Ave SE Nonmotorized Improvements (SE 34th St – SE 40th St)	Improve pedestrian and bicycle facilities to connect with Town Center.	2022 Transportation Impact Fee (#3)	1,697,000
NM-13	84th Ave SE Sidewalk (SE 33rd St – SE 36th St)	Construct sidewalk.	2022 Transportation Impact Fee (#4)	597,000

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NM-14	86th Ave SE Sidewalk Phase 2 (SE 36th St – SE 39th St)	Construct sidewalk along east side of street.	2022 Transportation Impact Fee (#5)	1,141,000
NM-15	92nd Ave SE Sidewalk (SE 40th St – SE 41st St)	Construct sidewalk along the west side of street.	2022 Transportation Impact Fee (#6)	803,000
NM-16	Merrimount Dr Sidewalk (ICW – Mercer Way)	Construct sidewalk along both sides of street.	2022 Transportation Impact Fee (#8)	632,000
NM-17	78th Ave SE Sidewalk (SE 40th St – SE 41st St)	Construct sidewalk along the west side of street.	2022 Transportation Impact Fee (#9)	250,000
NM-18	86th Ave SE Nonmotorized Improvements (SE 42nd St – ICW)	Construct bike facilities and sidewalk along the west side of street.	2022 Transportation Impact Fee (#10)	2,666,000
<b>Intersection Projects (I)/Road Projects (R)</b>				
I-1	Minor Capital Traffic Operations Improvements	Minor improvements to address traffic operation and safety issues.	2023-2028 TIP (SP143)	313,295
I-2	SE 28th St/80th Ave SE	Install traffic signal.	2022 Transportation Impact Fee (#1)	1,464,000
I-3	80th Ave SE/North Mercer Way	Add turn lane to improve traffic operations at the intersection.	2022 Transportation Impact Fee (#14)	754,000
I-4	North Mercer Way/I-90 Westbound Off-Ramp/Island Crest Way	Add exclusive westbound left turn lane at I-90 off-ramp.	2022 Transportation Impact Fee (#15)	650,000
I-5	SE 53rd Pl/Island Crest Way	Install traffic signal.	Fails to meet LOS standard	1,907,130
I-6	SE 68th St/Island Crest Way	Install traffic signal or roundabout.	Fails to meet LOS standard in the future	2,151,590
R-1	77th Ave SE Channelization (SE 32nd – North Mercer Way)	Rechannelization of the roadway to comply with street design standards.	2023-2028 TIP (SP146)	53,324
R-2	Signal Coordination Along Island Crest Way (North Mercer Way – SE 28th St) and at the North Mercer Way/80th Ave SE intersection.	Coordinate four existing traffic signals along Island Crest Way and North Mercer Way.	2022 Transportation Impact Fee (#11)	690,000
R-3	Street Preservation/Maintenance	Resurfacing arterial and residential streets based on pavement conditions.	2023-2028 TIP	30,000,000
<b>Total 2022 – 2044 Projects</b>				<b>60,047,180</b>

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**Table 4. 2044 Intersection Operations — Without and With Recommended Improvements**

Intersection	2044 AM Peak Hour		2044 PM Peak Hour	
	Without Improvements	With Recommended Improvements	Without Improvements	With Recommended Improvements
<b>Intersections Within and Adjacent to the Town Center (LOS C Standard)</b>				
SE 24th St/76th Ave SE	B	B	B	B
N Mercer Way/77th Ave SE	A	<del>BA</del>	<del>AB</del>	<del>AB</del>
N Mercer Way/Park & Ride/80th Ave SE	C	C	C	C
SE 27th St/76th Ave SE	—	—	<del>BC</del>	<del>BC</del>
SE 27th St/77th Ave SE	<del>BC</del>	<del>BC</del>	C	C
SE 27th St/78th Ave SE	B	B	<del>BC</del>	<del>BC</del>
SE 27th St/80th Ave SE	<del>DC</del>	<del>BC</del>	<del>EC</del>	<del>BC</del>
SE 28th St/78th Ave SE	—	—	B	B
SE 28th St/80th Ave SE	<del>BC</del>	B	D	B
SE 28th St/Island Crest Way	<del>BC</del>	<del>BC</del>	C	C
SE 29th St/77th Ave SE	—	—	<del>BC</del>	<del>BC</del>
SE 29th St/78th Ave SE	—	—	C	C
SE 30th St/78th Ave SE	—	—	C	C
SE 30th St/80th Ave SE	—	—	B	B
SE 30th St/Island Crest Way	—	—	<del>BC</del>	<del>BC</del>
SE 32nd St/78th Ave SE	—	—	C	C
<b>WSDOT Intersections (LOS D Standard)</b>				
I-90 EB off-ramp/I-90 WB on-ramp/W Mercer Way	B	B	B	B
I-90 WB on-ramp/N Mercer Way/76th Ave SE	<del>BA</del>	<del>BA</del>	<del>AB</del>	<del>AB</del>
I-90 EB off-ramp/77th Ave SE	B	B	B	B
I-90 WB off-ramp/N Mercer Way/Island Crest Way	<del>EF</del>	C	<del>DF</del>	C
I-90 EB on-ramp/SE 27th St/Island Crest Way	C	C	C	C

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Intersection	2044 AM Peak Hour		2044 PM Peak Hour	
	Without Improvements	With Recommended Improvements	Without Improvements	With Recommended Improvements
<b>WSDOT Intersections (LOS D Standard) Cont.</b>				
I-90 WB ramps/100th Ave SE	<del>CB</del>	<del>CB</del>	B	B
I-90 EB off-ramp/100th Ave SE/E Mercer Way	B	B	B	B
I-90 EB on-ramp/SE 36th St/E Mercer Way	B	B	B	B
<b>Outside of Town Center Intersections (LOS D Standard)</b>				
SE 24th St/W Mercer Way	B	B	<del>CB</del>	<del>CB</del>
SE 24th St/72nd Ave SE	B	B	<del>BD</del>	<del>BD</del>
SE 36th St/N Mercer Way	D	D	<del>ED</del>	<del>ED</del>
SE 40th St/W Mercer Way	B	B	B	B
SE 40th St/78th Ave SE	B	B	<del>BC</del>	<del>BC</del>
SE 40th St/Island Crest Way	D	D	C	C
SE 40th St/SE Gallagher Hill Rd	D	D	<del>ED</del>	<del>ED</del>
Mercerwood Dr/E Mercer Way	—	—	B	B
W Mercer Way/78th Ave SE	—	—	B	B
Merrimount Dr/W Mercer Way	C	C	C	C
Merrimount Dr/Island Crest Way	<del>DC</del>	<del>DC</del>	D	D
SE 53rd Place/Island Crest Way	F	B	F	B
SE 53rd Place/E Mercer Way	—	—	A	A
SE 68th St/84th Ave SE	<del>DC</del>	<del>DC</del>	B	B
SE 68th St/Island Crest Way	E	A	<del>ED</del>	A
SE 70th Place/E Mercer Way	—	—	B	B
SE 72nd St/W Mercer Way	—	—	B	B

## V. FINANCIAL ANALYSIS

Since incorporation in 1960, the City has consistently made (or required through private development) transportation investments that have preceded and accommodated population and employment growth and its associated traffic growth. This strategy has enabled the City to make significant improvements in the community's neighborhood streets, arterial roads, pavement markings, street signs, and pedestrian and bicycle facilities.

The City's 2025-2026 Biennial Budget identifies revenues for the Street Fund. ~~In~~ Based on 2022-2023 data, the City's primary funding sources for local transportation projects included gas tax revenues (~~\$509,000~~429,000), real estate excise tax (~~\$1,543,000~~2,253,000), Transportation Benefit District vehicle fees (~~\$367,000~~375,000), and transportation impact fees (~~\$233,000~~75,000). In total, the City received approximately ~~\$2.65~~3.1 million in annual transportation revenues.

~~In addition, Sound Transit mitigation for the closure of the I-90 center roadway is providing up to \$5.1 million in funds for operational and safety improvements.~~

Combined with supplemental federal and state grant funding, Mercer Island has sufficient resources to maintain and improve its transportation system over the next 20 years and will be able to accomplish the following:

- Maintain the City's arterial street system on a 25-year (average) life cycle.
- Maintain the City's residential system on a 35-year (average) life cycle.
- Maintain, improve, and expand the City's pedestrian and bicycle system ~~over the next 20 years.~~
- Maintain and improve the transportation system to meet the forecasted housing and employment growth targets.

## VI. IMPLEMENTATION STRATEGIES

The following actions by the City of Mercer Island and other jurisdictions will be necessary to implement the programs and policies of this transportation element effectively:

### TRANSPORTATION SYSTEM STREETS, TRANSIT, NON-MOTORIZED

- Implement local neighborhood traffic control strategies as necessary to address specific issues.
- Implement Transportation System Management techniques to control traffic impacts.

### PLANNING STANDARDS, POLICIES, PROGRAMS

- Periodically update the City's inventory of transportation conditions, existing level of service and projected level of service.
- Complete the update to the Pedestrian and Bicycle Facilities Plan and incorporate into the next update of the Comprehensive Plan.
- Address parking impacts in the public right-of-way from schools, businesses, parks, and multi-family housing.
- Ensure transportation projects comply with the Americans with Disabilities Act (ADA) and the adopted ADA Transition Plan.
- Continue to involve the public in transportation planning and decisions.
- Develop policies, criteria, and a process to determine when and under what conditions private roads and privately maintained roads in public rights-of-way should be accepted for public maintenance and improvement.
- Implement the City's adopted Commute Trip Reduction program.

### FINANCIAL STRATEGIES

- Secure funding to implement the adopted Six-Year Transportation Improvement Program.
- Actively pursue outside funding sources to pay for adopted transportation improvements and programs.

### TRANSIT PLANNING

- Work with Metro to improve transit services ~~and explore alternative service methods, such as developing a demand-responsive service.~~
- Work with Sound Transit on the operation of high-capacity transit and parking facilities consistent with Land Use and Transportation Policies contained in the Comprehensive Plan that will be available for use by Mercer Island residents.

## VII. CONSISTENCY WITH OTHER PLANS & REQUIREMENTS

The Growth Management Act of 1990 requires local comprehensive plans be consistent with adjacent jurisdictions and regional, state, and federal plans. Further, several other major statutory requirements with which Mercer Island transportation plans must comply exist. This section briefly discusses the relationship between this Transportation Element and other plans and requirements.

### OTHER PLANS

The Transportation Element of the Mercer Island Comprehensive Plan is fully consistent with the following plans:

**Mercer Island Comprehensive Plan** — The Transportation Element is based on the needs of and is consistent with the Land Use Element.

**King County and Multi-county Planning Policies** — Mercer Island's proposed transportation policies are consistent with PSRC's multi-county and King County's countywide planning policies.

**Vision 2050** — Vision 2050 is the region's Metropolitan Transportation Plan. It builds upon Vision 2020, Destination 2030, and Vision 2040 to articulate a coordinated long-range land use and transportation growth strategy for the Puget Sound region. Mercer Island Comprehensive Plan's Land Use and Transportation Elements support this strategy by accommodating new growth in the Town Center, which is near existing and proposed future transportation improvements along the I-90 corridor. The Transportation Element is consistent with these plans.

**Regional Transit System Plan** — Sound Transit's Regional Transit System Plan (RTP) lays out the Puget Sound region's plans for constructing and operating a regional high-capacity transit system. The Land Use and Transportation Elements directly support regional transit service and facilities and are consistent with the RTP.

### PLAN REQUIREMENTS

The Transportation Element of the Mercer Island Comprehensive Plan meets the following regulations and requirements:

**Growth Management Act** — The Growth Management Act, enacted by the Washington State Legislature in 1990 and amended in 1991, requires urbanized counties and cities in Washington to plan for orderly growth for 20 years. Mercer Island's Transportation Element conforms to all the components of a Comprehensive Transportation Element as defined by GMA.

**Commute Trip Reduction** — In 1991, the Washington State Legislature enacted the Commute Trip Reduction Law, which requires the implementation of transportation demand management (TDM) programs to reduce work trips. In response to these requirements, Mercer Island has developed its own CTR program to reduce work trips by City employees. There are two other CTR-affected employers on the Island; both have developed CTR programs.

**Air Quality Conformity** — Amendments to the federal Clean Air Act made in 1990 require Washington and other states to develop a State Implementation Plan (SIP), which will reduce ozone and carbon monoxide air pollutants so that national standards may be attained. The Central Puget Sound area, including King County and Mercer Island, currently meets the federal standards for ozone and carbon monoxide. The area is designated as a carbon monoxide maintenance area,

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Element 4 – Transportation

meaning the area has met federal standards but is required to develop a maintenance plan to reduce mobile sources of pollution.

DRAFT

## Element 5 – Utilities

### I. INTRODUCTION

The Growth Management Act requires this comprehensive plan to include the general location and capacity of all existing and proposed utilities on Mercer Island (RCW 36.70A.070). The following element provides information for water, sewer, stormwater, solid waste, electricity, natural gas, and telecommunications.

One main goal of the Utilities Element is to describe how the policies contained in other elements of this comprehensive plan and various other City plans will be implemented through utility policies and regulations.

The Land Use Element anticipates additional residential and employment growth over the planning period, including increased development capacity in and around the Town Center and Transit Center. Utility planning must account for this growth and ensure that water, sewer, stormwater, and other utility systems are monitored, maintained, and improved as needed to support adopted land use assumptions and maintain adopted levels of service.

### POLICIES — ALL UTILITIES

- 1.1 Structure rates and fees for all City-operated utilities with the goal of recovering all costs, including overhead, related to the extension of services and the operation-and maintenance of those utilities.
- 1.2 Encourage, where feasible, the co-location of public and private utility distribution facilities in shared trenches and assist with the coordination of construction to minimize construction-related disruptions, decrease impacts on private property, and reduce the cost of utility delivery.
- 1.3 Encourage economically feasible diversity among the energy sources available on Mercer Island-to avoid over-reliance on any single energy source.
- 1.4 Support efficient, cost- effective, and reliable utility service by ensuring that land is available for the location of utility facilities, including within transportation corridors.
- 1.5 Maintain effective working relationships with all utility providers to ensure the best possible provision of services.

## II. WATER UTILITY

Mercer Island obtains its water from Seattle Public Utilities (SPU). The City of Mercer Island purchases and distributes most of the water consumed on the Island under a long-term contract with SPU that guarantees an adequate supply through 2062. In 1997, the City assumed the Mercer Crest Water Association, which for many years, had been an independent purveyor of SPU. It served a largely residential base with customers residing in the neighborhoods south of the Shorewood Apartments and east and west of the Mercer Island High School campus areas of the Island. The Mercer Crest system was intertied and consolidated into the City utility in 1998 and 1999. One small independent water association, Shorewood, remains a direct service customer of SPU. The City is one of 19 wholesale customers (Cascade Water Alliance and 18 neighboring cities and water districts) of SPU.

The bulk of the Island's water supply originates in the Cedar River watershed and is delivered through the Cedar Eastside supply line to Mercer Island's 24-inch supply line. Mercer Island is also periodically served through the South Fork of the Tolt River supply system.

The City distributes water through 113 miles of mains (4-, 6-, and 8-inch) and transmission lines (10- to 30-inch) constructed, operated and maintained by the City. The City's distribution system includes two four-million-gallon storage reservoirs, two pump stations, and 86 pressure-reducing valve stations.

Minimizing supply interruptions during disasters is a longstanding priority in planning efforts and the City's capital improvement program. The City completed an Emergency Supply Line project in 1999. In 2001, following the Nisqually Earthquake, SPU strengthened sections of the 16-inch pipeline.

The year before the earthquake, the City completed extensive seismic improvements to its two storage reservoirs. As a result, neither was damaged in the earthquake. The improvements were funded through a Federal Emergency Management Agency hazard mitigation grant.

In 2004, the City completed a Seismic Vulnerability Assessment that examined how a major seismic event might impact the 30-inch and 16-inch SPU lines that supply water to the Island. The assessment predicted that the Island's water supply would likely be disrupted by a disaster such as a major earthquake. In response to the finding, City officials initiated a Water Supply Alternatives study before applying for a source permit for an emergency well, the first such permit to be issued in Washington State. Construction of the emergency well was completed in the spring of 2010. The well was designed and permitted to provide five gallons per day for each person on the Island for a period of seven to 90 days.

In 2014, the City took significant action to ensure high water quality standards after two boil water advisory alerts, including additional expanded collection of water quality samples, injection of additional chlorine, research into potential equipment upgrades and improvements, and a thorough review of the City's cross-contamination program, including the best means of overseeing the registration of certification of backflow prevention devices.

In 2021, the City's total number of water customers was 7,537.

In 2021, the City met the requirements of the 2018 America's Water Infrastructure Act by completing a Risk and Resilience Assessment (RRA) and updating the Emergency Response Plan. Projects identified in the RRA will be included in future CIPs.

In 2022-2023, the City constructed a booster chlorination station at the reservoir site to boost residual chlorine levels in the reservoirs and throughout the distribution system to prevent coliform growth. Additionally, the Supervisory Control and Data Acquisition (SCADA) system was upgraded.

Together, they strengthened the water supply system and improved system operations for water quality control.

In 2024, the City responded to a significant failure of the 24-inch water supply pipeline serving Mercer Island after Seattle Public Utilities identified a leak in the pipeline near SE 40th Street. During the outage, the City relied on a smaller backup supply pipeline and implemented emergency water conservation measures while repairs were completed. In response to the pipeline failure and aging infrastructure concerns, the City Council authorized design and construction of a new water supply pipeline as part of the 2025–2030 Capital Improvement Plan to improve long-term system reliability and resiliency. The project also includes new water service connections for Shorewood Apartments, which will transition from a direct SPU customer to a wholesale customer of the City.

In 2025, the City upgraded the Reservoir Booster Pump Station by replacing the five existing 100-hp pumps with high-efficiency split-case pumps and adding two smaller jockey pumps to serve low-flow conditions. The pump capacities were selected based on 2042 demand projections for the 492 Zone and 492 Sub-Zones. Key project results include greater system capacity and operational reliability, removal of mercury-containing equipment, improved hydraulic efficiency, and reduced long-term energy use.

Also in 2025, the City replaced Reservoir site’s original 1975-era 235-kilowatt standby generator, which had exceeded its useful life, with a new 500-kilowatt generator installed outside the building. The project added a new automatic transfer switch, manual transfer switch, portable generator connection port, and a replacement diesel fuel tank to ensure dependable full facility emergency operation.

From 2025 to 2026 the Reservoir Improvement Project replaced the aged interior and exterior protective coatings on both 4-million-gallon reservoir tanks, which were installed in 1962 and 1975 and last recoated in 2001. Structural tank repairs and safety upgrades including new exterior stair access and roof guardrails were also completed.

### FUTURE NEEDS

Both the water supply available to the City and the City's distribution system are generally adequate to serve the growth projected for Mercer Island; however, ongoing analyses associated with the 2026 Water System Plan (WSP) update indicate that additional infrastructure improvements and continued coordination with Seattle Public Utilities will be necessary to maintain long-term system reliability, emergency preparedness, fire flow capacity, and adopted levels of service. As outlined in the Land Use Element of this Plan, the City's 2044 growth targets, as established in the King County Countywide Planning Policies, include a housing growth target of 1,239 dwelling units and an employment growth target of 1,300 jobs. Based on the 2026 Land Capacity Analysis ([Appendix G](#)), Mercer Island has an estimated residential capacity of 3,164 units, with most of this potential located within the Town Center.

Water system capacity and future service demand are calculated in the City of Mercer Island WSP. The most recent update of the WSP was adopted in 2022 and another update is underway and anticipated to be adopted by the end of 2026. The 2022 WSP establishes that there is system capacity for 14,234 equivalent residential units (ERUs). The 2022 WSP projects that there will be demand for

11,596 ERUs by 2036. The ongoing 2026 WSP update is evaluating future water demand, supply reliability, pump stations, storage, fire flow requirements, and hydraulic capacity associated with updated growth assumptions and changing development patterns.

Some maintenance and capacity improvements to the water system are planned during the planning period (2024-2044). Those projects are detailed in the 2022 WSP and have been incorporated into the Capital Facilities Element Capital Facilities Plan (CFP) and Capital Reinvestment Plan (CRP). Projects that will be identified during the ongoing 2026 WSP update have not yet been incorporated into the CFP or CRP, as the update remains in progress and additional infrastructure needs and recommendations are still being evaluated.

The capacity maintained and added through CFP and CRP projects is expected to support the growth planned in this Comprehensive Plan. Planned projects include improvements to the supply pipeline, reservoirs, pump stations, and distribution system components intended to maintain reliable water service, improve resiliency, and support future growth. Existing reservoirs are also approaching the end of their useful life, with the North Reservoir anticipated to require replacement near the end of the planning horizon.

The Station Subarea Plan includes planning and policies related to increasing development capacity in the Station Area in two phases. The first phase is accounted for in this Comprehensive Plan and includes increases to development capacity in and around the Town Center as a part of the adoption of the Station Subarea Plan. Water system capacity associated with Phase 1 development has been evaluated as part of the ongoing 2026 WSP update. The Station Subarea Plan anticipates that in Phase 2 additional changes to the land capacity and future infrastructure needs will be required as part of the Phase 2 planning process, and additional system improvements may need to be considered to support implementation of Phase 2.

## WATER UTILITY POLICIES

- 2.1 Obtain a cost-effective and reliable water supply that meets Mercer Island's needs, including domestic and commercial use, fire-flow protection, emergencies, and all future development consistent with the Land Use Element of this Plan.
- 2.2 Upgrade, maintain, and replace water system infrastructure, including supply pipeline infrastructure, reservoirs, pump stations, pressure zones, and distribution system components, as necessary to maximize its useful life and maintainability. All system improvements shall be carried out in accordance with the City's Comprehensive Water System Plan and Capital Improvement Program.
- 2.3 Work cooperatively with Seattle Public Utilities and its other purveyors on all issues related to water supply reliability, contractual capacity, hydraulic capacity, emergency preparedness, conservation, and long-term infrastructure planning.
- 2.4 Obtain Mercer Island's water supply from a supply source that fully complies with the Safe Drinking Water Act.
- 2.5 Ensure compliance with regulatory requirements under the Safe Drinking Water Act for water quality testing of the distribution system by certified/licensed operators.
- 2.6 Support Puget Sound salmon recovery and watershed-based habitat recovery efforts through participation in WRIA 8.

- 2.7 Aggressively promote and support water conservation on Mercer Island and participate in regional water conservation activities to improve long-term water supply reliability and reduce stress on the water system during high-demand periods.
- 2.8 Continue evaluating and implementing water system supply redundancy, emergency preparedness, and resiliency improvements, including backup supply infrastructure, emergency well improvements, supply pipeline upgrades, seismic improvements, and operational strategies intended to improve system reliability during disasters or supply disruptions.
- 2.9 Adopt the Water System Plan and its successors by reference.
- 2.10 Monitor water system capacity and coordinate water system planning and capital improvements with projected land use, housing, employment growth, and future Phase 2 growth planning efforts identified in the Comprehensive Plan to maintain adopted levels of service and support planned growth consistent with the Growth Management Act.
- 2.12 Plan and operate the water system to maintain adequate hydraulic capacity, pressure, storage, and fire flow protection under normal, peak demand, and emergency conditions.
- 2.13 Prioritize reinvestment in aging, deficient, or capacity-constrained water system infrastructure to maintain long-term reliability, resiliency, and operational efficiency.

### III. SEWER UTILITY

The majority of the system was originally constructed by the Mercer Island Sewer District through three Utility Local Improvement Districts (ULIDs) in the late 1950s and early 1960s. The City has operated its sewer system since 1975, when the Mercer Island Sewer District was dissolved. The City's system does not include a small privately owned sewer system serving the Shorewood Apartment Complex and Covenant Shores Development. The City owns, operates, and maintains the remainder of the Island's sewage collection system, which conveys wastewater to the Metropolitan King County treatment plant in Renton for primary and secondary treatment.

The City's sewer system includes 17 pump stations, one flushing pump station, and more than 113 miles of gravity and pressure pipelines ranging from 3 to 24 inches in diameter. Included in the pipeline total is 12.9 miles of sewer lakeline, which is divided into five hydraulically distinct segments, or reaches, consisting of low-pressure sewer mains located 5 to 100 feet from shore that convey wastewater around the perimeter of the Island before connecting to regional conveyance facilities.

Beginning in 1988, each pump station was equipped with its own diesel generator to provide emergency power during outages, as required by Ecology.

Between 1990 and 1993, the City upgraded pumps across its sewer pump stations to Cornell pumps and completed minor electrical, mechanical, and telemetry improvements. Aside from these limited upgrades, the stations have not received any other major improvements since their original construction. In 2002, the City completed a Sewer Lakeline Replacement feasibility study of portions of Reaches 3 and 4 of the City's mid-1950s sewer lakeline along the northwest shoreline of the Island. The study found deteriorated asbestos cement pipe, undersized 10-inch and 12-inch segments, and pump stations that no longer met capacity needs.

In 2002, Mercer Island successfully competed with other local cities for a share of \$9 million allocated by King County to investigate and remove groundwater and stormwater, commonly known as

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inflow/infiltration (I/I) from local sewers. The \$900,000 pilot project on Mercer Island lined 16,000 feet of sewer in the East Seattle neighborhood (Basin 54) in 2003. Post- construction flow monitoring and computer modeling showed a 37 percent decrease in peak I/I flows.

In September of 2002, the City adopted a fat waste, oil and grease (FOG) ordinance.

In 2003, the City adopted the 2003 General Sewer Plan, the third sewer plan following the 1987 Sewer System Comprehensive Plan and the 1995 Comprehensive Sewer Plan Update. The plan's goals were to present the results of the updated Town Center hydraulic model, evaluate pump station odor control, assess three to four lakeline pump stations, and outline a capital improvement program implementation strategy.

In 2010, the City completed replacement of the Reach 3 sewer lakeline. The project constructed 7,000 feet of new lakeline alongside the existing alignment and reconfigured thirty-seven private lakefront side sewer connections between SE 32nd Street and Roanoke Landing. It also decommissioned Sewer Pump Stations 4 and 5 and constructed a new Sewer Pump Station 4 beneath I-90 westbound on-ramp. Completion of the project significantly reduced the risk of sanitary sewer overflows into Lake Washington.

In 2014, the City completed replacement of sewer pump station 14 which had obsolete and unreliable pumps and controls. The station was modernized, similar to pump station 4, to include submersible pumps, variable frequency drives, and above grade control panels.

In 2015, City staff completed a pump station condition assessment which identified the five stations most in need of rehabilitation.

In 2018, the City adopted its fourth General Sewer Plan. The plan highlighted several key efforts, including a lakeline access evaluation, pump station access evaluation, updated Town Center hydraulic modeling, a system capacity evaluation, a pipeline repair and replacement program, and guidelines for planning and budgeting a 20-year capital improvement program.

Between 2019 and 2026, the City completed a comprehensive upgrade of its sewer SCADA system as part of a broader effort to modernize aging automation and telemetry infrastructure. The project replaced obsolete equipment and unified the previously separate water and sewer SCADA systems into a single, secure, standards-based platform that improves reliability, operational efficiency, and system monitoring.

As of 2021, a total of 7,403 residential and commercial customers were connected to the City sewer system.

Between 2023 and 2024, the City rehabilitated approximately 1,600 feet of sewer main in Basin 40 using cured-in-place pipe (CIPP) lining, a trenchless and cost-effective method that reduces inflow and infiltration (I/I) while restoring structural integrity. These mains were targeted due to their age, and the widespread cracks, active infiltration, staining, and joint defects identified throughout the basin. Reducing I/I increases system capacity and lowers wastewater treatment costs. The effectiveness of the lining will be confirmed through the 2028 hydraulic modeling effort.

In 2024, a sewer pump station condition assessment ranked, prioritized improvements, and developed cost estimates for the five stations identified as needing rehabilitation in the 2015 assessment.

In 2026, King County completed its North Mercer Island/Enatai Sewer Upgrade Project, which included upgrading the North Mercer regional pump station, upgrading the City's Pump Station 11, and

constructing a new regional sewer interceptor to convey wastewater off-Island. Completion of the project provides long-term capacity for the regional conveyance system.

### FUTURE NEEDS

~~New development on Mercer Island, as anticipated in the Land Use Element of this Plan, is not expected to add significantly to the wastewater generated daily on Mercer Island. The number of customers connected to the sewer system has increased slowly and is expected to continue according to housing unit projections outlined in the 2026 Land Capacity Report (Appendix XX).~~

~~Future sewer system needs are determined in the City of Mercer Island General Sewer Plan (2018 General Sewer Plan).—The City must serve the sewer needs of its planned growth, much of which will be focused in the Town Center. While most of the Town Center’s sewer system is adequate to meet future demand, several pipeline segments require upsizing to prevent surcharging caused by increasing population density and stormwater inflow and infiltration.~~

The City must serve the sewer needs of its planned growth, much of which will be focused on the Town Center. While most of the Town Center’s sewer system is adequate to meet future demand, several pipeline segments require upsizing to prevent surcharging caused by increasing population density and stormwater inflow and infiltration. . The City will use substantive authority under the State Environmental Policy Act (SEPA) to require mitigation for proposed projects that generate flows that exceed sewer system capacity. The CIP includes projects that will increase system capacity.

~~The Station Subarea Plan includes planning and polices related to increasing development capacity in the Station Area in two phases. The first phase is accounted for in this Comprehensive Plan and includes increases to development capacity in and around the Town Center as a part of the adoption of the Station Subarea Plan. Sewer system capacity has been analyzed as a part of the development of the 2028 General Sewer Plan. The Station Subarea Plan anticipates that in Phase 2 additional changes to the land capacity will be implemented to maintain compliance with the Growth Management Act. Further analysis of sewer system capacity will be required as a part of the Phase 2 planning process and additional capacity improvements will likely need to be considered to support the implementation of Phase 2.~~

While Sewer Pump Stations 4, 11, and 14 have received major upgrades within the last two decades, the remaining fourteen stations are largely original. These stations have degraded structures and obsolete mechanical and electrical equipment that increase the risk for failure and sanitary sewer overflow into Lake Washington. The City has prioritized replacing one station in each upcoming biennial budget cycle, beginning with the five stations identified in the 2015 and 2024 condition assessments.

Recent sanitary sewer overflows due to capacity deficiencies in Lakeline Reach 1 and a blockage in Reach 5 highlights the need for capital improvements to the lakeline system. Although past General Sewer Plans identified the need for assessment and rehabilitation, no formal evaluations are known to have occurred and only Reach 3 has been improved since the lakeline was installed in 1966. Limited access points have prevented routine inspection, maintenance, and upgrades. As of March 2026, a comprehensive survey of the 2.5-mile Reach 1 is underway. Standard access-point designs, hydraulic analysis, and a full condition assessment are planned through 2027, with targeted capacity improvement projects planned for 2028. The methods and access-point standards developed during the Reach 1 effort will be applied to the remaining reaches.

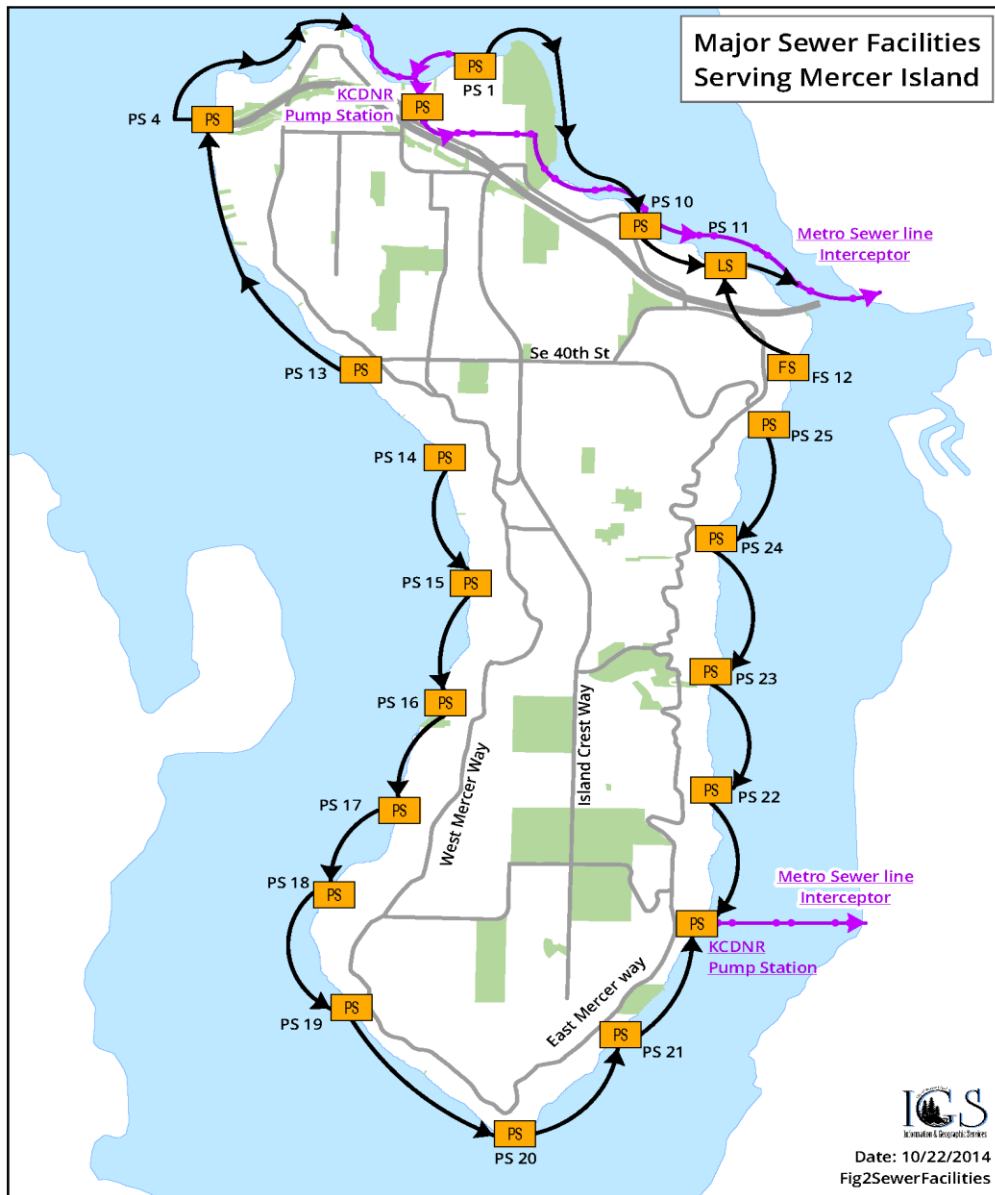
The City is currently expanding its localized Town Center hydraulic model into a comprehensive Island-wide model. This upgraded model, expected to be completed by mid-2026, will provide a much clearer understanding of systemwide capacity constraints, inflow and infiltration (I/I) impacts, and future demand needs. The enhanced modeling will directly inform upcoming pipeline replacement and rehabilitation projects and will serve as a key tool in prioritizing and shaping the City's Capital Improvements Plan.

A Capital Improvements Plan, developed in conjunction with the updated General Sewer Plan and/or CIP budget, will address all future improvements to the sewer system.

#### SEWER UTILITY POLICIES

- 3.1 Require that all new developments be connected to the sewer system.
- 3.2 Allow existing single-family homes with septic systems to continue using these systems so long as there are no health or environmental problems. If health or environmental problems occur with these systems, the homeowners shall be required to connect to the sewer system.
- 3.3 Any septic system serving a site being re-developed must be decommissioned according to county and state regulations, and the site must be connected to the sewer system.
- 3.4 Actively work with regional and adjoining local jurisdictions to manage, regulate, and maintain the regional sewer system.
- 3.5 Prevent overflows by taking whatever steps are economically feasible.
- 3.6 Design and implement programs to reduce infiltration/inflow wherever these programs can be shown to significantly increase the capacity of the sewer system at a lower cost than other types of capacity improvements.
- 3.7 Adopt the General Sewer Plan and its successors by reference.

**Figure 1. Major Sewer Facilities Service Mercer Island**



#### IV. STORMWATER

Mercer Island's stormwater system serves a complex network of 88 drainage basins. The system relies heavily on "natural" conveyances. Over 15 miles of ravine watercourses carry stormwater, and 26 miles of open drainage ditches. Forty percent of the ravine watercourses are privately owned, while roughly 70 percent of the drainage ditches are on public property. See Figure 2 — Stormwater Drainage Basins.

The artificial components of the system include 58 miles of public storm drains, 59 miles of private storm drains, and more than 5,502 catch basins.

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The public portion of the system is maintained by the City's Public Works Department as part of the Stormwater Utility, which generates funding through a Stormwater Utility rate itemized on bimonthly City utility bills.

Mercer Island has no known locations where stormwater recharges an aquifer or feeds any other source used for drinking water.

In May 1993, the City began preparing to make significant changes in managing stormwater on Mercer Island. New regional, state, and federal requirements triggered this effort.

During the second half of 1993, two of Mercer Island's drainage basins were studied in detail, and interested basin residents were actively involved in the process. The studies were designed to gauge public perception of drainage and related water-quality problems, and evaluate the effectiveness of various education tools.

The information gained from these studies, along with additional work scheduled for mid-1994, was used to develop an Island-wide program of system improvements and enhancements and a financing structure for the program.

In the fall of 1995, the City Council passed two ordinances (95C-118 and 95C-127) that created the legal and financial framework of the Storm and Surface Water Utility and provided the tools to begin achieving the goals of "creating a comprehensive program that integrates the Island's private, public and natural and manmade systems into an effective network for control and, where possible, prevention of runoff quantity and quality problems."

By the end of 1998, the Storm and Surface Water Utility had been fully launched with a full range of contemporary utility issues and needs. Major capital projects, along with operating and maintenance standards, have been established to meet customer service expectations and regulatory compliance.

The City complies with all applicable federal and state stormwater requirements, according to the Western Washington Phase II Municipal (NPDES) Permit issued by the Washington State Dept. of Ecology. In 2005, the City developed a Comprehensive Basin Review that examined the City's storm and surface water programs, focusing on capital needs, priorities, and utility policies. The capital priorities are updated regularly in conjunction with the capital budget process. Mercer Island is urban/residential in nature, and all of the Island's stormwater eventually ends up in Lake Washington. The prevention of nonpoint pollution is a major priority.

Subsequent Basin Reviews were completed in 2006, 2008, 2010, 2012, 2014, 2018, and 2020 each adding new investigation sites and identifying targeted improvements with associated cost estimates. In total, 115 sites have been assessed, and 71 improvement projects have been identified. To date, 35 of these problem sites have been constructed to address erosion-related issues.

In 2020, the City completed mapping of approximately 40 miles of open and piped watercourses as part of the Watercourse Inventory and Typing and GIS Wetland Modeling project. This effort produced a single GIS watercourse dataset and GIS-based wetland prediction model both support planning and operations across multiple City departments.

In 2022, with most major ravine-related erosion issues from the Basin Reviews corrected, the City shifted its focus from basin-level assessments to analysis and modeling of the piped stormwater system. The City also began concentrating on smaller project areas (typically 100 to 350 feet) and combining multiple watercourse improvements to achieve better economy of scale.

### FUTURE NEEDS

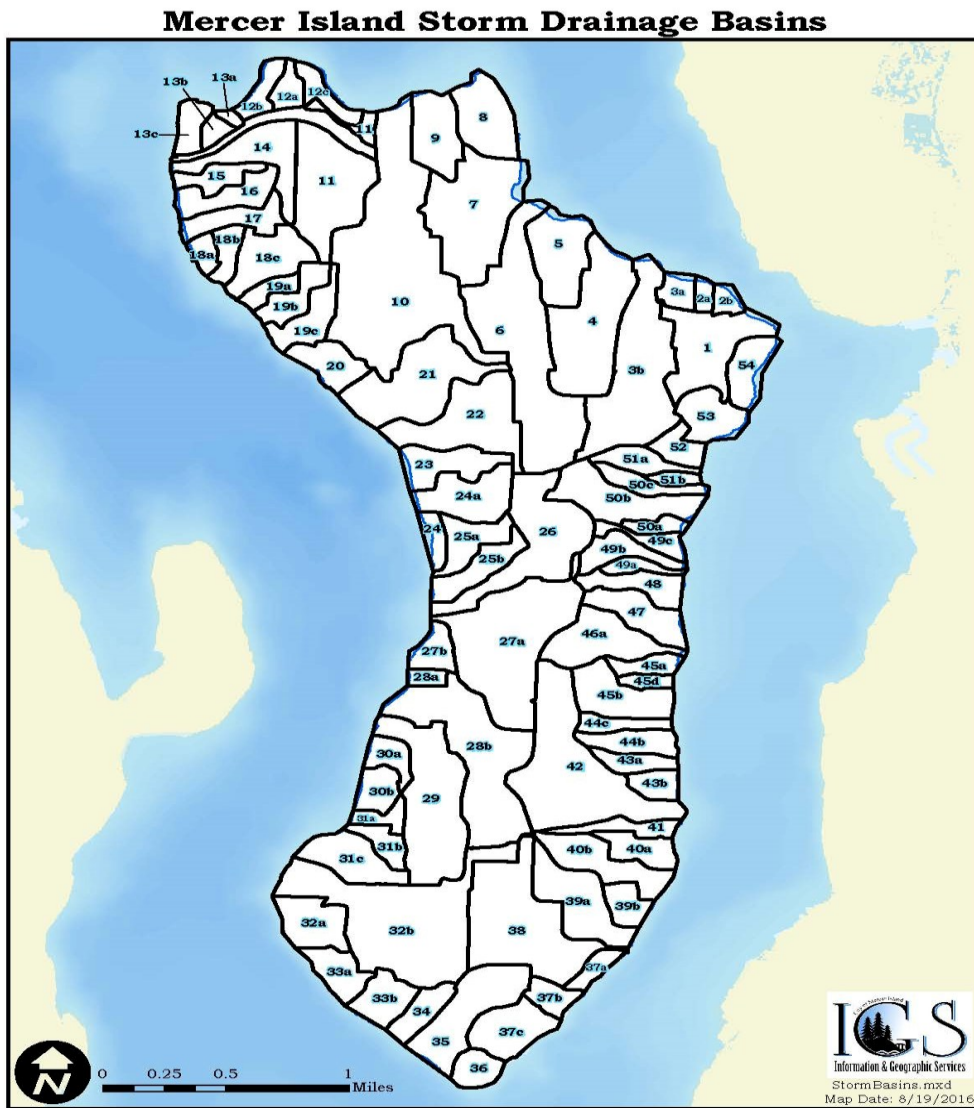
Increased redevelopment and additional development capacity within the Town Center and future Phase 2 planning areas may require additional stormwater system analysis and infrastructure improvements to address drainage constraints, downstream capacity limitations, onsite detention requirements, and regulatory compliance. In some drainage basins, onsite stormwater management may be necessary where regional stormwater facilities or fee-in-lieu alternatives are not feasible or appropriate.

Our capital program will continue to develop strategies for inspecting and maintaining the existing storm drain network. Future projects may include but are not limited to erosion mitigation in open channels, repairs of culverts and sections of damaged pipe, and monitoring of existing flows to inform future development.

### STORMWATER POLICIES

- 4.1 Implement programs and projects designed to meet the goals and requirements of the Action Agenda for Puget Sound.
- 4.2 Actively promote and support education efforts focusing on all facets of stormwater management.
- 4.3 The City should collaborate with King County to support the implementation of regional water quality planning strategies, such as the Clean Water, Healthy Habitat strategic plan.
- 4.4 Maintain and enforce land use plans and ordinances requiring stormwater controls for new development and re-development. The ordinances shall be based on requirements contained in the City's NPDES permit. They shall be consistent with the policies in the Land Use Element of this Plan and the goals and policies of the City's Community Planning and Development Department.
- 4.5 Consider incorporating low- impact development standards, and any future innovations or technologies that meet or exceed current low- impact development standards, into new development and re-development where feasible. Examples may include native vegetation, minimizing stormwater runoff, bioretention, rain gardens, and permeable pavements.
- 4.6 Encourage and promote development that creates the least disruption of the natural water cycle. Return as much precipitation to groundwater as possible in order to extend the flow of seasonal streams into the dry season and to contribute cooling ground water to surface water features, thereby contributing to healthy fish and wildlife habitat.
- 4.7 The City shall require new development within the Town Center and other identified constrained drainage basins to provide onsite stormwater management, detention, and water quality treatment where necessary to prevent downstream drainage, flooding, erosion, and water quality impacts
- 4.8 Perform conveyance analysis associated with future Phase 2 growth planning and identify additional stormwater infrastructure improvements that may be necessary to support planned development and maintain compliance with stormwater regulations.

Figure 2. Stormwater Drainage Basins



## V. SOLID WASTE

The majority of solid waste services on Mercer Island are provided through a private hauler licensed by the City; currently, this is Recology. Recology collects residential and commercial/multi-family garbage, as well as residential recyclables and residential yard/food waste. Businesses that recycle or compost select their own haulers. As of 2022, Recology was serving a total of 6,950 residential customers, and 215 commercial or multi-family locations on Mercer Island.

A new contract for the collection of solid waste was approved by the City Council for ten years starting in October 2019. This contract replaces the former license agreement dating back to 2009 with Republic Services. Rates are adjusted yearly based on the Seattle-area Consumer Price Index (CPI) and terms identified within the contract. The cost of providing solid waste services on Mercer Island is covered entirely through the rates charged by haulers.

Recology transports most garbage from Mercer Island to the Factoria transfer station, after which it is compacted and buried at Cedar Hills Regional Landfill. Recyclables are transported to Recology's processing facility in Seattle, and yard/food waste is transported to Cedar Grove Composting or Lenz Composting.

### FUTURE NEEDS

In 1988, Mercer Island entered into an interlocal agreement that recognizes King County as its solid waste planning authority (RCW chapter 70.95). The Mercer Island City Council adopted the first King County Comprehensive Solid Waste Management Plan in mid-1989, and in October 1993, the City Council adopted the updated 1992 edition of the Plan.

King County's 2001 Comprehensive Solid Waste Management Plan established countywide targets for resident and employee disposal rates. As of 2014, King County was working on the Comprehensive Solid Waste Management Plan update. As a plan participant, Mercer Island met the original King County goal of 35 percent waste reduction and recycling in 1992. By late 1993, Mercer Island was diverting nearly 50 percent of its waste stream. Subsequent goals called for reducing the waste stream by 50 percent in 1995 and 65 percent by 2000. Mercer Island has consistently diverted an average of 65 percent of its waste stream annually from 2000 to 2014.

Achieving these goals has helped lengthen the lifespan of the Cedar Hills Regional Landfill and avoid the need to find alternative disposal locations for Mercer Island's garbage.

The overall amount of waste generated on Mercer Island is not expected to increase significantly due to new development anticipated in the Land Use Element of this Plan. However, the amount of recyclables and yard waste being diverted from Mercer Island's waste stream should continue increasing over the next few years. Private facilities have the capacity to absorb this increase. Any additional garbage produced due to growth will be collected through a private hauler licensed by the City. The City's existing solid waste program, which offers two special collection events per year, is expected to remain adequate. These events, at which yard waste and hard-to-recycle materials are collected by private vendors, are designed to assist households in further reducing the waste stream.

The collection of household hazardous waste on Mercer Island is available once a year over a two-week period through the Household Hazardous Wastemobile, a program of the Seattle-King County Local Hazardous Waste Management Plan. Mercer Island households and businesses help fund the Plan through a surcharge on their garbage bills.

**SOLID WASTE POLICIES**

- 5.1 Require all new construction, with the exception of single-family homes, to provide adequate space for on-site storage and collection of recyclables pursuant to City regulations.
- 5.2 Actively promote and support recycling, composting, and waste reduction techniques among the single-family, multi-family, and commercial sectors to meet or exceed King County diversion goals.
- 5.3 Provide convenient opportunities for residents to recycle appliances, tires, bulky yard debris, and other hard-to-recycle materials whenever practical.
- 5.4 Actively promote and support the proper handling and disposal of hazardous waste produced by households and businesses. The use of alternate products that are less hazardous or produce less waste shall be encouraged.
- 5.5 City departments and facilities shall actively participate in waste reduction and recycling programs.
- 5.6 Handle and dispose of all hazardous waste generated by City departments and facilities in accordance with applicable county, state, regional, and federal regulations.
- 5.7 Actively enforce regulations that prohibit the illegal dumping of yard debris and other types of waste.
- 5.8 The City shall play an active role in regional solid waste planning, to promote uniform regional approaches to solid waste management.
- 5.9 Actively promote and support the recycling, re-use, or composting of construction, demolition, and land-clearing debris wherever feasible.
- 5.10 Ensure that providers of solid waste, recycling, and compost collection services comply with City regulations and assist residents with concerns about these services when possible.

## VI. ELECTRICITY

All of the electricity consumed on Mercer Island is provided by Puget Sound Energy (PSE) under a franchise agreement with the City of Mercer Island. The agreement was approved in early 1994 and remains valid until a new agreement is reached. PSE's rates are set by the Washington Utilities and Transportation Commission (WUTC).

In 2021 PSE served 9,995 residential and 703 commercial electric customers.

PSE builds, operates, and maintains the electrical system that serves Mercer Island. The system includes 6.2 miles of transmission lines (115 kV), three substations, and two submarine cable termination stations.

As of 2024, approximately 274 known solar installations on homes Mercer Island, generating around 2,643 kilowatts of electricity.

### FUTURE NEEDS

The demand for electricity on Mercer Island has not grown significantly during the past 20 years, despite 17% population growth (2000-2020), due to a range of new energy efficiency measures. While the Island's total electricity consumption was 164,713,778 KWH in 1998 and 174,352,420 KWH was consumed in 2013, it was only slightly more in 2021 (174,920,031 KWH). However, as more households transition to electric vehicles, maintain remote or hybrid work environments, and new development moves away from natural gas to electric space heating and cooling, in an effort to reduce personal GHG emissions, total electricity consumption may increase.

PSE's planning analysis has identified five alternative solutions to address transmission capacity deficiency identified in the "Eastside Needs Assessment Report—Transmission System King County" dated October 2013. Each of these five solutions fully satisfies the needs identified in the Eastside Needs Assessment Report and satisfies the solution longevity and constructability requirements established by PSE. These five solutions include two 230 kV transmission sources and three transformer sites, outside of Mercer Island.

With one exception (see Policy 6.1), the only significant changes in PSE's Mercer Island facilities will come from efforts aimed at improving system reliability.

The issue of system reliability, which is the subject of a Memorandum of Agreement (MOA) between the City of Mercer Island and PSE, will require considerable attention over the next several years. The MOA sets policies for identifying locations where power lines should be relocated underground and describes strategies for funding underground projects. The unresolved recurring issue of system unreliability-needs to be addressed.

### ELECTRICITY POLICIES

- 6.1 Encourage PSE or the current provider to upgrade its facilities on Mercer Island where appropriate and incorporate technological changes when they are cost-effective and otherwise consistent with the provider's public service obligations. Mercer Island will serve as a test area for projects involving new technologies when appropriate.
- 6.2 Annually evaluate the reliability of electric service provided to Mercer Island. Reliability measures shall include the total number of outages experienced, the duration of each outage, and the number of customers affected.
- 6.3 Install all new electric transmission and distribution facilities in accordance with this Plan, the City's zoning code, the Washington State Department of Labor and Industries electrical

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code, other applicable laws, and tariffs on file with the WUTC. The electricity provider will obtain the necessary permits for work in the public right-of-way, except in emergencies.

- 6.4 Encourage the undergrounding of all existing and new electric distribution lines where feasible. As required by the City's franchise agreement with PSE (Section 5), any extension of existing distribution lines up to 15,000 volts shall be installed underground and should be arranged, provided, and accomplished in accordance with applicable schedules and tariffs on file with the WUTC.
- 6.5 Encourage undergrounding electrical transmission lines where feasible, if and when such action is allowed by, and consistent with rates, regulations, and tariffs on file with the WUTC. Along with PSE, work cooperatively with the WUTC to establish rate schedules that equitably allocate the cost of undergrounding transmission lines among PSE customers.
- 6.6 clearing vegetation from power lines in rights-of-way shall balance the aesthetic standards of the community while enhancing improved system reliability.
- 6.7 Support conservation programs undertaken by the electricity provider and encourage the provider to inform residents about these programs.

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## VII. NATURAL GAS

Puget Sound Energy (PSE) provides natural gas to Mercer Island under a franchise agreement with the City. The current 15-year agreement expires in 2028, with the City having the right to grant a five-year extension. The Federal Energy Regulation Commission, the National Office of Pipeline Safety, and the Washington Utilities and Transportation Commission (WUTC) regulates the delivery of natural gas. These agencies determine service standards and safety and emergency provisions. The WUTC also sets rates.

Natural gas is delivered to Mercer Island via an interstate pipeline system owned and operated by Northwest Pipeline Corp. The pipeline connects to PSE's regional distribution network. Natural gas consumed in the Pacific Northwest comes from a variety of sources in the United States and Canada.

### FUTURE NEEDS

While natural gas is not considered a utility essential to urban development, it is an alternative energy source currently provided to the majority of homes on Mercer Island. However, as increasing numbers of residents move away from gas to electricity as their energy source for heating/cooling and hot water, the number of customers is expected to decline. In 2022, to reduce GHG emissions, the State's Building Code Council also required that, with a few exceptions, all new commercial and residential construction must use electric heat pumps for heating/cooling and hot water needs.

New natural gas lines on Mercer Island are installed on an as-requested basis. Natural gas lines are in place in virtually all developed areas of the Island, making natural gas available to most households. As of 2021, PSE had 6,936 residential customers and 187 commercial customers.

No major new facilities would be required to accommodate this number of customers. New development, as anticipated in the Land Use Element of this Plan, is not expected to significantly affect the number of gas customers on Mercer Island.

### NATURAL GAS POLICIES

- 7.1 Promote and support conservation and emergency preparedness programs undertaken by PSE, or the current provider, and encourage PSE to inform residents about these programs.
- 7.2 The City shall encourage PSE or the current provider to make service available to any location on Mercer Island that wishes to use natural gas.

## VIII. TELECOMMUNICATIONS

Telecommunication utilities on Mercer Island encompass conventional wireline telephone, wireless communications (Cellular telephone, Personal Communication Services (PCS), and Specialized Mobile Radio (SMR)), internet service, and cable television.

Telecommunication technologies have undergone significant changes in the last several decades. The rapid pace of change in these technologies has been paired with an increasing centrality to the services they provide in people's lives. Telecommunications have become a key component of a high quality of life by facilitating the exchange of information, remote work, and community involvement. More people work from home and an increasing share of commerce takes place online in the wake of the pandemic, driving demand for faster and more reliable telecommunication services. Throughout the planning period, telecommunication technologies are expected to continue to be an important service in the City.

Wireless service on Mercer Island is an important utility, allowing residents and visitors to remain connected throughout Mercer Island. Wireless communications are provided by several private companies. The Federal Communications Commission (FCC) and City regulate wireless facilities. Rules enacted in 2019 by the FCC curtailed local jurisdictions' power to regulate wireless facilities. To comply with the 2019 FCC rule change, the City amended its wireless communication facilities regulations in 2021. Between 2015 and 2022, the City processed an annual average of 20 permits for new facilities and improvements to existing facilities. As technology continues to be developed and improved, the existing wireless coverage on Mercer Island is expected to be faster, more available, and more reliable through the planning period.

Cellular communication involves transmitting and receiving radio signals on frequencies reserved for cellular use. Signals to and from cellular phones are routed along a series of low-powered transmitting antennas located at "cell sites."

### FUTURE NEEDS

Demand for reliable high-speed telecommunications serving new development is expected to be high throughout the planning period as communications technology is increasingly woven into daily life. As a telecommunications utility, Lumen Technologies is required to provide services on demand where facilities exist and to those applicants reasonably entitled thereto. Comcast has sufficient capacity to provide cable communications services to any new development on Mercer Island. Where possible, the City will plan to support stronger, faster, and more reliable telecommunications connections throughout the Island.

### TELECOMMUNICATIONS POLICIES

- 8.1 Encourage the consolidation and shared use of utility and communication facilities where feasible. Examples of shared facilities include towers, poles, antennas, substation sites, cables, trenches, and easements.
- 8.2 Encourage undergrounding all existing and new communication lines where feasible and not a health or safety threat.
- 8.3 Periodically review and revise development regulations for telecom facilities to ensure a balance exists between the public benefit derived from the facilities and their compatibility with the surrounding environment.

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- 8.4 Work with the cable communications provider to select and implement pilot projects appropriate for Mercer Island that explore the newest advances in cable technology, including interactive cable and public access.
- 8.5 Continues to participate in a consortium of Eastside jurisdictions to collectively analyze rate adjustments proposed by the cable communications provider.
- 8.6 Encourage wireless communications facilities providers to optimize cell sites to maintain service during inclement weather and natural disasters.
- 8.7 Consider updating and maintaining wireless communications facilities consistent with FCC regulations to minimize noise and visual impacts.
- 8.8 Work with service providers to plan for the provisions of telecommunication infrastructure to provide access to residents and businesses in all communities, especially underserved areas.

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## Element 6 – Capital Facilities

### I. INTRODUCTION

#### LAND USE & CAPITAL FACILITIES

Incorporated in 1960, Mercer Island is a "mature" community. Approximately 95 percent of the community's residential lands have already been developed, and its commercial centers are now experiencing increasing redevelopment pressures. The remaining lands to be developed are all commercial and residential infill where public facilities have long been established.

As a "mature community," Mercer Island has made substantial investments in public infrastructure over the last 60 years. However, many of the City's public facilities and utility systems were originally designed to serve a smaller and less dense community and will require significant reinvestment, upgrades, and modernization to accommodate projected growth and maintain adopted levels of service. Planned growth, changing development patterns, aging infrastructure, and increased operational demands are expected to place additional pressure on the City's water, sewer, transportation, parks, and public facility systems over the planning period. As a result, the community largely has sufficient capacity in water and sewer systems, parks, schools, local streets and arterials, and public buildings (library, fire stations, public safety buildings, public works building, and community center) to handle projected growth. However, additional investments will be needed to replace City Hall and the Public Works Building, as well as upgrade and maintain utility infrastructure, improve transportation facilities, and support park improvements, open space acquisition, and trail development for water, sewer, and park improvements in addition to open space acquisition and trail development. Improvements will also be needed to maintain adopted transportation Level of Service (LOS) standards and preserve the reliability and resiliency of existing infrastructure existing infrastructure. The City will face significant challenges in the next few years as it searches for options to replace the asbestos-contaminated City Hall and deteriorating and overcrowded Public Works Building.

The following sections of the Capital Facilities Element inventory Mercer Island's existing public facilities in terms of their capacity (quantity) to serve current and forecasted populations through 20352044. The Element continues with a discussion of existing "level of service" standards and expenditure requirements to meet those standards. This is followed by a discussion of the City's overall capital planning and financing strategy as well as the revenues available for capital investment. The Element concludes with policies that will guide the development of the City Capital Improvement Plan (CIP) and capital investments.

#### SUSTAINABILITY

The City of Mercer Island has a long history of sustainability programs and community involvement in general environmental measures. Sustainability is defined as the process of ensuring the wise use and stewardship of all resources within a framework in which environmental, social, cultural, and economic well-being are integrated and balanced. It means meeting today's needs without adversely impacting the ability of future generations to also meet their needs.

In 2006, a grassroots effort of Island citizens led the City to modify the vision statement in the Comprehensive Plan to include language embracing general sustainability. In May 2007, the Council committed to a sustainability work program as well as a specific climate goal of reducing greenhouse gas (GHG) emissions by 80 percent from 2007 levels by 2050, which was consistent with King County and Washington State targets (the 2050 target was later tightened to 95%).

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The City has pursued a wide range of actions focusing on the sustainability of its internal operations. These measures began with relatively humble recycling and waste reduction campaigns and expanded into much larger initiatives such as energy-efficiency retrofits and fleet vehicle upgrades. More recently, the City has installed its own on-site solar photovoltaic (PV) project at the Community and Event Center and now has a number of electric and hybrid vehicles in the fleet or scheduled for replacement. The City has also increased its tree canopy by 8% from 2007 to 2017.

Starting in 2020, 100 percent of government operations are now powered by clean, renewable energy from a new 38-turbine wind farm in Western Washington that the City helped fund. A 20-year contract to purchase carbon-free wind power directly from Puget Sound Energy replaced the City's prior electricity mix, over half of which was still based on coal and natural gas. The City tracks several GHG and sustainability metrics such as energy use and overall carbon footprint.

In 2011, Mercer Island joined King County and other local cities as a founding member of a nationally recognized, coordinated effort to jointly tackle climate issues and enhance the reach of each City's sustainability initiatives: the King County-Cities Climate Collaboration (K4C). Both City staff and Council Members have consistently participated in a wide range of K4C initiatives.

Island residents have also engaged in a number of public-facing initiatives, leading to two rooftop solar installation campaigns (adding 110 new arrays), commercial green building requirements in Town Center, very high rates of green power enrollment among residents, and high levels of personal electric vehicle adoption. Since the City's operations contribute only one percent of the Island's emissions, programs that address the two biggest sectors – transportation and energy use in buildings – are critical as community-wide initiatives.

The subset of sustainability work involving GHG emissions and resilience has never been more urgent in Pacific Northwest communities as we begin to experience the economic and health impacts of changes to our global climate patterns locally. This includes rising average temperatures, changes in rainfall timing and river volumes, and reduced snowpack. Recent extreme heat events and wildfire smoke incidents have underscored this reality for many residents.

Due to the 20-year horizon envisioned by this Comprehensive Plan, it is especially appropriate to include internal and external measures that address the long-term actions needed to reduce greenhouse gas emissions, ideally in collaboration with other local governments. Actions that the City will implement with the entire community's sustainability in mind are addressed in the Land Use Element of this Plan. The City's first Climate Action Plan, adopted in April 2023, quantifies and enumerates the various City and community actions needed to achieve the GHG reduction targets that successive City Councils have committed to as part of the City's K4C membership.

## II. CAPITAL FACILITIES INVENTORY

Listed below is a brief inventory of Mercer Island's public capital facilities. Detailed descriptions of facilities and their components (e.g., recreational facilities in public parks) can be found in the 2022 Parks, Recreation and Open Space (PROS) Plan and Transportation and Utilities Elements.

### PUBLIC STREETS & ROADS

Mercer Island has over 75 miles of public roads. Interstate 90 and East Link light rail run east-west across the northern end of Mercer Island, providing the only road and transit connections to the rest of the Puget Sound region. Most of the road network on the Island is comprised of local streets serving the Island's residential areas; arterials comprise approximately 25 miles, or one-third, of the system.

### PEDESTRIAN AND BICYCLE FACILITIES

Mercer Island has approximately 56.5 miles of facilities for non-motorized travel. In general, non-motorized facilities serve multiple purposes, including recreational travel for bicycles and pedestrians as well as trips for work and other purposes. On-road facilities for non-motorized travel include sidewalks and paths for pedestrians and bicycle lanes for cyclists. Regional access for non-motorized travel is provided by special bicycle/pedestrian facilities along I-90. Additional details are provided in the 2010 Pedestrian and Bicycle Facilities Plan.

### PARKS & OPEN SPACE

Mercer Island has 481 acres of City parks and open space lands. This acreage comprises about 12 percent of the Island. Eleven City parks, open spaces, and playfields are over ten acres in size. Three parks exceed 70 acres (Luther Burbank, Pioneer Park, and Aubrey Davis Park). Island residents enjoy 18.5 acres of publicly-owned park and open space lands per 1,000 population. In addition to City park lands, approximately two-thirds of the Mercer Island School District grounds are available to Island residents. An additional 40 acres of private open space tracts are available for residents of many subdivisions on the Island. See Figure 1 for the locations and geographical distributions of the community's parks, open space lands, street- end parks, school district lands, I-90 facilities, and private/semi-public facilities.

The City of Mercer Island adopted a Parks, Recreation, and Open Space Plan (PROS Plan) in 2022. The PROS Plan evaluates the levels of service for City parks and open space throughout the City. The PROS plan also considers the future needs of parks and lists projects to be added to the Capital Facilities Plan (CFP) and Capital Reinvestment Plan (CRP). Those projects will maintain parks and open space capacity as growth occurs through the planning period.

### PUBLIC BUILDINGS

Seven City-owned public buildings serve Mercer Island, the Mary Wayte Pool owned by the Mercer Island School District and operated by Olympic Cascade Aquatics, one Post Office and one King County Library System (KCLS) Branch Library. Facility uses, locations, and sizes are listed in Table 1.

During 2001, construction of a new Main Fire Station and a sizable remodel of the Thrift Shop were completed. The City became the owner of Luther Burbank Park in 2003 after transfer of the property by King County. The Mercer Island Community and Events Center was completed in 2006. The reconstruction of Fire Station 92 at the south end of the Island was completed in 2015.

**Table 1. Facility uses, locations and sizes**

Facility	Use	Location	Approx. Size
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City Hall <sup>1</sup>	Police, Dispatch, General Administration, Municipal Court, Facility Maintenance & Permitting Services	North MI 9611 SE 36th St. <sup>1</sup>	32,000 sq ft
Public Works Shop	Parks, Water, Sewer, Right-of-Way, Stormwater, Fleet, & Engineering	North MI 9601 SE 36th St.	15,000 sq ft
Community and Events Center	Community meeting space, Recreation programs, Gymnasium, and Fitness	North MI 8236 SE 24th St.	42,500 sq ft
Luther Burbank Administration Building	Parks and Recreation and Youth and Family Services Depts.	North MI Luther Burbank Park 2040 84th Ave. SE	5,000 sq ft
Mercer Island Thrift Shop	Sales-Fundraising: Recycled Household Goods	Central Business District 7710 SE 34th St.	5,254 sq ft
Fire Station 91	Fire & Emergency Response, Administration	Central Business District 3030 78th Ave. SE	16,600 sq ft
U.S. Post Office	Postal Service	Central Business District 3040 78th Ave. SE	10,000 sq ft
Mary Wayte Pool	Indoor Swimming Facility	Mid-Island 8815 SE 40th St.	7,500 sq ft
KCLS Branch Library	Public Library	Mid-Island 4400 88th Ave SE	14,600 sq ft
Fire Station 92	Fire & Emergency Response	South End Shopping Center 8473 SE 68th St.	7,940 sq ft

Notes:

1. City Hall was permanently closed on October 3, 2023, when the City Council approved [Resolution No. 1650](#).

### City Hall – Permanently Closed October 2023

In April 2023, City Hall was temporarily closed after asbestos was detected in several locations in the building, including in the ventilation system, with the highest concentration numbering over thirteen million asbestos structures per square centimeter (13,000,000 s/cm<sup>2</sup>), found inside the Air Handling Unit located in the attic. Asbestos was also detected in 11 settled dust samples from 10 locations inside the ducts, and in two HVAC system filters. The source of the asbestos in the ventilation system is unknown.

During the evaluation of the HVAC system, environmental consultants also tested the rest of City Hall for asbestos. Additional asbestos-containing materials were identified in 13 samples, including three types of flooring (covering an additional 20,000 sq ft), flooring adhesive, window putty, and 31 interior fire doors.

City staff and outside experts worked extensively to identify solutions to address the asbestos contamination in the ventilation system and evaluate the best path forward for City Hall. Two scenarios for re-occupying the City Hall building, either fully or partially, were evaluated for timeline, preliminary costs, and impact on City operations. Unfortunately, due to the age and condition of the building, the cost of both scenarios exceeded the benefits.

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City Hall was built in 1957 and has been repaired and renovated over the years, with the last major renovation occurring in the late 1980s. Prior to the asbestos situation, the City Council recognized the need for a replacement strategy for aging city facilities. In early 2023, the City began working on a Facilities Conditions Assessment to guide long-term decisions. The initial assessment work highlighted the many other matters of concern related to the long-term use of City Hall. The building suffers from structural and seismic deficiencies. Almost all of the interior walls have been identified as lacking lateral bracing and, unless reinforced, are at risk of failure in the event of seismic activity, potentially rendering the building inoperable. Additionally, the building does not conform with current energy or building code requirements, and multiple building systems are failing or need to be substantially replaced.

Given this additional information and the anticipated investment needed to re-occupy City Hall and bring it up to current standards, the City Council approved [Resolution No. 1650](#) on October 2, 2023, ceasing City operations at City Hall and permanently closed the building.

Following the initial closure of City Hall in April 2023, the services provided at City Hall were relocated to other City facilities. Utility billing moved into the Public Works Building. Information and Geographic Services (IGS) staff and Police Department staff moved first to the Mercer Island Community and Event Center (MICEC) and then to the Luther Burbank Administration Building located in Luther Burbank Park. The City Council transitioned public meetings to the Zoom platform while staff worked to identify an alternative location for in-person meetings. Municipal Court proceedings were suspended while staff worked to identify a location for court services. Meanwhile, court staff worked from the Conference Room at Fire Station 91. The remainder of City employees transitioned to remote work.

Following the initial closure, temporary arrangements have been made to house City services at existing facilities while a permanent solution to replace City Hall is identified. Current facilities and the City services they house are further described below.

### **Public Works Building**

The Public Works Building is 15,350 square feet. Located south of the now-closed City Hall, this building was constructed primarily as a workshop and mechanic facility in 1981. Since then, it's been repurposed several times to meet the changing needs of City operations. There are 64 permanent employees and 15 to 20 seasonal employees operating out of this facility. Those employees make up the following operational and administrative teams:

- Right-of-Way;
- Stormwater;
- Water Utility;
- Sewer Utility;
- Utility Billing (temporary);
- Parks Maintenance;
- Support Services;
- Public Works Engineering; and

- Public Works Administration.

Given the age and condition of the Public Works Building, the City prepared a Facilities Conditions Assessment (FCA) for this building in 2024. The FCA identified the following preliminary findings about the building's condition:

- Roofing is at the end of its projected useful life, and leaks are prevalent throughout the building.
- The current 150kVA electrical service is insufficient to support the current needs of the facility.
- The electrical distribution system is aged, with some critical components at the end of life.
- The original HVAC system is mostly obsolete throughout the building, delivering poor performance, high energy consumption, and marginal air quality.
- Plumbing is inadequate to meet the staffing levels for the building, requiring the use of portable toilets to meet sanitation requirements.

Based on the findings from the FCA and known operational deficiencies of the Public Works Building, the City Council directed the City Manager to commence the design of a new Public Safety and Maintenance Building in March 2024.

#### **Luther Burbank Administration Building**

The Luther Burbank Administration Building is a 5,000-square-foot building constructed in 1928 and located at 2040 84th Ave SE inside Luther Burbank Park. This building traditionally houses Youth and Family Services staff and Recreation, Capital Project, and Natural Resources team members. Due to the closure of City Hall in 2023, the Luther Burbank Building also now hosts IT and GIS staff and the Police Department.

A Facilities Conditions Assessment is currently underway for the Luther Burbank Building, and early findings indicate that renovations will be needed in the coming years to support its ongoing operation. Improvements related to HVAC and electrical upgrades, energy efficiency, seismic retrofits, and safety and ADA improvements will be needed. The building at Luther Burbank will continue to serve as an essential facility for the delivery of city services.

#### **Temporary City Council Chambers**

After the City Hall closure in 2023, City Council Chambers were moved to the Slater Room at the Mercer Island Community and Event Center (MICEC). This large classroom was repurposed for City Council meetings and now includes audio/visual technology capabilities for hybrid in-person/online public meetings. The conversion of this room at the MICEC eliminated a large recreation programming space previously used for programs, classes, and community meetings. Additionally, the City upgraded the audio/visual technology capabilities of Room 104 in MICEC to support City Council Executive Sessions, partially removing this room from public availability.

#### **Temporary Municipal Court**

The Mercer Island City Hall housed the City's Municipal Court. After the building was permanently closed, the Municipal Court was moved temporarily to the City of Kirkland Justice Center while other accommodations could be made. Beginning in 2024, the City leased space in the Newcastle Professional

Center, which houses the Newcastle City Hall. The interlocal agreement between Mercer Island and Newcastle includes the use of Newcastle City Council chambers for court proceedings and the use of office space for court administration. The interlocal agreement will expire in 2026 unless the cities renew it.

### **Temporary Police Department**

The Mercer Island City Hall included headquarters and support facilities for Police Department operations. When City Hall was permanently closed, the Police Department moved to MICEC and then the Luther Burbank Building, while alternatives were evaluated.

At the end of 2024, the Police Department is housed in three separate modular buildings on the City Hall campus. The modular buildings provide office space, locker rooms and showers, and processing facilities.

### **Remote Work**

In 2024, approximately sixty employees are without a dedicated workspace. These employees are working from home and using available “touch down” spaces at the City’s various buildings for meetings and in-person office needs. Most affected employees are from Administrative Services, Community Planning and Development, Finance, the City Attorney’s Office, and the City Manager’s Office.

### **Public Safety and Maintenance Building**

During the March 1, 2024, City Council meeting, the Council directed the City Manager to commence planning for a new Public Safety and Maintenance Building (PSM) on the current City Hall campus. This new facility will replace the existing Public Works Building and provide a new combined home for the City’s Public Works teams, the Police Department, the Emergency Operations Center, and the IT & GIS team.

The PSM building focuses on replacing critical City operational and emergency response facilities displaced by the closure of City Hall and the functional obsolescence of the Public Works Building. The facility will also include new covered vehicle and equipment storage and re-design and optimization of the public works yard. In addition to providing secured parking for police vehicles, the PSM building must store and maintain over 100 pieces of equipment and City vehicles, many of which are the largest and most expensive vehicles owned and operated by the City.

As a centralized emergency response and management facility, the PSM building should be constructed to risk category IV “essential public facility” building standards, the highest risk category designation possible. Risk Category IV includes buildings that are essential in that their continuous use is needed, particularly in response to disasters. Police stations and emergency vehicle garages, Emergency Operations Centers, public works staff areas, and equipment necessary for emergency response must remain operational during and after major disaster- type events. The new building is a lifeline to the community in the most extreme circumstances, and continuity of operations for the work groups housed at this facility is essential during critical events.

## PUBLIC SCHOOLS

The Mercer Island School District owns and operates one high school, one middle school, and four elementary schools. Northwood, the fourth elementary school, opened in 2016. Altogether, the School District owns 108.6 acres of land, including those lands dedicated to parks, open space, and recreational uses. The District served a 2021-2022 school population of 4,069 students. The District estimates it has a capacity for 5,172 students in its Six-Year Capital Facilities Plan, a capacity surplus of 1,103 students.

In 1994, the voters approved a \$16.4 million bond issue to modernize the three elementary schools. All these schools underwent \$6 million remodels that were completed in September 1995. In 1996, voters approved a bond issue to modernize the high school. The total renovation cost, including some new construction, was \$37.2 million. In February 2010, the community approved a six-year capital levy for nearly \$4.9 million per year, targeting minor capital replacement costs and improvements at each school site. Included in the levy were funds for the addition of music and orchestra rooms at Mercer Island High School, portable classrooms for elementary and middle schools, hard play area resurfacing at the elementary schools, replacement of the turf field, and repair of the track at Mercer Island High School, painting, re-roofing, pavement overlays, security improvements, and other improvements.

A bond issue was approved by more than 74 percent of Mercer Island voters in February 2014 to address overcrowding in Mercer Island schools. The targeted facilities projects included:

- Building Northwood, a fourth elementary school;
- Expanding Islander Middle School, including 14 new classrooms and lab spaces, commons and cafeteria, gymnasiums, music rooms and administrative space, and a 100kw rooftop solar array; and
- Building ten additional classrooms at Mercer Island High School, including four lab spaces and six general education classrooms.

Annually, the District develops projections primarily utilizing the historical enrollment trends tracked each October for the past five years. In addition to the cohort derived from that historical database, the District looks at much longer "real growth" trends, birth rates, and female population patterns. The District's Six-Year Capital Facilities Plan, adopted in 2020, estimates that enrollment will decline by four percent between 2020 and 2026.

Provision of an adequate supply of K-12 public school facilities is essential to enhance the educational opportunities for our children and to avoid overcrowding. A variety of factors can contribute to changes in K-12 enrollment, including changes in demographics, the resale of existing homes, and new development. The District is engaged in an ongoing long-range planning process to maintain updated enrollment projections, house anticipated student enrollment, and provide adequate school facilities. Future needs, including proposed improvements and capital expenditures, are determined by the District, which has prepared a separate Capital Facilities Plan.

## WATER SYSTEM

The City's Water Utility consists of 113 miles of water mains and transmission lines that serve over 7,530 water meters. In addition, the system includes two four-million-gallon storage reservoirs, two pump stations, 86 pressure-reducing valve stations, and an emergency well completed in 2010. The City purchases water from Seattle Public Utilities, served by the Cedar and Tolt River watersheds.

[Updated water system planning and assessments planning have identified deficiencies in future water supply, hydraulic requirements, and infrastructure capacity constraints associated with](#)

projected growth, seasonal peak demand conditions, and fire flow requirements. The City's ability to meet future water demands is dependent upon adequate flow rates and hydraulic grade line (HGL) elevations provided by Seattle Public Utilities. Continued investment in water system infrastructure, including transmission facilities, the supply pipeline, pressure zone improvements, pump stations, pressure reducing valve stations, and distribution system upgrades, will be needed to maintain adequate levels of service and long-term system reliability.

### SEWER SYSTEM

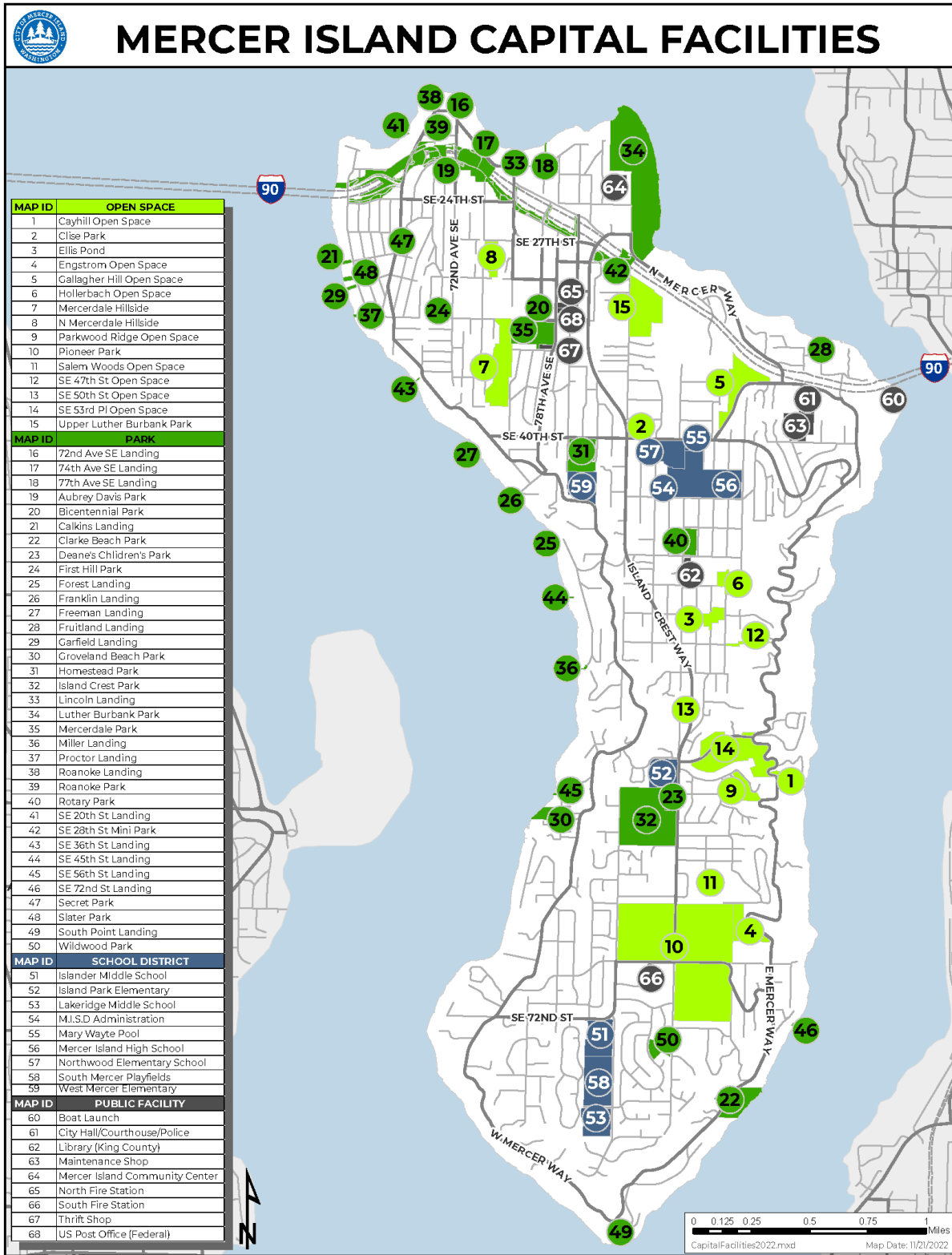
The Mercer Island sewer utility serves over 7,403 customers. The collection system includes 17 pump stations, two flushing stations, and more than 113 miles of gravity and pressure pipelines, ranging in diameter from three to 24 inches, which ultimately flow into King County Department of Natural Resources & Parks (KCDNR) facilities for treatment and disposal at the South Treatment Plant in Renton. The City's Sewer Utility includes 17 pump stations, one flushing pump station, and more than 113 miles of gravity and pressure pipelines ranging from 3 to 24 inches in diameter. This system includes 12.9 miles of sewer lakeline divided into five hydraulically distinct reaches. These low-pressure mains sit 5 to 100 feet offshore and carry wastewater around the Island's perimeter before connecting to regional conveyance facilities that transport it off-Island. All wastewater is treated and disposed of at the South Treatment Plant in Renton.

Sewer flow monitoring, condition assessments, and isolated sanitary sewer overflows have identified several deficiencies in the City's sewer infrastructure. Updated hydraulic modeling for the Town Center area also shows pipeline capacity issues under projected growth. Expanding the hydraulic model citywide, along with continued and strategic investment in the sewer collection system, pump stations, and lakeline conveyance infrastructure, will be essential to maintain service levels and ensure long-term system reliability.

### STORMWATER SYSTEM

The Island's stormwater system comprises a complex network of interconnected public and private conveyances for surface water. The system serves 88 separate drainage basins. The major components of the system include more than 15 miles of natural watercourses, 60 percent of these are located on private property; 26 miles of open drainage ditches, 70 percent of which are on public property; 58 miles of public storm drains; 59 miles of private storm drains; more than 5,502 City- owned catch basins; and over 3,300 non City- owned catch basins.

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### III. LEVEL OF SERVICE & FORECAST OF FUTURE NEEDS

In analyzing capital financing over 20 years, the City must make estimates in two areas: The Cost of New Facilities and the Cost of Maintaining Existing Facilities. To estimate the former, the City must evaluate its established levels of service (LOS) for the various types of facilities — streets, parks, recreational facilities, open space, trails, and public buildings — and project future needed investments to reach those service targets. In this case, "Level of Service" refers to the quantitative measure for a given capital facility. See Table 2. In establishing a LOS standard, the community can make reasonable financial choices among the various "infrastructure" facilities that serve the local population.

As outlined above in the capital facilities inventory and further detailed in the Utilities Element, at the time of adoption of this comprehensive plan, initial analyses of the sewer and water systems have identified that improvements will be needed to maintain levels of service as growth occurs during the planning period. Figure 1, below, maps the future deficiencies that have been identified through this initial analysis. Evaluation of the water and sewer systems is ongoing and specific capital improvement projects and cost estimates are being developed as a part of the Water System Plan (to be adopted in late 2026) and the General Sewer Plan (to be adopted in 2028). This Element will be amended to add these projects and projected costs at the time of adoption of these functional plans.



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Listed in Table 2 below is a summary of the level of service and financial assumptions (by facility type) used in making a 20-year expenditure forecast. In looking at the assumptions and projections, the reader should consider two things: 1) No detailed engineering or architectural design has been made to estimate costs. The numbers are first- level estimates- and 2) the objective of the analysis is to predict where major financing issues may arise in the future. The estimates should be used for long- range financial and policy planning, not as budget targets.

**Table 2 — Level of Service & Financial Forecasts<sup>1</sup>**

Capital Facility	Level of Service Standard	Capital Needs	New Capital Cost (To address deficiency) <sup>2</sup>	Annual Reinvestment Cost <sup>3</sup>
<b>Streets</b>				
Arterials	LOS "D"	2 locations identified	\$4,058,871,720	\$1,126,000,243,550
Residential	None	None	\$0	\$920,000
Town Center	LOS "C"	2 locations identified	\$2,928,537,000	\$166,000,126,850
Existing and New Pedestrian and Bicycle Facilities	See Pedestrian and Bicycle Facilities Plan	Shoulder improvements, 78th Ave. pedestrian and bike improvements, safe routes to school	\$19,620.5 million	\$327,500,1,023,680
Parking Facilities <sup>4</sup>	To be assessed	To be assessed	To be assessed	To be assessed
Parks & Open Space	See Parks, Recreation & Open Space (PROS) Plan	Dock infrastructure, restrooms, playgrounds, open space, trails, and athletic fields	\$4.3 million	\$1.3 million Parks & Open Space CIP
Recreational Facilities	See PROS Plan	None	None	None
Schools	Established in the Mercer Island School District No. 400 Six-Year Capital Facilities Plan as may be amended	Maintenance of existing buildings, new elementary school, middle school and high school expansions	\$98.8 million bond	\$7.5 million levy passed February 2022
General Government: City Facilities	To be assessed <sup>5</sup>	New public safety and maintenance building, rehouse other services displaced by the City Hall closure, and maintenance of existing facilities	To be assessed <sup>6</sup>	To be assessed
<b>Water System</b>				

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Capital Facility	Level of Service Standard	Capital Needs	New Capital Cost (To address deficiency) <sup>2</sup>	Annual Reinvestment Cost <sup>3</sup>
<u>SPU Supply</u>	6.7 <u>Mm</u> gal/day	<u>Coordination with Seattle Public Utilities regarding future hydraulic needs associated with projected demand increases.</u> <del>None</del>	None	
Storage	8.0 <u>Mm</u> gal	<u>Existing storage capacity is anticipated to remain adequate, assuming future flow rates and HGL elevations identified in the Water System Plan can continue to be provided by Seattle Public Utilities.</u> <del>None</del>  <u>Recent improvements to the existing reservoirs are anticipated to extend their useful life; however, the tanks will continue to be evaluated during the planning period to determine long-term replacement needs.</u> <del>Current tanks are reaching their end of life and at least one will need to be replaced.</del>	\$2,750,000	\$6.5 million
Distribution	> 30 psi	<u>Transmission system upgrades, distribution main replacements, PRV and Pump station upgrades, pressure zone improvements, and localized hydraulic improvements.</u> <del>None</del>	\$55,675,000	
Fire Flow	Multiple	<u>Maintain required fire flow during peak hour demand conditions, particularly within closed pressure zones.</u> <del>None</del>	None	
<u>Emergency Well</u>	<u>See Water System Plan</u>		<u>None</u>	
<u>Sanitary Sewer System</u>				
<u>Collection System</u>	0 - Sewer Overflows/ <u>D&lt;1</u>	<u>Inflow &amp; Infiltration Reduction</u> <del>Sewer Lakeline-</del>	\$26 million	\$1.68 million

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Capital Facility	Level of Service Standard	Capital Needs	New Capital Cost (To address deficiency) <sup>2</sup>	Annual Reinvestment Cost <sup>3</sup>
		<del>portion of reaches</del> Pipeline Rehabilitation/Replacement		
<u>Pump Station</u>	<u>0 – Sewer Overflows</u>	<u>Rehabilitation/Replacement</u>		
<u>Lakeline</u>	<u>0 – Sewer Overflows</u>	<u>Access Improvements Rehabilitation/Replacement</u>		
Storm & Surface Water System				
Piped System	WA DOE Stormwater Manual	Multiple	\$850,000	\$1.2 million
Ravine Basins	WA DOE Stormwater Manual	Multiple	\$365,000	

\* An analysis is in progress, capital needs and costs to be evaluated pending completion of studies, after completion of light rail.

Notes:

1. More detailed LOS standards for capacity, operational reliability, and capital facilities needs can be found in the following documents: Transportation Improvement Plan, Water System Plan, General Sewer Plan, Comprehensive Storm Basin Review, Parks, Recreation and Open Space (PROS) Plan, Pedestrian and Bicycle Facilities Plan, Open Space Vegetation Plan, Luther Burbank Master Plan, Ballfield Use Analysis, and the Transportation Element of this Comprehensive Plan.
2. Costs are estimated for the twenty-year planning period from 2024-2044. Actual costs are determined at the time improvements are added to the CIP.
3. Annual reinvestment cost is estimated ~~by dividing the based on the~~ total estimated twenty-year ~~CIP cost by cost divided by~~ twenty years. Actual ~~costs project expenditures~~ are not expected to occur ~~evenly or~~ annually.
4. An analysis is in progress, capital needs and costs to be evaluated pending completion of studies, after completion of light rail.
5. Improvement, maintenance, and replacement of City operational and administrative facilities are assessed per facility with the completion of a facility condition assessment.
6. The City is in the process of evaluating the cost to address facility needs in light of the unexpected closure of City Hall in October 2023.

## IV. CAPITAL FACILITIES FINANCING

The community should expect most funding for future capital improvements to come from local public sources. Substantial investments in transportation facilities—including parking, sewage collection and conveyance, stormwater facilities, and City facilities (to address the 2023 City Hall closure and failing Public Works Building) will be needed over the 20-year planning period. Funding for open space acquisition and park improvements may also be needed to meet community expectations. Private development will finance some minor new capital improvements, such as stormwater facilities, sewage conveyance improvements, and transportation improvements where the proposed development will exceed adopted levels of service. Impact fees on new development will also generate some revenue to offset the impact of such growth on Mercer Island's public schools, parks and open space, and transportation facilities.

### REVENUE SOURCES

The City's capital program is funded by a variety of revenue sources ranging from largely unrestricted, discretionary sources like General Funds and REET-1 to very restricted sources like fuel taxes and grants. Below is a description of the major capital funding sources used by the City.

**General Fund Revenues** — Revenues from property, sales and utility taxes, other user fees, and state-shared revenues. Funds can be used for any municipal purpose and are generally dedicated to the operation of the City's (non-utility) departments and technology and equipment upgrades.

**Real Estate Excise Taxes (1 & 2)** — Taxes imposed on the seller in real estate transactions. Both REET 1 & 2 taxes are levied at one-quarter of one percent of the sale price of the property. Revenues must be used on the following types of projects:

- **REET 1** — Only to projects identified in the City's Capital Facilities Element. Funds can be used for planning, acquisition, construction and repair of streets, roads, sidewalks, streets and road lighting, traffic signals, bridges, water systems, storm and sanitary sewer systems, parks, recreational facilities, trails, and public buildings.
- **REET 2** — Planning, acquisition, construction and repair of streets, roads, sidewalks, streets and road lighting systems, traffic signals, bridges, water systems, storm and sanitary sewer systems, parks, and planning, construction, repair, or improvement of parks.

**Fuel Taxes** — City's share of fuel taxes imposed and collected by the state. Revenues must be used for the maintenance and construction of the City's arterial and residential streets.

**Voted Debt** — General obligation bonds issued by the City and paid for by a voter-approved increase in property taxes.

**User Fees** — Utility fee for the purchase of a City-provided service or commodity (e.g., water, storm, and sanitary sewage collection/treatment). Fees are usually based on the quantity of service or commodity consumed. Revenues (rates) can be used for any operating or capital project related to the delivery of the utility service or commodity.

**Impact Fees** — The Growth Management Act (GMA) authorizes cities to impose certain types of impact fees on new development. These fees should pay for the development's proportionate share of the cost of providing the public facilities needed to serve it. Impact fees can be collected for schools, streets, parks and open space, and fire protection.

## THE CAPITAL IMPROVEMENT PROGRAM

The City of Mercer Island separates the Capital Improvement Program into two parts: the Capital Reinvestment Program (CRP) and the Capital Facilities Program (CFP). The CRP contains all major maintenance projects for existing public assets. The CFP consists of proposed new capital facilities.

### Capital Reinvestment Plan (CRP)

The CRP's purpose is to organize and schedule repair, replacement, and refurbishment of public improvements for the City of Mercer Island. It is a six-year program that sets forth each of the proposed maintenance projects, their cost, and funding source within the Capital Improvement Program (CIP) element of each biennial budget. These capital projects are generally paid for from existing City resources.

The program's emphasis in a reinvestment plan is the timely repair and maintenance of existing facilities. To this effect, while new equipment and improvements are made to some older fixed assets, the intent is to design a program that will preserve and maintain the City's existing infrastructure. Maintaining and enhancing taxpayer's investment in fixed assets remains the City's best defense against the enormous cost of replacing older but still very valuable public improvements.

The CRP is intended to be a public document. For this purpose, it is organized by functional area. Hence, any individual who wishes to gain knowledge about a project need not know the funding source or any other technical information but only the general type of improvement to find the relevant information. The Capital Reinvestment Program is divided into four functional programmatic areas: streets and pedestrian and bicycle facilities, park and recreational facilities, general government (buildings, equipment, and technology), and utilities — water, sewer, and stormwater systems.

CRP projects are typically "pay as you go," which means they are funded from the current operations of the City Street Fund, CIP Funds, and the utility funds.

### Capital Facilities Plan (CFP)

The CFP is a six-year plan to outline proposed new capital projects. It is also divided into four component parts: streets and pedestrian and bicycle facilities, parks and recreation facilities, general government (buildings, equipment, and technology), and utilities — water, sewer, and stormwater systems. Like the CRP, the plan for new facilities provides easy access for the public. Each project in the plan is described briefly and the total cost and appropriation for the next six years is stated.

Funding for CFP projects will be identified in the Capital Improvement Program (CIP) element of each biennial budget. However, final funding strategies will be decided simultaneously with the approval of the projects. This may involve a bond issue, special grant or a source of revenue outside the City's available cash resources.

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CIP Project Summary  
Capital Facilities Plan (CFP) and Capital Reinvestment Plan (CRP)

ID	Description	Plan	Target Completion Date	2023	2024	2025	2026	2027	2028	TOTAL	General Fund	Street Fund	Capital Imp Fund	Tech & Equip Fund	Water Fund	Sewer Fund	Storm Water Fund	ST Mitigation	Park Impact Fees	1% for the Arts	Grant	Parks Levy	ARPA	King County Levy	Dept Rates	Other	
GB0100	City Hall Building Repairs	CRP	ONGOING	370,500	359,100	210,900	210,900	210,900	210,900	1,573,200			1,573,200														
GB0101	Public Works Building Repairs	CRP	ONGOING	210,900	132,240	34,200	91,200	79,800	79,800	628,140			628,140														
GB0102	MICEC Building Repairs	CRP	ONGOING	357,960	430,350	182,400	202,578	190,380	235,980	1,599,648			1,599,648														
GB0103	FS91 and FS92 Building Repairs	CRP	ONGOING	397,860	250,458	239,058	443,688	190,380	109,668	1,631,112			1,631,112														
GB0104	Luther Burbank Administration Repairs	CRP	ONGOING	324,900	286,140	188,100	139,080	91,200	74,100	1,103,520			1,103,520														
GB0105	Thrft Shop Building Repairs	CRP	ONGOING	254,220	342,000	111,720	116,280	128,820	104,880	1,057,920			1,057,920														
GB0107	Honeywell Site Remediation	CRP	Q4 2022	207,500	207,500					415,000	134,356						29,050									207,500	
GB0109	Minor Building Repairs	CRP	ONGOING	50,000	50,000	50,000	50,000	50,000	50,000	300,000			150,000		150,000												
GB0110	City Hall Renovation - Paint, Carpet, and Furniture	CRP	Q4 2023	660,000						660,000			660,000														
GB0111	Public Works Building Renovation - Paint, Flooring, and Furniture	CRP	Q4 2023	236,500						236,500			59,125		70,950	70,950	35,475										
GB0112	Municipal Court Renovations	CRP	2026	34,200	119,700	285,000	330,600			769,500			769,500														
GB0113	Police Department Renovation	CRP	2028					256,500	1,824,000	2,080,500			2,080,500														
GB0114	Luther Burbank Administration Building Renovation	CRP	2027			57,000	2,232,865			2,289,865			2,289,865														
GB0115	Facilities Plan	CRP	2025	200,000						200,000			200,000														
GB0116	Facility Access Control and Security	CRP	ONGOING	520,980	282,720	47,880	34,200	28,500	28,500	942,780			942,780														
GB0117	Facility Parking Lot Repairs	CRP	2028	375,000	30,000	132,000	190,000		28,000	755,000			641,750				113,250										
GB0119	FS91 Fuel Tank Removal	CRP	Q4 2024	75,000	175,000					250,000			250,000														
GB0120	Public Works Building Roof Replacement	CRP	Q2 2023	330,000						330,000			82,500														
18	<b>GENERAL GOVERNMENT PUBLIC BUILDINGS TOTAL</b>			<b>4,605,520</b>	<b>2,665,208</b>	1,481,258	1,865,526	3,459,345	2,745,828	16,822,685	134,356	-	15,719,560	-	342,256	191,738	227,275	-	-	-	-	-	-	-	-	-	207,500
GE0101	Minor Fire Tools and Equipment	CRP	Q4 2024	45,500	42,500					88,000				88,000													
GE0107	Fleet Replacements	CRP	ONGOING	676,729	430,211	911,511	1,305,238	1,474,095	1,152,484	5,950,267																5,950,267	
GE0108	Automated External Defibrillator Replacements	CRP	Q4 2023	94,686						94,686			94,686														
3	<b>GENERAL GOVERNMENT EQUIPMENT TOTAL</b>			<b>816,915</b>	<b>472,711</b>	911,511	1,305,238	1,474,095	1,152,484	6,132,953	-	-	-	182,686	-	-	-	-	-	-	-	-	-	-	-	5,950,267	-
GT0101	City Information via Web Based GIS	CRP	Q4 2024	55,000				40,000		95,000				95,000													
GT0104	Mobile Asset Data Collection	CRP	Q2 2022			105,000			111,000	216,000		163,000															53,000
GT0105	High Accuracy Aerial Orthophotos	CRP	Q3 2024	35,000		40,000				75,000			75,000														
GT0108	Technology Equipment Replacement	CRP	ONGOING	145,450	253,200	101,280	179,266	129,071	224,584	1,032,851																1,032,851	
GT0112	ArcGIS Image Server	CRP	Q3 2024	30,000						30,000			30,000														
GT0115	Modernize Municipal Court Services	CRP	Q1 2023	96,000	10,000					106,000			106,000														
GT0116	Emergency Purchases for Equipment and Technology	CRP	ONGOING	25,000	25,000	25,000	25,000	25,000	25,000	150,000			150,000														
GT0117	Cybersecurity Software Update	CRP	Q4 2023	52,500	10,750					63,250	10,750		52,500														
8	<b>GENERAL GOVT TECHNOLOGY TOTAL</b>			<b>438,950</b>	<b>298,950</b>	271,280	204,266	194,071	360,584	1,768,101	10,750	163,000	-	508,500	-	-	-	-	-	-	-	-	-	-	-	1,032,851	53,000

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ID	Description	Plan	Target Completion Date	Budget							TOTAL	General Fund	Street Fund	Capital Imp Fund	Tech & Equip Fund	Water Fund	Sewer Fund	Storm Water Fund	ST Mitigation	Park Impact Fees	1% for the Arts	Grant	Parks Levy	ARPA	King County Levy	Dept Rates	Other	
				2023	2024	2025	2026	2027	2028	2029																		
PA0100	Open Space Management	CRP	ONGOING	338,000	347,135	356,544	366,235	376,217	386,499	2,170,630			2,105,630										65,000					
PA0101	Recurring Parks Minor Capital	CRP	ONGOING	149,000	154,000	159,000	164,000	169,000	175,000	970,000			970,000															
PA0103	Trail Renovation and Property Management	CRP	ONGOING	54,000	56,000	58,000	60,000	62,000	64,000	354,000			354,000															
PA0104	Lake Water Irrigation Development	CFP	2025		82,000	141,000				223,000			223,000															
PA0107	Aubrey Davis Park Outdoor Sculpture Gallery Improvements Design	CRP	Q4 2024		33,000	68,000	198,000			299,000			124,000									100,000					75,000	
PA0108	Aubrey Davis Park Luther Lid Connector Trail	CFP	Q4 2024		164,000	853,450				1,017,450			1,017,450															
PA0109	Aubrey Davis Park Trail Safety Improvements	CRP	Q4 2023	385,000						385,000			10,000									375,000						
PA0110	Aubrey Davis Lid A Backstop Replacement	CRP	2028					96,000	689,000	785,000			785,000															
PA0111	Aubrey Davis Park Vegetation Management	CRP	ONGOING	117,000	121,000	125,000	129,000	133,000	137,000	762,000			117,000														645,000	
PA0112	Clarke Beach Shoreline Improvements	CRP	2025			2,814,000				2,814,000			1,814,000									1,000,000						
PA0115	Hollerbach SE 45th Trail System	CFP	2025		93,000	425,955				518,955			518,955															
PA0116	Island Crest Park South Field Lights Replacement and Turf Upgrade	CRP	2026		113,000		1,160,000			1,273,000			1,273,000															
PA0117	Island Crest Park Ballfield Backstops Upgrade & North Infield Turf Replacement	CRP	Q4 2023	1,255,000						1,255,000			1,049,000												206,000			
PA0122	Luther Burbank Dock and Waterfront Improvements	CRP	Q4 2024	928,300	6,597,300					7,525,600			3,666,600									3,859,000						
PA0123	Luther Burbank Minor Capital Levy	CRP	ONGOING	110,000	111,100	112,211	113,333	114,466	115,612	566,722			566,722										110,000					
PA0124	Luther Burbank Park Boiler Building Phase 1	CRP	Q4 2023	2,012,300						2,012,300			1,499,300									513,000						
PA0126	Mercerdale Park Master Plan	CRP	Q4 2023	200,000						200,000			200,000															
PA0129	Pioneer Park/Engstrom OS Forest Management	CRP	ONGOING	191,000	197,000	203,000	210,000	217,000	224,000	1,242,000			1,165,000										77,000					
PA0130	Roanoke Park Playground Replacement	CRP	Q4 2024	60,000	431,000					491,000			491,000															
PA0131	South Mercer Turf Replacement and Ballfield Backstops Upgrade	CRP	2025		245,000	3,010,000				3,255,000			2,955,000															
PA0132	Upper Luther Burbank Ravine Trail Phase 2	CFP	2026			113,000	261,000			374,000			261,000															
PA0133	MICEC Technology and Equipment Replacement	CRP	ONGOING	58,000	58,000	58,000	58,000	58,000	58,000	348,000	108,000		348,000														240,000	
PA0136	Luther Burbank Park South Shoreline Restoration	CRP	Q4 2023	575,000						575,000												169,000					406,000	
PA0138	Luther Burbank Swim Beach Renovation Design	CRP	2026		55,000	113,000	1,015,000			1,183,000			683,000									500,000						
PA0140	Aubrey Davis Mountains to Sound Trail Pavement Renovation	CRP	Q4 2024	101,000						101,000			101,000															
PA0141	Aubrey Davis Mountains to Sound Trail Connection at Shorewood	CFP	Q4 2024		82,000					82,000			82,000															
PA0142	Aubrey Davis Park Tennis Court Resurfacing/Shared-Use Pickleball	CRP	Q4 2024		121,000					121,000			63,000														58,000	
PA0143	Luther Burbank Park Tennis Court Renovation/Shared-Use Pickleball	CRP	Q4 2024	107,000	438,000					545,000			202,000									193,000					150,000	
PA0144	Luther Burbank Park Parking Lot Lighting	CRP	Q4 2023		133,000					133,000			133,000															
PA0145	Deane's Children's Park Playground Replacement Design	CRP	Q4 2023	226,000						226,000			226,000															
PA0146	South Point Landing General Park Improvements	CFP	Q4 2024		159,180					159,180			159,180															
PA0147	Roanoke Park General Park & ADA Improvements	CRP	2028					30,000	93,000	123,000			123,000															
PA0148	Aubrey Davis Park Intersection and Crossing Improvements	CRP	2028	80,000	83,000	86,000	89,000	92,000	95,000	525,000			525,000															
PA0149	Ellis Pond Aquatic Habitat Enhancement	CRP	Q4 2023	20,000						20,000							20,000											
PA0150	Spray Park Site Analysis	CFP	Q4 2023	50,000						50,000			50,000															
PA0151	Groveland Beach Dock Replacement & Shoreline Improvements	CRP	2026					4,180,000		4,180,000			3,500,000									680,000						
PA0152	Aubrey Davis MTS Trail Lighting from ICW to Shorewood	CRP	2027				58,000	299,000		357,000			357,000															
PA0153	Mercerdale Hillside Trail Renovation	CRP	2028					120,000	615,000	735,000			735,000															
PA0154	Wildwood Park ADA Perimeter Path & General Park Improvements	CRP	2027				58,000	180,000		238,000			238,000															
PA0155	Aubrey Davis Lid B Playground Replacement and ADA Parking	CRP	2027				232,000	836,000		1,068,000	107,000		961,000															
PA0156	Aubrey Davis Lid B Restroom and ADA Path	CFP	2027				232,000	1,195,000		1,427,000			1,070,250														356,750	
PA0157	Clarke and Groveland Beach Joint Master Plan	CFP	Q4 2023	300,000						300,000			300,000															
PA0158	First Hill Park Playground Replacement & Court Resurfacing	CRP	2026			87,000	329,000			416,000			416,000															
PA0159	Luther Burbank Park Amphitheater Renovation (Design Only)	CRP	2025			85,000				85,000																		
PA0160	MICEC to LBP Stair Replacement	CRP	2028					36,000	197,000	233,000			233,000															
PA0161	Secret Park Playground Replacement	CRP	2028					87,000	448,000	535,000			535,000															
PA0162	MICEC Parking Lot Planter Bed Renovation	CRP	2027					239,000		239,000			239,000															
PA0163	MICEC Generator for Emergency Use	CRP	2027					478,000		478,000			478,000															
PA0164	Systemwide Property Acquisition - Reserve	CFP	ONGOING			500,000	500,000			2,000,000			2,000,000															
PA0165	Bike Skills Area	CFP	Q4 2023	302,500						302,500			302,500															
PA0166	Luther Burbank Park Boiler Building Phase 2	CRP	2028					239,000	3,690,000	3,929,000			3,929,000															
51	<b>PARKS, RECREATION, &amp; OPEN SPACE TOTAL</b>			<b>7,752,100</b>	<b>9,740,715</b>	<b>9,368,160</b>	<b>5,232,568</b>	<b>9,497,683</b>	<b>3,797,111</b>	<b>45,388,337</b>	<b>108,000</b>	<b>107,000</b>	<b>34,877,587</b>					<b>20,000</b>			<b>656,750</b>	<b>85,000</b>	<b>7,389,000</b>	<b>252,000</b>		<b>933,000</b>		<b>960,000</b>

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ID	Description	Plan	Target Completion Date	2023	2024	2025	2026	2027	2028	TOTAL	General Fund	Street Fund	Capital Imp Fund	Tech & Equip Fund	Water Fund	Sewer Fund	Storm Water Fund	ST Mitigation	Park Impact Fees	1% for the Arts	Grant	Parks Levy	ARPA	King County Levy	Dept Rates	Other
SP0100	Residential Street Resurfacing	CRP	ONGOING	900,000	920,000	940,000	960,000	980,000	1,000,000	5,700,000		4,320,000			630,000	90,000	660,000									
SP0101	Arterial Preservation Program	CRP	ONGOING	75,000	77,000	78,000	80,000	82,000	83,000	475,000		415,000			12,000	30,000	18,000									
SP0104	North Mercer Way (7500 to Roanoke)	CRP	Q4 2023	616,000		-	-	-	-	616,000		428,000			105,000	8,000	75,000									
SP0106	Gallagher Hill Road Overlay (SE 36th to SE 40th Streets)	CRP	2025		77,000					587,000		484,000			35,000	8,000	60,000									
SP0107	SE 40th Street Overlay (88th Ave SE to Gallagher Hill Rd)	CRP	2025		51,000	365,000				416,000		402,000			10,000	2,000	2,000									
SP0110	SE 27th Street Overlay (76th Ave SE to 80th Ave SE)	CRP	Q4 2024		668,000					668,000		580,000			25,000	13,000	50,000									
SP0111	80th Ave SE Sidewalk Improvements (SE 27th to SE 32nd Street)	CRP	Q3 2023	1,376,000						1,376,000								1,376,000								
SP0112	78th Ave SE Sidewalk Improvements (SE 32nd to SE 34th Street)	CRP	2025		77,000	702,000				779,000								779,000								
SP0114	West Mercer Way Roadside Shoulders - Ph 4 (8100 WMW - 8400 EMW)	CFP	Q3 2024		693,820					693,820		438,820			85,000	5,000	165,000									
SP0115	Gallagher Hill Road Sidewalk Improvements (SE 36th to SE 40th Streets)	CFP	2025		102,000	409,330				511,330		511,330														
SP0116	SE 40th Street Sidewalk Improvements (Gallagher Hill to 93rd Ave)	CRP	2025		82,000	916,000				998,000		913,000			33,000	6,000	46,000									
SP0118	ADA Transition Plan Implementation	CRP	ONGOING	200,000	204,000		213,000		444,000	1,061,000		657,000						404,000								
SP0122	Minor Capital - Traffic Safety and Operations Improvements	CRP	ONGOING	100,000		104,000		108,000		312,000		312,000														
SP0123	North Mercer Way - MI P&R Frontage Improvements	CRP	2028		1,203,000					1,203,000								1,203,000								
SP0125	PBF Plan Implementation	CFP	ONGOING	100,000		104,000		108,000		312,000		312,000														
SP0126	West Mercer Way Resurfacing (SE 56th to EMW)	CRP	2028						2,150,000	2,150,000		1,850,000			50,000	125,000	125,000									
SP0127	SE 36th Street Overlay (Gallagher Hill Rd to EMW)	CRP	2025			611,000				611,000		508,000			45,000	8,000	50,000									
SP0128	North Mercer Way Overlay (8400 Block to SE 35th Street)	CRP	2026				800,000			800,000		622,000			95,000	8,000	75,000									
SP0131	SE 32nd Street Sidewalk Improvements (77th to 78th Ave. SE)	CRP	2025		51,000	274,000				325,000								325,000								
SP0132	East Mercer Way Roadside Shoulders - Ph 11 (SE 79th St. to 8400 block)	CFP	2026				531,000			531,000		383,000			62,000		86,000									
SP0133	Pedestrian & Bicycle Facilities Plan Update	CFP	2025				186,000	190,000		376,000		376,000														
SP0134	East Mercer Way Overlay (SE 36th Street to SE 40th Street)	CRP	2027					425,000		425,000		365,000			30,000		30,000									
SP0135	Island Crest Way Corridor Improvements	CFP	Q4 2024	382,000	1,140,035					1,522,035								1,522,035								
SP0136	77th Ave SE Channelization Upgrades (SE 32nd to North Mercer Way)	CRP	2026				53,000			53,000		53,000														
SP0137	Traffic Signal Safety Improvements	CRP	Q4 2024	30,000	155,000					185,000		3,000									182,000					
25	<b>STREETS, PEDESTRIANS, &amp; BICYCLE FACILITIES TOTAL</b>			<b>3,779,000</b>	<b>5,500,855</b>	5,013,330	2,823,000	1,893,000	3,677,000	22,686,185	-	13,933,150	-	-	1,217,000	303,000	1,442,000	5,609,035	-	-	182,000	-	-	-	-	-

ID	Description	Plan	Target Completion Date	2023	2024	2025	2026	2027	2028	TOTAL	General Fund	Street Fund	Capital Imp Fund	Tech & Equip Fund	Water Fund	Sewer Fund	Storm Water Fund	ST Mitigation	Park Impact Fees	1% for the Arts	Grant	Parks Levy	ARPA	King County Levy	Dept Rates	Other	
SU0100	Emergency Sewer System Repairs	CRP	ONGOING	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000						1,800,000											
SU0103	Easement, Access, Codes, and Standards Review	CRP	Q4 2024	150,000	150,000					300,000						300,000											
SU0108	Comprehensive Pipeline R&R Program	CRP	ONGOING	550,000	550,000	550,000	550,000	550,000	550,000	3,300,000						3,300,000											
SU0109	Sewer System Generator Replacement	CRP	ONGOING	200,000	200,000				50,000	450,000						450,000											
SU0113	SCADA System Replacement (Sewer)	CRP	Q4 2024	1,500,000	500,000					2,000,000						2,000,000											
SU0114	Sewer System Components	CRP	ONGOING	50,000	50,000	50,000	50,000	50,000	50,000	300,000						300,000											
SU0115	Sewer Pipe Replacements & Upsizing	CRP	Q4 2024	600,000						600,000						600,000											
SU0116	Comprehensive Inflow/ Infiltration Evaluation	CRP	2028				100,000	100,000	100,000	300,000						300,000											
SU0117	Pump Station Rehabilitation & Replacement Assessment	CRP	2025	300,000	300,000					600,000						600,000											
SU0119	Pump Station Accessibility Improvements	CRP	ONGOING			150,000	150,000	200,000	200,000	700,000						700,000											
SU0120	Pump Station & HGMH Flow Monitoring	CRP	ONGOING			300,000	300,000	300,000	300,000	1,200,000						1,200,000											
SU0121	Pipe Flow Monitoring	CRP	ONGOING			280,000	280,000	280,000	280,000	1,120,000						1,120,000											
SU0122	Lake Line Locating and Marking	CRP	2027			950,000	1,025,000	925,000		2,900,000						2,900,000											
SU0123	Lake Line Condition Assessment	CRP	2028						1,000,000	1,000,000						1,000,000											
SU0124	Comprehensive Hydraulic Model Development	CRP	2028					1,000,000	1,000,000	2,000,000						2,000,000											
SU0125	General Sewer Plan Update	CRP	2028					75,000	75,000	150,000						150,000											
SU0126	Shorecliff Ln & SE 24th Pipe Upsize	CRP	2026			60,000	360,000			420,000						420,000											
SU0127	Backyard Sewer System Improvement Program	CRP	ONGOING	130,000	120,000	130,000	120,000	130,000	120,000	750,000						750,000											
SU0128	Pump Station Rehabilitation & Replacement Improvements	CRP	ONGOING	150,000	950,000	800,000	150,000	950,000	800,000	3,800,000						3,800,000											
19	<b>SEWER UTILITY TOTAL</b>			<b>3,930,000</b>	<b>3,120,000</b>	3,570,000	3,385,000	4,860,000	4,825,000	23,690,000	-	-	-	-	-	23,690,000	-	-	-	-	-	-	-	-	-	-	

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ID	Description	Plan	Target Completion Date	2023	2024	2025	2026	2027	2028	TOTAL	General Fund	Street Fund	Capital Imp Fund	Tech & Equip Fund	Water Fund	Sewer Fund	Storm Water Fund	ST Mitigation	Park Impact Fees	1% for the Arts	Grant	Parks Levy	ARPA	King County Levy	Dept Rates	Other
SW0107	Sub basin 47.4 and Sub basin 10.4 Watercourse Stabilization	CRP	2026			58,289	307,150			365,439							365,439									
SW0109	Sub basin 24a.1 Watercourse Stabilization	CRP	Q4 2024	18,341	61,642					79,983							79,983									
SW0110	Sub basin 39a.2 Watercourse Stabilization	CRP	Q4 2024	17,272	43,640					60,912							60,912									
SW0111	Sub basin 46a.3 Watercourse Stabilization	CRP	Q4 2024	52,100	405,500					457,600							457,600									
SW0112	Sub basin 34.1 Watercourse Stabilization	CRP	2025		26,500	103,000				129,500							129,500									
SW0113	Sub basin 45b.4 Watercourse Stabilization	CRP	2025		30,719	93,047				123,766							123,766									
SW0114	Sub basin 29.3 Watercourse Stabilization	CRP	2025		49,266	129,665				178,931							178,931									
SW0115	Watercourse Stabilization - Sub-Basin 42.2, 42.3, 42.8, 42.8a	CRP	2026		97,006		378,523			475,529							475,529									
SW0116	Watercourse Stabilization - Sub-Basin 44b.3	CRP	2026			32,452	76,840			109,292							109,292									
SW0117	Watercourse Stabilization - Sub-Basin 32b.1 and 32.2	CRP	2026			53,600	170,250			223,850							223,850									
SW0118	Watercourse Minor Repairs and Maintenance	CRP	2025			111,300				111,300							111,300									
SW0127	Stormwater Trunkline Condition and Capacity Assessments	CRP	ONGOING	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000							1,500,000									
SW0128	Basin 18C Drainage Improvement	CRP	Q4 2023	185,000						185,000							185,000									
SW0129	Basin 25B Neighborhood Drainage Improvements	CRP	Q4 2023	173,000						173,000							173,000									
SW0130	Basin 32B - SE 72nd St Drainage Capacity Improvement	CRP	Q4 2024		189,330					189,330							189,330									
SW0131	Basin 42- SE 58th St Drainage Improvement at cul-de-sac	CRP	2025			77,000				77,000							77,000									
SW0132	Sub-Basin 22.1 Watercourse Stabilization - Final Design and Construction	CRP	Q4 2023	148,698						148,698							148,698									
SW0133	Sub-Basin 25b.2 Watercourse Stabilization - Final Design and Construction	CRP	Q4 2023	155,100						155,100							155,100									
SW0134	Emergency Stormwater Conveyance Repairs	CRP	ONGOING	50,000	50,000	50,000	50,000	50,000	50,000	300,000							300,000									
SW0135	Conveyance System Assessments (Basin Specific)	CRP	ONGOING	50,000	50,000	50,000	50,000	50,000	50,000	300,000							300,000									
SW0136	Conveyance System improvements (2027-2028)	CRP	2028					1,000,000	1,000,000	2,000,000							2,000,000									
SW0137	Street Related Storm Drainage Improvements	CRP	Q4 2024	100,000	100,000	100,000	100,000	100,000	100,000	600,000							600,000									
22	<b>STORM WATER UTILITY TOTAL</b>			<b>1,199,511</b>	<b>1,256,597</b>	<b>1,205,359</b>	<b>1,382,763</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>7,944,230</b>							<b>7,944,230</b>									

ID	Description	Plan	Target Completion Date	2023	2024	2025	2026	2027	2028	TOTAL	General Fund	Street Fund	Capital Imp Fund	Tech & Equip Fund	Water Fund	Sewer Fund	Storm Water Fund	ST Mitigation	Park Impact Fees	1% for the Arts	Grant	Parks Levy	ARPA	King County Levy	Dept Rates	Other	
WU0100	Emergency Water System Repairs	CRP	ONGOING	150,000	150,000	150,000	150,000	150,000	150,000	900,000					900,000												
WU0102	SCADA System Replacement (Water)	CRP	Q4 2023	75,000						75,000					75,000												
WU0103	Water Reservoir Improvements	CRP	Q4 2024	2,805,000	2,750,000					5,555,000					5,555,000												
WU0112	Water System Components Replacement	CRP	ONGOING	50,000	50,000	50,000	50,000	50,000	50,000	300,000					300,000												
WU0115	Water Modeling and Fire Flow Analysis	CRP	ONGOING	15,000	50,000	15,000	50,000	15,000	50,000	195,000					195,000												
WU0117	Meter Replacement Implementation	CRP	Q4 2024	3,850,000	3,005,000					6,855,000					6,855,000												
WU0120	First Hill Generator Replacement	CRP	Q4 2024	400,000	400,000					800,000					800,000												
WU0128	Reservoir Pump Replacement	CRP	Q4 2024	540,000	540,000					1,080,000					1,080,000												
WU0130	2023 Water System Improvements (First Hill, NMW, SE 37th PL SE 41st, & SE 42)	CRP	Q4 2023	4,684,000						4,684,000					4,684,000												
WU0131	2024 Water System Improvements (8600 Block SE 47th & SE 59th)	CRP	Q4 2024	373,000	2,082,000					2,455,000					2,455,000												
WU0132	2026 Water System Improvements (west Island - SE 37th PL & 5300 block WMW)	CRP	2026			89,000	498,000			587,000				587,000													
WU0133	2027 Water System Improvements (south end in Avalon neighborhood)	CRP	2027				352,000	1,970,000		2,322,000				2,322,000													
WU0134	2028 Water Main Replacement (south Towncenter and north of P & R)	CRP	2028					443,000	2,475,000	2,918,000				2,918,000													
WU0135	2024 AC Main Replacement (Gallagher Hill Rd, Greenbrier and SE 40th)	CRP	Q4 2024	479,000	2,680,000					3,159,000				3,159,000													
WU0136	2025 AC Main Replacement (Upper Mercerwood)	CRP	2025		1,040,000	5,822,000				6,862,000				6,862,000													
WU0137	2026 AC Main Replacement (3800 Block East Mercer Way)	CRP	2026			451,000	2,529,000			2,980,000				2,980,000													
WU0138	2027 AC Main Replacement (Lower Mercerwood)	CRP	2027				576,000	3,227,000		3,803,000				3,803,000													
WU0139	2028 AC Main Replacement (SE 40th to SE 36th and 97th Ave to EMW)	CRP	2028					289,000	1,616,000	1,905,000				1,905,000													
WU0140	Pressure Reducing Valve Station Replacements	CRP	ONGOING	395,000	2,025,000	2,025,000	395,000	2,025,000	-	6,865,000				2,420,000									4,445,000				
WU0141	Street Related Water System Improvements	CRP	ONGOING	150,000	150,000	150,000	150,000	150,000	150,000	900,000					900,000												
WU0142	Emergency Well #2 Site Evaluation	CRP	Q4 2024		45,000					45,000				45,000													
21	<b>WATER UTILITY TOTAL</b>			<b>13,966,000</b>	<b>14,967,000</b>	<b>8,752,000</b>	<b>4,750,000</b>	<b>8,319,000</b>	<b>4,491,000</b>	<b>55,245,000</b>					<b>50,800,000</b>									<b>4,445,000</b>			
166	<b>TOTAL</b>			<b>\$ 36,487,896</b>	<b>\$ 38,022,036</b>	<b>\$ 30,572,898</b>	<b>\$ 20,948,361</b>	<b>\$ 31,147,194</b>	<b>\$ 22,499,007</b>	<b>\$ 179,677,490</b>	<b>\$ 253,106</b>	<b>\$ 14,203,150</b>	<b>\$ 50,597,147</b>	<b>\$ 691,188</b>	<b>\$ 52,359,256</b>	<b>\$ 24,184,738</b>	<b>\$ 9,633,505</b>	<b>\$ 5,609,035</b>	<b>\$ 656,750</b>	<b>\$ 85,000</b>	<b>\$ 7,571,000</b>	<b>\$ 252,000</b>	<b>\$ 4,445,000</b>	<b>\$ 933,000</b>	<b>\$ 6,983,117</b>	<b>\$ 1,220,500</b>	

## V. CAPITAL FACILITIES GOALS AND POLICIES

Together with the City's Management and Budget Policies contained in the City's budget (and Capital Improvement Program), the following goals and policies guide the acquisition, maintenance, and investment in the City's capital assets.

### GOAL 1:

Ensure that capital facilities and public services necessary to support existing and new development are available at locally adopted levels of service.

- 1.1 The Capital Improvement Program (CIP) shall identify and plan for projects needed to maintain adopted levels of service for services address existing and projected infrastructure deficiencies, and support planned growth consistent with the Comprehensive Plan provided by the City.
- 1.2 The City shall schedule capital improvements in accordance with the adopted six-year CIP. From time to time, emergencies or special opportunities may be considered that may require rescheduling projects in the CIP.
- 1.3 The CIP shall be developed in accordance with the requirements of the Growth Management Act and consistent with the Capital Facilities Element of the City's Comprehensive Plan.
- 1.4 If projected expenditures for needed capital facilities exceed projected revenues, the City shall re-evaluate the established service level standards and the Land Use Element of the Comprehensive Plan, seeking to identify adjustments in future growth patterns and/or capital investment requirements.
- 1.5 Within the context of a biennial budget, the City shall update the six-year CIP every two years. The CIP, as amended biennially, is adopted by reference as Appendix B of this Comprehensive Plan.
- 1.6 The City's two-year capital budget shall be based on the six-year CIP.
- 1.7 The Capital Facilities Element shall be periodically updated to identify existing and projected level of service deficiencies and their public financing requirements based on projected population growth. Capital expenditures for maintenance, upgrades, and replacement of existing facilities should be identified in the biennial budget and six-year CIP.
- 1.8 The City shall coordinate the development of the capital improvement budget with the general fund budget. Future operation costs associated with new capital improvements should be included in operating budget forecasts.
- 1.9 The City shall seek to maintain its assets at a level adequate to protect capital investment and minimize future maintenance and replacement costs.
- 1.10 The highest priority for funding capital projects should be improvements that protect public health and safety.
- 1.11 The City will adopt a Hazard Mitigation Plan. This Plan will be updated periodically and shall guide City efforts to maintain the reliability of key infrastructure and address vulnerabilities and potential impacts associated with natural hazards.
- 1.12 Maintenance of and reinvestment in existing facilities should be financed on a "pay as you go" basis using ongoing revenues.

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- 1.13 Acquisition or construction of new capital assets should be financed with new revenues (such as voter- approved taxes or external grants).
- 1.14 Water, sanitary sewer, and stormwater capital investments of less than \$2,000,000 in value should be financed through utility user fees.
- 1.15 Coordinate with other entities that provide public services within the City to encourage the consistent provision of adequate public services.
- 1.16 The City shall monitor utility system capacity and coordinate capital investments as necessary to maintain reliable water, sewer, and stormwater service levels concurrent with planned growth and changing development patterns.
- ~~1.1617~~ Develop and adopt new impact fees, or refine existing impact fees, in accordance with the Growth Management Act as part of the financing for public facilities. Public facilities for which impact fees may be collected shall include public streets and roads; publicly owned parks, open space, and recreation facilities; school facilities; and City fire protection facilities.
- ~~1.1718~~ In accordance with the Growth Management Act, impact fees shall only be imposed for system improvements that are reasonably related to the new development; shall not exceed a proportionate share of the costs of system improvements reasonably related to the new development; and shall be used for system improvements that will reasonably benefit the new development.
- ~~1.1819~~ The City adopts by reference the "standard of service" for primary and secondary education levels of service set forth in the Mercer Island School District's capital facilities plan, as adopted and periodically amended by the Mercer Island School District Board of Directors.
- ~~1.1920~~ Adopt the Mercer Island School District's capital facilities plan and its successors by reference for the purpose of providing a policy basis for the collection of school impact fees.
- ~~1.2021~~ To the extent possible, where reasonable and consistent with fiscal sustainability, City operations should be optimized to minimize carbon footprint impacts, especially with respect to energy consumption, onsite generation, waste reduction, and procurement. New Capital Facilities should incorporate and encourage the sustainable stewardship of the natural environment, consider the benefit of creating cutting-edge demonstration projects, and favor options with the lowest feasible carbon footprint and greatest carbon sequestration potential. The City's commitment to adopting GHG emission reduction targets as part of its membership in the K4C should be considered.
- ~~1.2122~~ City procurement should include consideration of total lifecycle costs, recycled content, and other common measures of product sustainability.
- ~~1.2223~~ Operate City facilities in an energy-efficient manner, and opportunities for improvement are implemented when feasible. New City facilities should explore meeting public and private-sector sustainable building certification standards, such as the 'BuiltGreen' system and the Leadership in Energy and Environmental Design (LEED) system, both required by City Code for all multi-family and commercial construction in Town Center.
- ~~1.2324~~ Parks and Open Space Capital Facilities — Identify measures to reduce carbon footprint and GHG emissions when planning projects, favoring options with the lowest feasible carbon footprint and greatest carbon sequestration potential. Implement sustainability

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measures identified within the Parks, Recreation and Open Space (PROS) Plan, including special attention to direct sustainability measures, such as tree retention, preservation and restoration of habitat areas, establishment of climate-resilient landscapes, minimized use of chemicals, and reductions in energy and fuel use.

- 1.2425 Implement proposed projects in the City's Pedestrian and Bicycle Facilities Plan (PBF), emphasizing quick and affordable early fixes that demonstrate the City's progress in providing safe alternative transportation modes to the public.
- 1.2526 Establish goals, policies, and strategies for parks and open space facilities in the Parks, Recreation, and Open Space (PROS) Plan.
- 1.2627 Coordinate with the Mercer Island School District to the extent it is practical to seek economies of scale available through shared facilities.
- 1.2728 Adopt the Americans with Disabilities Act (ADA) Transition Plan and its successors by reference.
- 1.2829 Adopt the Comprehensive Basin Review and its successors by reference.

**GOAL 2:**

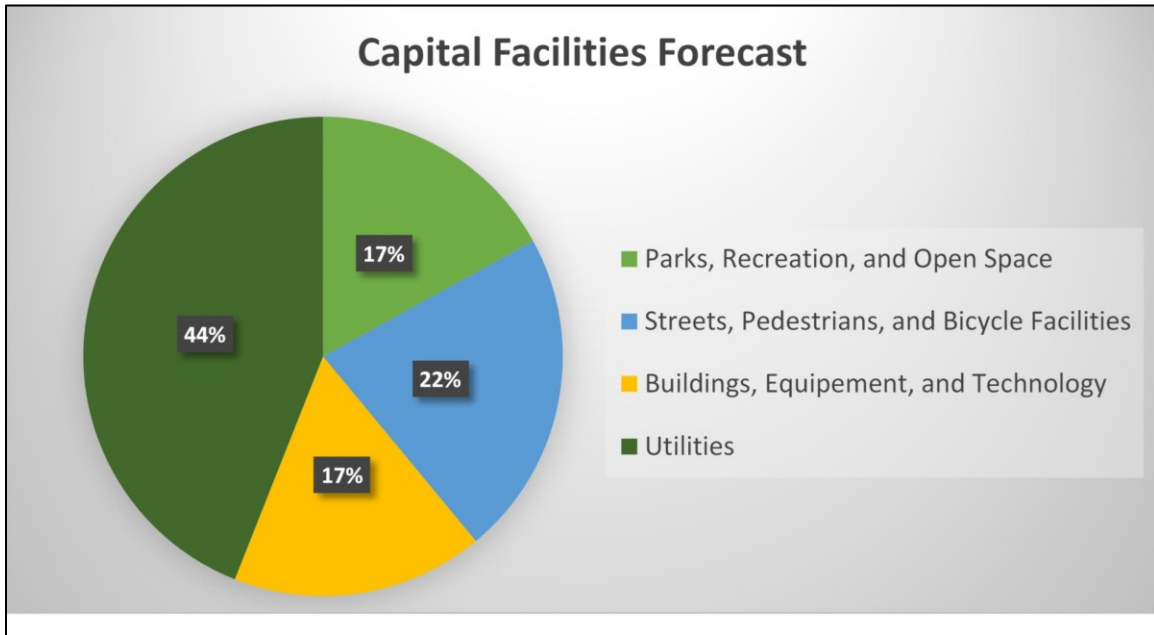
Aging or obsolete public buildings are renovated, retrofitted, and replaced on Mercer Island, ensuring continuity of essential City Services.

- 2.1 Complete the design and secure funding for developing the new Public Safety and Maintenance building.
- 2.2 Provide modern, safe, energy- efficient, and high-quality facilities for the delivery of city services.
- 2.3 Centralize customer service functions to ensure easy and convenient community access to all City services.
- 2.4 Provide Level IV facilities for public safety and maintenance teams that ensure continuity of services during an emergency response. Co-locate work groups who often respond and operate together during an emergency.
- 2.5 Protect the City's fleet by providing covered and secure parking. Provide on-site mechanical facilities to maintain 24/7 response.
- 2.6 Design new facilities so common spaces can be shared, avoiding the costly duplication of identical spaces at other locations on the Island.
- 2.7 Incorporate sustainable practices in designing, renovating, repairing, and replacing City facilities. Plan for the electrification of the City's fleet.
- 2.8 Complete facility conditions assessments for all City facilities, establishing long-term asset repair and replacement schedules. Facility conditions assessments should be reviewed and updated every 7 to 10 years.

## VI. CAPITAL FACILITIES FINANCIAL FORECAST

In analyzing the City's existing and projected expenditure and revenues for its capital facilities, in light of the City's established levels of service standards (LOS) and capital financing policies (city budget), a sustainable 20-year forecast emerges. Figure 2 and Table 3 below shows the 20-year impacts of capital investments for the City's infrastructure.

**Figure 2 Capital Facilities Forecast**



Mercer Island Comprehensive Plan  
Element 6 – Capital Facilities

**Table 3 Capital Facilities Forecast\***

		Streets and Trails (PBF)	Parks & Open Space	Public Buildings	Water	Sewer	Storm Drainage	Total
<b>CAPITAL COSTS</b>	20-year est. capital expenditures	60,300,600	43,613,471	19,039,743	121,593,481	26,280,635	28,072,472	298,900,402
<b>REVENUE SOURCES</b>	REET 1		28,564,570	14,644,728				43,209,298
	REET 2	43,209,298						43,209,298
	Grants	1,000,000	3,292,500	3,292,500			150,000	7,735,000
	Fuel Taxes	7,081,833						7,081,833
	Water Rates				247,137,290			247,137,290
	Sewer Rates					216,381,050		216,381,050
	Storm Rates						50,135,809	50,135,809
	Levy		458,000					458,000
	Debt			1,560,000				1,560,000
	TBD	7,000,000						7,000,000
Other	2,009,469	14,410,753	2,835,015				19,255,237	
Estimated Total Revenue		60,300,600	46,725,823	22,332,243	247,137,290	216,381,050	50,285,809	643,162,815
Difference (Revenue minus estimated expenditures)		-	3,112,352	3,292,500	125,543,809	190,100,415	22,213,337	344,262,413

\*Note: the City is currently evaluating the estimated cost and projected revenue source(s) to replace the City Hall and Public Works buildings. The City is also evaluating the cost of improvements to the sewer and water systems necessary to support implementation of Phase 1 of the Station Subarea Plan.

## VII. PROCESS FOR SITING PUBLIC FACILITIES

### BACKGROUND STATE & COUNTY

The Growth Management Act requires jurisdictions planning under its authority to develop and adopt a process for identifying and siting essential public facilities, including those typically difficult to site.

The State Office of Financial Management maintains a list of those essential state facilities that are required or likely to be built within the next six years. The list includes airports; state education facilities; state or regional transportation facilities; state and local correctional facilities; solid waste handling facilities; in-patient facilities including substance abuse facilities, mental health facilities and group homes; wastewater treatment facilities; utility and energy facilities; and parks and recreation facilities.

King County policies also identify the parameters for the siting of new public capital facilities of a county- or statewide nature. The facilities shall be sited to support countywide land use patterns, support economic activities, mitigate environmental impacts, provide amenities or incentives, and minimize public costs. Public facilities development projects must also be prioritized, coordinated, planned, and sited through an inter- jurisdictional process.

Interstate 90 represents the community's largest essential public facility of a regional or statewide nature. Given the lack of available land, the residential nature of Mercer Island, and the comparatively high land and development costs, future siting of major regional or state facilities on Mercer Island is most likely unrealistic and incompatible with existing land uses.

### MERCER ISLAND FACILITIES

At the local level, the City of Mercer Island identifies facilities as essential to the community: public safety facilities (fire and police), general administration and maintenance (City Hall), Public Works operations (Public Works Building), public library, public schools, and facilities housing human services and recreation/community service programs. These facilities are not generally classified as "essential public facilities" as they do not have the same level of regional importance or difficulty in siting. Though not "essential" under GMA, these public facilities provide public services that are important to the quality of life on Mercer Island and should be available when and where needed.

The City of Mercer Island employs many methods in planning and siting public facilities, including land use codes, environmental impact studies, and compliance with state and federal regulatory requirements. In addition, the Transportation, Utilities and Capital Facilities Elements of the Comprehensive Plan identify existing and future local public facilities and require substantial public involvement in the siting of those facilities.

However, because the vast majority of Mercer Island's available land (over 95 percent) has been developed for residential uses, it becomes problematic to site most public facilities that are generally regarded as not compatible with residential land uses.

In the past, siting local public or human services facilities has produced a wide range of responses within the community. Community acceptance is a significant issue and nearly always has a strong influence on final site selection. Developing a basic framework for community involvement early in the facility development process clearly enhances the whole siting process. The City should establish a public participation plan that involves the community during the siting and development processes and, if necessary, after operations begin at the facility.

The most effective facilities siting approaches, in large part, include early community notification and ongoing community involvement concerning both the facilities and the services provided at the site. These strategies create opportunities to build cooperative relationships between the City, the adjacent neighbors, and the broader community who use the services. They also help to clearly define the rights and responsibilities of all concerned.

### **POLICIES FOR SITING PUBLIC FACILITIES AND ESSENTIAL PUBLIC FACILITIES**

The purpose of the Essential Public Facilities Siting Process is to ensure that public services are available and accessible to Mercer Island and that the facilities are sited and constructed to provide those services in a timely manner. Site selection is an important component in facilities development and should occur within a process that includes adequate public review and comment and promotes trust between City and the community.

- 3.1 Essential public facilities should be sited consistent with the King County Countywide Planning Policies.
- 3.2 Siting proposed new or expansions to existing essential public facilities shall consist of the following:
  - 3.2.1 An inventory of similar existing essential public facilities, including their locations and capacities;
  - 3.2.2 A forecast and demonstration of the future need for the essential public facility;
  - 3.2.3 An analysis of the potential social and economic impacts and benefits to jurisdictions receiving or surrounding the facilities;
  - 3.2.4 An analysis of the proposal's consistency with County and City policies;
  - 3.2.5 An analysis of alternatives to the facility, including decentralization, conservation, demand management, and other strategies;
  - 3.2.6 An analysis of alternative sites based on siting criteria developed through an inter-jurisdictional process;
  - 3.2.7 An analysis of environmental, climate change, and health impacts and mitigation; and
  - 3.2.8 Extensive public involvement consistent with the Public Participation Principles outlined in the Introductory section of the Comprehensive Plan.
- 3.3 Local public facility siting decisions shall be consistent with the Public Participation Principles outlined in the Introductory section of the Comprehensive Plan.
- 3.4 Local public facility siting decisions shall be based on clear criteria that address (at least) issues of service delivery and neighborhood impacts.
- 3.5 City departments shall describe efforts to comply with the Essential Public Facilities Siting process when outlining future capital needs in the Capital Improvements Program budget.
- 3.6 City departments shall develop a community notification and involvement plan for any proposed capital improvement project involving new development or major reconstruction of an existing facility, which has been approved and funded in the biennial Capital Improvement Program budget.

## Element 8 – Economic Development

### I. INTRODUCTION, EXISTING CONDITIONS, AND LAND USE CONNECTIONS

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

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

**Figure 16 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

Mercer Island Comprehensive Plan  
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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
<b>Educational services, and health care and social assistance:</b>	<b>1,421</b>	<b>16.48%</b>	<b>71,467</b>
Educational services	584	6.77%	55,724
Health care and social assistance	837	9.71%	89,688
<b>Arts, entertainment, and recreation, and accommodation and food services:</b>	<b>305</b>	<b>3.54%</b>	<b>25,052</b>
Arts, entertainment, and recreation	154	1.79%	11,678
Accommodation and food services	151	1.75%	28,370
<b>Other services, except public administration</b>	<b>157</b>	<b>1.82%</b>	<b>33,750</b>
Public administration	257	2.98%	67,745

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

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

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

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

The Mercer Island population is well-educated. A little more than 82 percent of residents over the age of 25 have completed a college degree, having earned an associate’s degree or higher educational attainment. For comparison, about 64 percent of the population over 25 in King County have an associate’s degree or higher educational attainment. Figure 17-4 shows the educational attainment for the Mercer Island population aged 25 or older.

**Figure 17-4: 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%
<b>Total</b>	<b>18,117</b>	<b>100%</b>

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

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 for growing its economy by attracting off-island customers and capital from the surrounding area. King County’s median household income is the highest in the

Puget Sound region and Washington overall. Figure 18 ~~Table 3~~ shows the 2021 median household incomes for Washington State and selected Puget Sound counties.

**Figure 18 ~~15~~: Estimated ~~2021-2024~~ Median Household Income in the Last 12 Months, Washington State and Selected Puget Sound Counties.**

Location	Median Income (Dollars)
Washington State	\$ <del>84,247</del> <u>98,141</u>
King	\$ <del>110,586</del> <u>124,746</u>
Kitsap	\$ <del>87,314</del> <u>104,158</u>
Pierce	\$ <del>85,866</del> <u>99,564</u>
Snohomish	\$ <del>100,042</del> <u>111,246</u>

Source: 2021 American Community Survey Table S1903.

### MERCER ISLAND COMMERCIAL AREAS

The City of Mercer Island has three commercial areas. These areas have been zoned for commercial uses since the City was 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 developments and newer mid-rise mixed-use buildings. A commercial area in the northeast of the island near City Hall 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 with a 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.

#### Town Center

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 recent developments have been mixed-use developments combining first floor commercial space and parking with residential uses on the upper floors. Older development in Town Center is a lower-intensity, one-story, ‘strip mall’ development with surface parking in front of the commercial space.

#### Northeast Commercial Area

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

### South End Commercial Area

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

### LAND USE CONNECTION

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

Each of the three commercial areas is regulated differently, with the built environment reflecting those variations. The ~~Town-Center~~ Station Area zones allow the highest intensity of development, and midrise mixed-use structures are the principal form of new commercial development in that area. The northeast commercial area is zoned for office and service uses as opposed to other commercial uses. It was largely developed forty years ago and has not seen the same degree of recent development as Town Center. The south end commercial area is zoned for a mix of small- scale, neighborhood-oriented business, office, service, public, and residential uses. The three commercial areas are mostly developed, so absent rezoning, most new commercial development in the City will likely come through redevelopment of existing commercial buildings.

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

### RELATIONSHIP TO OTHER COMPREHENSIVE PLAN ELEMENTS AND OTHER PLANS

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

#### Housing Element

Housing indirectly impacts the local economy because it affects the local business customer base and labor force. Housing on Mercer Island primarily consists of detached single-family homes, which contributes to the unique Island neighborhood character. Multifamily development is largely limited to the area in and around Town Center. Housing has several effects on the local economy. Higher- cost housing can attract higher- income residents and customers for local businesses. On the other hand, high housing costs may limit the ability of some workers to afford to live in the City, leading to increased

commuting and potentially limiting a business’s ability to hire. Higher-cost housing can attract higher-income residents and customers for local businesses, though higher cost housing may depress financial resources and reduce customer spending overall, including at Island businesses. Less expensive multifamily housing may attract residents in and near the Town Center who are more likely to choose not to own a car and may be more likely to shop locally than those in detached single-family housing. The quantity of multifamily housing available may correlate with the market for the basics of everyday living and experiences such as dining out.

### **Transportation Element**

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

### **Utilities Element**

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

### **Capital Facilities Element**

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

### **Shoreline Master Program**

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

### **Other Plans**

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

- **Station Subarea Plan** – Establishes a community vision, goals, and policies for the area around the Sound Transit Mercer Island Link light rail station, as required by Multicounty Planning Policy DP-22 and RCW 36.70A.840.
- **The Arts and Cultural Plan** – Directs the provision of artistic and cultural infrastructure that draws residents and shoppers to commercial areas. Artistic and cultural infrastructure and events in the community improve the quality of life. Well executed, they can attract local and off-island residents to commercial areas where they may be more likely to shop. Arts and culture infrastructure and events may also attract workers to the Island, who, in addition to contributing to the employment base, may shop here.
- **The Pedestrian and Bicycle Facilities Plan** – Establishes strategies for maintaining and improving pedestrian and bicycle infrastructure to provide multimodal connections throughout the City.
- **Parks, Recreation and Open Space Plan** – Plans for the maintenance, improvement, and development of parks, open space, trails, and recreational facilities.
- **Climate Action Plan** – Establishes the strategies the City will use to reduce greenhouse gas emissions and address the impacts of climate change.
- **Capital Improvement Program** – Lists the capital investments the City will make through 2044.
- **Transportation Improvement Program** – Lists the Transportation Element implementation projects the City will undertake throughout the life of the Comprehensive Plan.

#### Employment Growth Target

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

#### STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

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

### Strengths

Strengths are the cornerstones of the economy. These are the aspects of the local economy that are advantageous for economic growth. Strengths are factors that contribute to the prosperity, environment, and social cohesion of the City and, as such, represent topic areas the City can support or expand to overcome weaknesses and threats. Some of the principal strengths identified are listed and discussed below.

#### High Quality of Life

The high quality of life on Mercer Island is a considerable strength. The Island’s parks, open space, high-quality public schools, safe and walkable neighborhoods, and cultural amenities help attract new businesses and workers alike. Community input gathered during the drafting of this element often pointed to the high quality of life in Mercer Island as an asset the City can build upon to strengthen the local economy. Quality of life may also serve as a draw for off-island visitors to patronize local businesses. Since this high quality of life is a considerable strength, it must be protected.

#### High-Income Residents

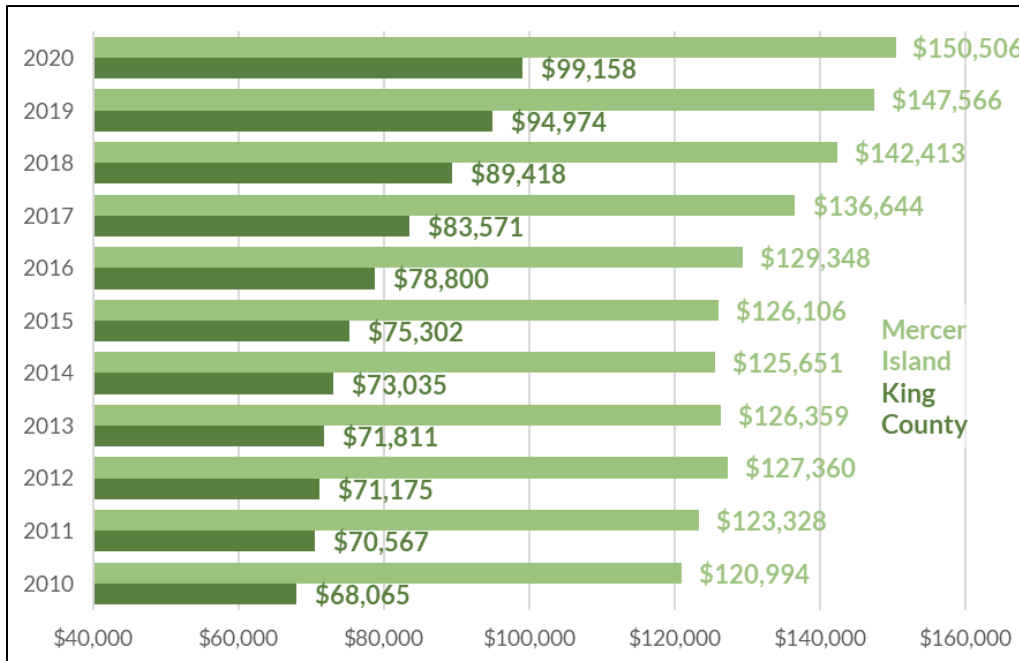
Another key strength is the relatively high income of Mercer Island residents. During the public input process, business owners pointed out that the spending power of the Mercer Island community helped with the initial success of businesses. In 2021, the median household income for Mercer Island was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

Figure 1916: 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.

**Figure 2017: Median Household Income by Year, Mercer Island, 2010 to 2020**



Source: Economic Analysis, Appendix F.

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.

**Location of the City**

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 a 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.

**Weaknesses**

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

### Permitting and Regulatory Environment

Permitting challenges, difficulty navigating the development code, and protracted permitting processes can increase financial risk when starting a new business or expanding an existing one. This increased financial risk can adversely impact business formation and retention. Public input indicated that the City's development code and permitting processes can be complicated and make starting a business more difficult. Permit fees and the time spent on permit review are also challenging factors related to starting a new business. As the City considers permit fees, impact fees, and other regulatory requirements, it can assess how those changes might add to or reduce the cost of starting a new business. The City can address this weakness by auditing its regulations and permit processes to ensure that they do not unnecessarily restrict or complicate the process of starting or expanding a business. Another way for the City to address this weakness is to engage the business community in the legislative process.

### Business Climate and Culture

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

### Lack of Visitor Customer Base

Public input gathered during the drafting of this element highlighted low numbers of off-island customers as a weakness. Many comments suggested that Mercer Island businesses sometimes struggle to connect with customers outside the City. Given the City's location near large metropolitan cities, there is a large off-island customer base to draw from and attract. To begin addressing this weakness, the City can explore opportunities to support the business community and community organizations such as the Chamber of Commerce to reach customers outside of Mercer Island. The opening of the light rail station, anticipated in 2025, may also be a factor in growing the off-island customer base.

### Affordability and Availability of Commercial Space

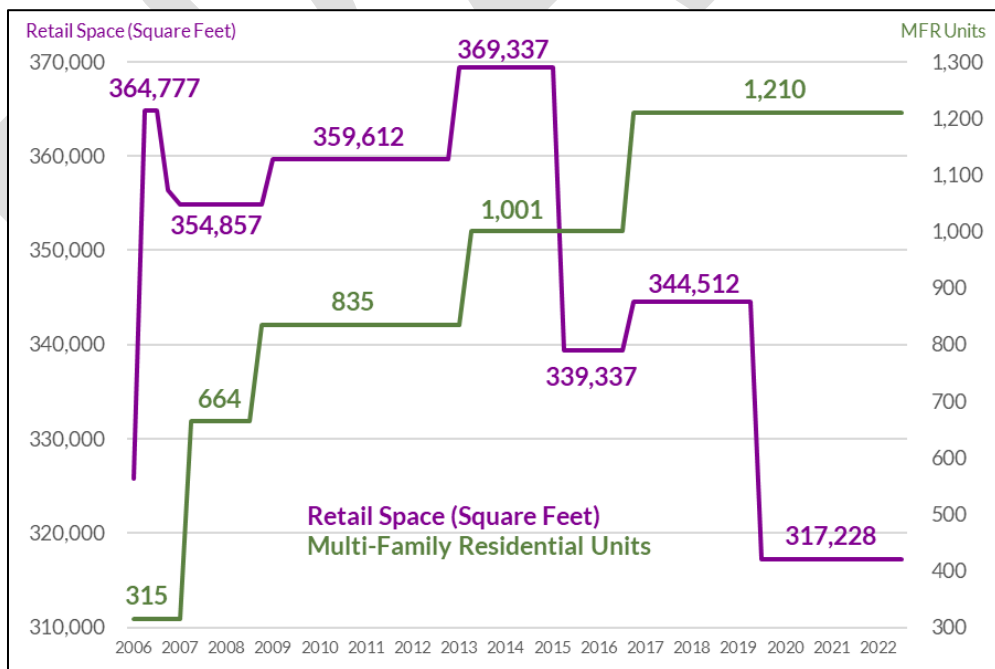
The lack of commercial space in the City and its cost can be a challenge for new business formulation and expansion of existing businesses. Under the current zoning, commercial activities are largely limited to three areas in the City. The largest of these areas, Town Center, is a mixed-use area where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

The City's future land use map in the Land Use Element and the zoning that implements that policy framework limits the areas where commercial uses are allowed to the Town Center, the planned

business zone, and the commercial-offices zone. The size of commercial zones can influence the cost and availability of commercial real estate. If the area available for commercial development is not large enough to accommodate the projected growth, prices can rise, and businesses can have trouble finding available spaces as supply reduces. The City must monitor the size of its commercial areas to ensure that the supply of developable commercial land is not so restricted that it limits opportunities for development. This is why the GMA includes a requirement to plan for projected growth by adopting an employment growth target. The employment growth target is derived from the projected population increase through the planning period. By setting an employment growth target and ensuring the Comprehensive Plan can accommodate that target, the City can ensure that commercial areas are sized appropriately.

Figure 21 compares the change in commercial square footage and residential units in the Town Center between 2006 and 2022. The retail space referred to in the figure is commercial storefronts that could be retail or restaurant space. From 2006 to 2022, the multifamily residential units increased by 895 units to a total of 1,210 (Figure 1). In that same period, the square footage of commercial space initially increased to a peak of about 369,000 square feet in 2013, before decreasing to about 317,000 square feet in the third quarter of 2019. This may be the result of a demolished building at 2431-2441 76th Ave SE. Although all development in Town Center is interconnected due to the mixed-use zoning in the area, this data does not mean that the amount of commercial space and number of residential units in Town Center are proportional or causal. From 2006 to 2022, the amount of commercial space has decreased by approximately 2.5% while the number of multifamily residential units has increased by nearly 75%.

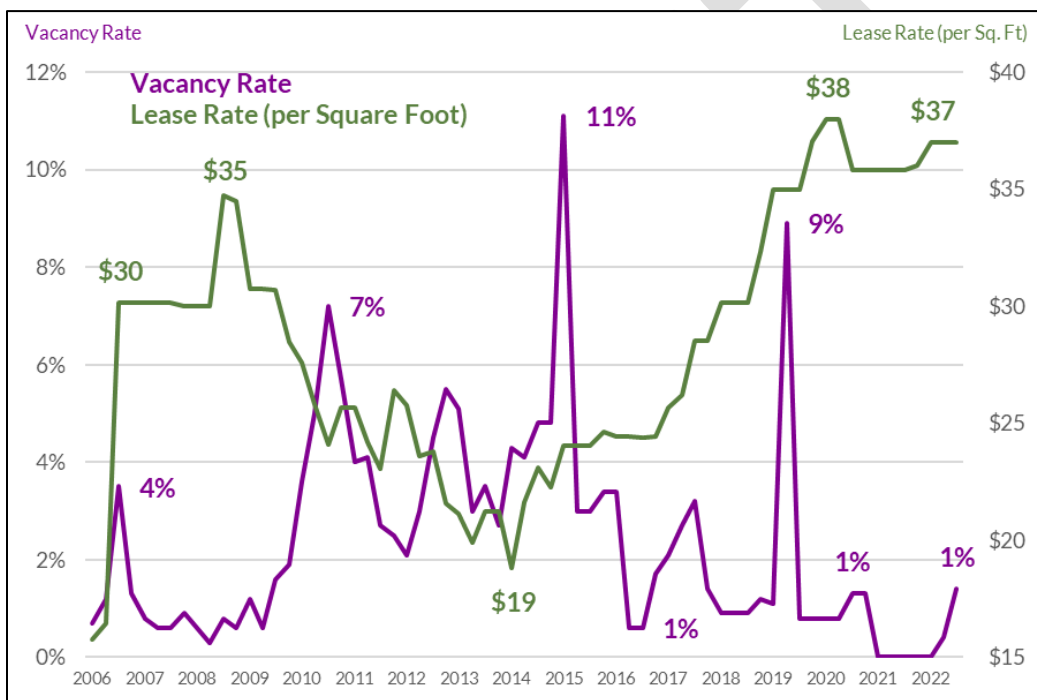
**Figure 21 18: Change in Retail Space and Multifamily Residential Units, Town Center, 2006 to 2022**



Source: Economic Analysis, Appendix F.

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

Figure 2219: Retail Annual Lease Rate and Vacancy Rate, Town Center, 2006 to 2022



Source: Economic Analysis, Appendix F.

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

### Opportunities

Opportunities are foreseeable changes that can give the City’s economy a stronger competitive advantage in the coming years. Compared with strengths and weaknesses, which come from existing

conditions, opportunities are anticipated future events or conditions. Similar to strengths, opportunities are topic areas the City can focus on to support economic growth and maximize probable positive developments in the local economy.

#### Additional Transportation Connections

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

#### Arrival of a Large Employer in Town Center

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

#### More Islanders Working From Home

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

#### More Middle Housing

Recent state legislation requires encouraging more middle housing, most of it in and near the Town Center. Residents of this housing will be located near the commercial area and will be more likely to shop locally. The arrival of more residents in these locations will likely spur economic development.

### Threats

Threats are external events or factors that have the potential to impede, slow, or otherwise negatively affect economic growth. Whereas weaknesses are existing conditions in the City that might challenge growth, threats are potential future concerns. Threats are topic areas where the City can focus on preparing for possible challenges and building resilience in the local economy.

### Economic Uncertainty

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

### The Changing Nature of Retail

Retail commerce is undergoing a transition as online retailers compete with brick-and-mortar stores. This change appears to have been accelerated during the pandemic as more shoppers opted to order goods online. Comments indicate that this could mean that retail will need to focus more on location-specific or experiential retail to differentiate their goods and services from those more readily available in online marketplaces. Some comments proposed a shop local campaign and adaptive reuse regulations for commercial spaces as possible measures to help local businesses respond to changes in demand.

### Affordability in the Region

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

Housing affordability can impact workforce availability. Labor is an important input for local businesses. As housing prices increase, filling middle and lower wage positions can potentially become more difficult as many workers commute from outside the City. In 2019, 87 percent of workers employed on Mercer Island live outside the City. Only about 13 percent of workers employed in the City also live on Mercer Island. On the other hand, 91 percent of workers living on Mercer Island commuted to jobs outside the City in 2019. Figure 23 ~~Table 5~~ shows the inflow and outflow of Mercer Island workers as tracked by the U.S. Census Bureau in 2019.

**Figure 2320: Worker Inflow and Outflow, 2019**

	Count	Share
<b>Workers Employed in Mercer Island</b>		
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%
<b>Workers Living in Mercer Island</b>		
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%

Source: U.S. Census Bureau on the Map, 2019.

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

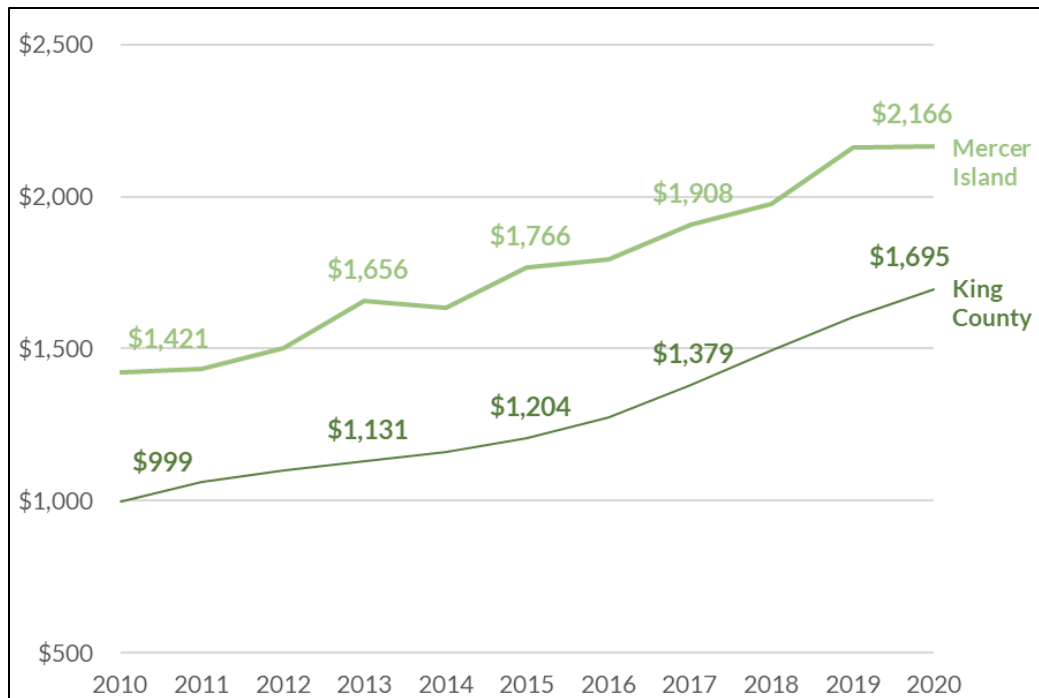
**Figure 2421: Mercer Island Jobs by Earnings, 2019**

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

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

While many jobs on Mercer Island pay relatively lower wages, the cost of housing is rising. Figure 25Figure 4 shows that in 2020, the median rent in Mercer Island was \$2,166 a month. Assuming that housing costs should not exceed 30 percent of a household’s income, this would require a monthly income of roughly \$7,220 or \$86,640 annually to be affordable. Expanding to the county level, the 2020 median rent in King County was \$1,695. The King County median rent would require a monthly income of about \$5,650 or \$67,800 annually to be affordable. As highlighted earlier, many jobs on Mercer Island pay \$40,000 a year or less. If rent outpaces wage growth, many workers may choose to live or work in more affordable cities or regions. Difficulty in attracting workers can hinder economic growth as greater competition for workers can drive up wages and costs to businesses. The City is taking actions such as increasing mid-rise residential development capacity and establishing inclusionary zoning in the Town Center zone to address housing affordability both island-wide and within the Station Subarea. Continued attention to housing affordability can help to mitigate and address this threat to economic development.

Figure 2522: Median Rent, Mercer Island and King County, 2010 to 2020



Source: Economic Analysis, Appendix F.

#### Displacement During Redevelopment

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

#### Climate Change

Climate change has the potential to have negative effects on the economy. Business establishment and success, as well as customer spending patterns, may be affected. Though many of the impacts of climate change may be out of the control of local government, Mercer Island should implement and market the success of climate mitigation and adaptation strategies included in the Climate Action plan to attract businesses and shoppers. Businesses may want to locate where they can minimize their impact on the climate and where their employees may be more comfortable. Shoppers may seek to shop in ways and for products that reduce climate impact, which may include increased prioritization of shopping locally.

## II. GOALS AND POLICIES

*As per GMHB Order 25-3-0003, Issue #3, the City of Mercer Island must adopt a subarea plan for the area around the Link light rail transit station. As part of this effort, existing Economic Development Element goals and policies regarding Town Center and transit-oriented development have been relocated to the draft Station Subarea Plan. (Multicounty Planning Policy DP-22 and RCW 36.70A.840)*

### Partnerships

- Goal 1:** The City establishes and maintains a healthy ecosystem of partnerships with businesses, local organizations, and other public agencies.
- 1.1 Partner with the Chamber of Commerce, local, regional, state, and federal economic development agencies, and the Mercer Island School District (MISD) to provide abundant resources for business owners, entrepreneurs, and job seekers, such as:
    - 1.1.1 A mentorship program pairing experienced business owners and retirees with people interested in starting a new business;
    - 1.1.2 Shop and dine local marketing campaigns;
    - 1.1.3 A wayfinding kiosk on the light rail station platform informing commuters of shops available on the Island and
    - 1.1.4 Publicize employment opportunities on Mercer Island.
    - 1.1.5 Networking and social events to attract more young professionals to Town Center, activating the area.
  - 1.2 Partner with the Chamber of Commerce, Mercer Island Visual Arts League (MIVAL), Mercer Island Farmer’s Market, and other community non-profit organizations to develop and expand a year-round program of arts, cultural, and activation events that draw the community to our commercial areas.

### ~~Marketing Mercer Island~~

- ~~**Goal 2:** The Town Center commercial area has a cohesive brand established by marketing efforts informed by public input and the policies of this element.~~
- ~~2.1 Develop and promote a theme and vision to create a unique and appealing identity for the Town Center directed at drawing more residents and visitors to Mercer Island.~~
  - ~~2.2 Develop and implement a cohesive visual brand that reflects the island's natural beauty and upscale yet welcoming character, including a logo, color scheme, and typography.~~

### ~~Business Attraction~~

- ~~**Goal 3:** Mercer Island's Town Center is a Vibrant Destination attracting new businesses and supporting the growth of existing businesses.~~

- ~~3.1 — Attract more commercial office employers to the City.~~
- ~~3.2 — Develop strategies to increase the percentage of workers living and working on Mercer Island.~~
- ~~3.3 — Attract a diverse mix of businesses that complement existing offerings and fill market gaps, focusing on unique, locally owned establishments.~~
- ~~3.41.3 Create a comprehensive "best practices" section on the City website detailing steps for business setup at city, state, and county levels.~~
- ~~3.51.4 Streamline and simplify the process for new business setup, making it more intuitive and user-friendly.~~

#### Prioritized Business types

**Goal 4: Goal 2:** Prioritized business types are supported and encouraged by the City's economic development efforts.

- ~~4.12.1~~ Prioritize the following types of businesses:
  - ~~4.1.12.1.1~~ Locally owned independent restaurants, tasting rooms, pubs, or cafes;
  - ~~4.1.22.1.2~~ Specialty retail;
  - ~~4.1.32.1.3~~ Commercial office employers; and
  - ~~4.1.42.1.4~~ High-wage employers.
- ~~4.22.2~~ Periodically review the list of prioritized business types.
- ~~4.32.3~~ Develop incentives that attract prioritized business types, such as:
  - ~~4.3.12.3.1~~ Public and private partnerships to foster affordable commercial space solutions and
  - ~~4.3.22.3.2~~ Permit fee waiver or reduction.
- ~~4.42.4~~ Establish an expedited permit review process for prioritized business types.
- ~~4.52.5~~ Act as a liaison between commercial landlords and prioritized business types, mainly focusing on bringing wineries and complementary businesses.

#### Premier wine destination

**Goal 5: Goal 3:** Consider establishing Mercer Island as a Premier Wine Destination.

- ~~5.13.1~~ Explore capitalizing on Mercer Island's efforts, brand, and location as a premier wine destination by considering the following strategies:
  - ~~5.1.13.1.1~~ Expand and promote the "Art Uncorked" event as a flagship attraction, leveraging its popularity to draw visitors year-round.
  - ~~5.1.23.1.2~~ Actively recruit wineries to establish tasting rooms on Mercer Island, positioning the Island as a premier, easily accessible wine destination. Emphasize Mercer Island's unique advantages, including its proximity to Seattle and Bellevue, excellent public transportation links, and picturesque island setting, to differentiate it from other regional wine experiences.
  - ~~5.1.33.1.3~~ Facilitate partnerships between commercial landlords and wineries to encourage the establishment of tasting rooms in strategic locations.

- 5.1.43.1.4 Develop a comprehensive marketing strategy to position Mercer Island as a unique wine destination, distinguishing it from Seattle and Bellevue.
- 5.1.53.1.5 Encourage the development of complementary businesses such as artisanal food shops, wine-focused restaurants, and boutique hotels to support the wine destination concept.
- 5.1.63.1.6 Emphasize farm-to-table and outdoor dining experiences where possible.
- 5.1.73.1.7 Encourage the development of restaurants, cafes, and food-related businesses that align with the wine destination theme.
- 5.1.83.1.8 Conduct regular reassessments of the economic development strategy, allowing for adjustments based on market response, community feedback, and the success of the wine destination concept.
- 5.1.93.1.9 Plan for increased parking needs as the wine destination concept develops, including considerations for ride-sharing and public transportation options.

#### Business Enhancement and Diversification

~~Goal 6:~~ Goal 4: Business Offerings are diversified and enhanced by the City's economic development efforts.

- 6.14.1 Seek out new restaurateurs who bring novel and diverse dining options to Mercer Island.
- 6.24.2 Support the growth of specialty retail shops catering to residents and visitors, emphasizing quality and uniqueness over specific business types.
- 6.34.3 Promote pop-up shops and rotating vendor markets to add variety and attract shoppers.
- 6.44.4 Explore the creation of a "Restaurant Row" designation with additional tax benefits.
- 6.54.5 Consider impacts to existing businesses when evaluating proposed zoning changes.
- 6.64.6 Encourage the development of public-private partnerships to foster affordable commercial space solutions.
- 6.74.7 Conduct comprehensive outreach to surrounding businesses before initiating capital projects in commercial zones.
- 6.84.8 Identify and adopt measures to reduce the displacement of existing businesses as new development occurs.

#### Public space and commercial areas

~~Goal 7:~~ Goal 5: ~~GOAL 7A:~~ Public Spaces and commercial areas are activated by City improvements and economic development efforts.

#### Customer Attraction

Goal 6: ~~GOAL 7B:~~ Commercial areas are attractive and inviting to the Mercer Island community and visitors.

- 7.16.1 Commercial areas have safe multimodal circulation and parking for residents, visitors, and employees.
- 7.26.2 Leverage the opening of Sound Transit's East Link Light Rail Line 2 to attract residents, commuters, and visitors to the Town Center.
- 7.36.3 Emphasize spaces that are human-scaled, safe, and comfortable for walkers and bikers.
- 7.46.4 Maintain the existing City program to beautify the Town Center with landscaping, street trees, and flower baskets.
- 7.56.5 Create branded wayfinding signage, street furniture, and public art to reinforce the Town Center identity.
  - 7.5.16.5.1 Prioritize improvements in key locations such as the Mercer Island Farmers Market site.
  - 7.5.26.5.2 Dedicate permanent signage for established community events like the Mercer Island Farmers Market.
- 7.66.6 Activate Mercer Island's commercial areas and public spaces by encouraging:
  - 7.6.16.6.1 Programming that enables residents and visitors to gather, socialize, and celebrate in the city safely;
  - 7.6.26.6.2 Flexible-use outdoor spaces for dining, markets, events, and temporary commercial uses; and
  - 7.6.36.6.3 Utilizing public art and furniture design in outdoor spaces.
- 7.76.7 Implement and promote a pilot seasonal parklet program allowing businesses to convert parking spaces to outdoor seating.

### Sustainability and Environment

**Goal 8: Goal 7:** The City's economic development efforts are sustainable and environmentally friendly.

- 8.17.1 Consider Climate Action Plan strategies during economic development decision-making.

### Regulations and Permitting

**Goal 9: Goal 8:** Permit review and inspections are delivered predictably, efficiently, and on time to support Mercer Island businesses as the start, grow, and thrive.

- 9.18.1 Continue the longstanding practice of providing next- business-day construction inspections under ordinary circumstances.
- 9.28.2 Advocate for Mercer Island businesses to receive timely services from outside agencies.
- 9.38.3 Review the development code permitting processes to identify additional code amendments to support businesses, improve effectiveness, and make efficient use of City resources. The following goals should be considered when identifying code amendments:
  - 9.3.18.3.1 Minimizing delay and reducing uncertainty in the entitlement process;
  - 9.3.28.3.2 Improving conflict resolution in the entitlement process;

~~9.3.38.3.3~~ Mitigating the risk of business displacement as new development occurs;

~~9.3.48.3.4~~ Beneficial impacts to parking and greenhouse gas emissions; and

~~9.3.58.3.5~~ Lowering compliance costs for business owners.

~~9.48.4~~ Evaluate permit fees, including impact fees, imposed on development to ensure they are consistent with the City approved cost recovery targets and established programs.

~~9.58.5~~ Update home business regulations to support a mix of commercial uses while ensuring home businesses remain compatible with neighboring residential uses.

~~9.68.6~~ Establish a dedicated service [e.g. concierge] to guide businesses through permitting.

~~9.78.7~~ Prepare a guide to doing business on the Island emphasizing the permitting process and the pre-application process.

~~9.88.8~~ Periodically review the City's commercial sign code.

~~9.98.9~~ Consider eliminating traffic study requirements for small businesses outside of new development.

### Implementation

~~Goal 10:~~ **Goal 9:** The City implements the Economic Development Element to support and grow the local economy.

~~10.19.1~~ Establish and periodically update a prioritized and time-based economic development implementation plan following the adoption of this Comprehensive Plan and subject.

~~10.29.2~~ Analyze the feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID) in one or more commercial areas to fund improvements for economic development. Consider other funding opportunities, including grants and partnerships, to support implementation of the goals and policies identified in this plan.