



ATTACHMENT C

COMMENT MATRIX AND COMMENTS

Table 1. Planning Commission Economic Development Element Comment Matrix.

Log #	Received From	Comment/Question	Staff Response
1	Chris Goelz	Text Amendments on page one through 12	Simple Amendment See second draft
2	Chris Goelz	Page Two comment on table format	The tables and document will be reformatted prior to adoption so the entire Comprehensive Plan has a consistent format and design.
3	Chris Goelz	<p>Policy 1.3: Establish a local business liaison position to on the City Council. The local business liaison will act as a point of contact on the City Council for all business leaders and representatives on Mercer Island for policy issues.</p> <p>Comment: I don't think a council person should be the liaison. This would create an asymmetry of information on the council that may skew debate. It might also give rise to the well-studied risk of regulatory capture.</p> <p>It's apparent that the business community feels like it's not been heard sufficient, but hopefully Policy 1.3 and the other policies described will address that need. Naming a member of that community as liaison to the counsel could complement staff input.</p>	<p>Deliberation and Direction Needed</p> <p>Proposed change is shown in the second draft.</p> <p>The original purpose of this policy is to create a point of contact on the City Council for the local business community. The City Council has several other similar liaison positions. For example, there is a Council liaison for the Parks and Recreation Commission (Currently Councilmember Craig Reynolds).</p> <p>Staff Recommendation: The City does not have an existing mechanism for creating this type of citizen advisory position. If the Planning Commission wants to amend this policy as proposed, it would need to also propose further amendments to the policy that provide more details such as what the role of this liaison would be, how it would be selected, etc.</p>
4	Chris Goelz	Policy 1.4 Comment: Perhaps this policy could be folded together with 1.8 and 2.1.	Deliberation and Direction Needed
5	Chris Goelz	<p>Policy 1.8: Partner with community organizations such as the Chamber of Commerce to Mmarket Mercer Island as an <u>ideal good</u> place to do business. The City should focus marketing materials on the following:</p> <p>1.8.A Attracting new businesses and investment;</p> <p>1.8.B Attracting skilled workers;</p> <p>1.8.C Attracting off-island visitors to commercial centers; and</p> <p>1.8.D Highlighting Mercer Island's assets such as high quality of life, business friendly environment, and prime location.</p>	Deliberation Needed

Log #	Received From	Comment/Question	Staff Response
		<p>Comment: Too granular. I'd probably fold this together with 1.4 and 2.1.</p>	
6	Chris Goelz	<p>New Policy 1.9: Encourage the planting of trees by businesses in the City's business districts.</p> <p>Comment: This is suggested by CAP NS1.2.</p>	<p>Deliberation Needed</p>
7	Chris Goelz	<p>Goal 2 Comment: Make this Goal 3. See note below.</p>	<p>Deliberation Needed The order of Goals 2 and 3 can be switched. Reordering the goals would not change their meaning or relative importance in the Element.</p>
8	Chris Goelz	<p>Policy 2.1 Comment: Fold together with 1.4 and 1.8.</p>	<p>Deliberation and Direction Needed If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.</p>
9	Chris Goelz	<p>Policy 2.4 Comment: Would it make sense to say something here about specifically trying to encourage opportunities for the BIPOC community? Or perhaps that could be a separate policy under this goal or Goal 4.</p>	<p>Deliberation and Direction Needed If the Planning Commission would like to add a policy directed at encouraging opportunities for black, indigenous, and people of color (BIPOC), please provide some direction regarding the desired impact of the policy so staff can draft</p>
10	Chris Goelz	<p>Goal 3 Comment: Make this Goal 2. Cornerstones go in first</p>	<p>Deliberation Needed The order of Goals 2 and 3 can be switched. Reordering the goals would not change their meaning or relative importance in the Element.</p>
11	Chris Goelz	<p>Policy 3.4: Partner with community organizations, with a focus on the including the Chamber of Commerce, to initiate a "Shop Mercer Island" marketing campaign directed at drawing more residents and visitors to commercial areas on the island. The City should fill a support role in this partnership.</p> <p>Comment: CAP CD2.2 seems similar. A strong shop local campaign would serve both the CAP and the business community.</p>	<p>Simple Amendment See second draft</p>
12	Chris Goelz	<p>Policy 3.5: Coordinate with transit providers to ensure the <u>to make the</u> "Shop Mercer Island" marketing campaign includes <u>visible to</u> transit riders.</p>	<p>Simple Amendment See second draft</p>

Log #	Received From	Comment/Question	Staff Response
13	Chris Goelz	New Policy 3.7: Add policy re giving existing businesses notice of potential redevelopment – maybe replace current 4.4 or complement it.	Deliberation Needed See second draft
14	Chris Goelz	New Policy 4.2: Balance economic growth with maintaining easy access to services and a small town feel.	Deliberation Needed See second draft
15	Chris Goelz	Policy 4.4: This seems to fit better under existing Goal 3 -- see proposed policy 3.7.	Deliberation Needed See second draft
16	Chris Goelz	Goals 5 and 6 Comment: I would fold Goals 5 and 6 together.	Deliberation and Direction Needed If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.
17	Chris Goelz	New Policy 6.1: Consistent with the CAP, increase on-island employment options as a share of the City’s employment growth target in order to reduce vehicle miles traveled commuting. Comment: I broke up 6.1 and referenced the Climate Action Plan.	Deliberation Needed See second draft
18	Chris Goelz	Policy 6.2 (originally 6.1): Plan <u>Work</u> to increase high-wage on-island job opportunities for residents, increase on-island employment options as a share of the City’s employment growth target, eliminate the need to commute, and reduce vehicle miles traveled.	Deliberation Needed See second draft
19	Chris Goelz	New Policy 6.3: Take steps to increase the supply of affordable housing on the Island.	Deliberation Needed See second draft
20	Chris Goelz	Goal 7: The City actively reduces the regulatory <u>any unnecessary</u> burden created by commercial development regulations and permitting processes to support a healthy business ecosystem, entrepreneurs, and innovation in business.	Simple Amendment See second draft
21	Chris Goelz	Comment on Policy 7.1.C: Does it make sense to replace "entitlement" with "regulatory."	The term “entitlement” is referring to the process by which development is authorized. Changing the word entitlement to regulatory would take the emphasis from the process and put it on the regulations as a whole. The problem we have heard during some public outreach is that there is not a good existing process to resolve neighbor concerns during the time between submitting an application and the issuance of a permit decision. Comments have indicated that contentious permitting processes have slowed or even obstructed

Log #	Received From	Comment/Question	Staff Response
			<p>some business expansion. This possible lack of conflict resolution in the entitlement process can go both ways, as some neighbors may feel that the process is not resolving their concerns either.</p> <p>The land use permit process is intended to, in part, create a path for resolving neighbor concerns in advance of a decision. There might be ways to improve conflict resolution during the code audit proposed in Policy 7.1.</p>
22	Chris Goelz	<p>New Policy 7.1.F: Reducing GHG emissions.</p> <p>Comment: I don't want to lose track of the CAP. It's a lens through which all City decision making should be viewed. CAP CC3.2.</p>	<p>Deliberation Needed See second draft</p>
23	Chris Goelz	<p>Policy 7.3: Evaluate additional process or code improvements on an annual basis with input from the dedicated economic development staff, <u>CAP Project Manager</u> and Council local business liaison. This evaluation should inform the development of annual docket recommendations as needed.</p> <p>Comment: I'm not sure what the this person's title will be moving forward.</p>	<p>Deliberation Needed See second draft</p>
24	Chris Goelz	<p>Policy 7.4: Update home business regulations to <u>support</u> ensure that they allow a mix of commercial uses while ensuring home businesses remain compatible with neighboring residential uses.</p> <p>Comment: Might this fit better under current Goal 2.</p>	<p>Simple Amendment See second draft</p>
25	Chris Goelz	<p>Goal 8 Comment: Seems like this stuff could go in existing Goal 2.</p>	<p>Deliberation Needed</p> <p>If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.</p>
26	Chris Goelz	<p>Goal 9 Comment: Maybe fold this goal with goal 4. I think 4.1 and 9.1 are pretty similar.</p>	<p>Deliberation Needed</p> <p>If the Planning Commission would like to pursue this amendment, please provide direction of how those policies might be combined so staff can draft an alternative.</p>
27	Chris Goelz	<p>Policy 10.1: Strike policy 10.1</p>	<p>Deliberation Needed See second draft</p>

Log #	Received From	Comment/Question	Staff Response
28	Chris Goelz	Policy 10.2: Focus on public safety as an important component of the high quality of life on Mercer Island <u>a thriving business community.</u>	Simple Amendment See second draft
29	Chris Goelz	Policy 10.3 Comment: Is this redundant with 11.2?	The difference between Policies 10.3 and 11.2 is subtle. Policy 10.3 is outlining strategies to activate public spaces in commercial areas; looking for ways to draw more people to these areas. Policy 11.2 directs the City to look for ways to increase these public spaces when considering design standards. In staff's opinion, this distinction adequately differentiates these policies.
30	Chris Goelz	Policy 10.4.C and 10.4.D Comment: Are these coordinated with CAP TR2.1 and 2.3? I don't understand the relationship of the CAP to the Comp Plan. This is another place where the CAP and the interests of the business community align.	<p>Policy 10.4 spells out the areas of focus to be considered during an evaluation of the City's street standards. Climate Action Plan (CAP) Actions 2.1 and 2.3 are directed at updating the Pedestrian and Bike Facilities Plan (PBFP) (TR 2.1) and supporting last mile transportation programs for the light rail station (TR 2.3).</p> <p>All three (Policy 10.4 and CAP Actions 2.1 and 2.3) are related but directed at different plans or programs. Policy 10.4 would focus on regulations for streets, including frontage standards and the streetscape manual that governs how the City designs its streets. The PBFP referenced in CAP Action TR 2.1 establishes the capital projects the City will undertake to improve its pedestrian and bicycle infrastructure. CAP Action 2.3 establishes a direction to "Support programs that provide multi-modal last-mile connections to the light rail station, such as through walking, biking, transit, and electric vehicle. Programs could include reintroduction of bike/scooter share programs." All three efforts will be coordinated when they are undertaken.</p> <p>The CAP and Comprehensive Plan are linked. A policy adopting the CAP by reference will be added to the Comprehensive Plan. Essentially, the CAP is a strategic plan for addressing climate change. Some of the closest analogs to the CAP are:</p> <ul style="list-style-type: none"> • The 6-Year Transportation Improvement Plan (TIP) that implements the Transportation Element; • The Capital Improvement Plan (CIP) that implements the Capital Facilities Element; and • The proposed Economic Development Element Implementation Plan.
31	Chris Goelz	Policy 11.2: Seek to create more community gathering spaces <u>(including parklets)</u> when considering development standards in Town Center.	Simple Amendment Changed parenthetical in the draft, see second draft
32	Chris Goelz	Policy 12.4: Ensure that sufficient parking is provided <u>through a combination of regulations and incentives like parking credits</u> as commercial areas redevelop. Interpretation of the policies in this element should not lead to a reduction in parking,	Simple Amendment See second draft
33	Adam Ragheb	Text amendments page 4 through 13	Simple Amendment See second draft

Log #	Received From	Comment/Question	Staff Response
34	Adam Ragheb	<p>Comment on page 6:</p> <p>Suggest quantifying Riot's anticipated effect on this. "Riot's impending arrival is expected to cover 400 (?) of the 1,300, leaving 900 (?) in growth over the next 19 years (or whatever the actual numbers are)</p>	<p>Deliberation and Direction Needed</p> <p>The exact impact of Riot Games' arrival in Town Center is unclear at this point. The City knows that their arrival will increase employment in the City, but the exact number of jobs is unknown at this time. The City will be able to account for this increase in employment when tracking progress on the employment growth targets in the future.</p>
35	Adam Ragheb	<p>Comment on page 11:</p> <p>I think a threat that was missed here is an Erosion / Degradation of Strengths.</p> <p>Were our public safety, open spaces, top-notch public schools, or unique residential character advantages to degrade relative to the county, economic growth could be negatively affected since we are smaller and more-isolated than other Eastside cities.</p>	<p>Deliberation and Direction Needed</p> <p>This can be added to the list if the Planning Commission would like to expand the section listing threats. Staff would need clear direction from the Planning Commission for the drafting of this section.</p>
36	Adam Ragheb	<p>Comment on page 12:</p> <p>I think these data are hard to interpret without comparing them to other nearby cities' data. We have no clue if MI's fraction of 1251-3333/mo jobs is larger, smaller, or in-line with King County and/or peer cities.</p>	<p>Deliberation and Direction Needed</p> <p>The purpose of this section is to provide a high-level description of the context within which the Economic Development Element was drafted. If more context is needed, the Planning Commission can ask staff to find additional data on this topic.</p>
37	Adam Ragheb	<p>Comment on page 13:</p> <p>This explanation seems to be missing a little bit here. Even if Mercer Island median rents decrease 10%, that doesn't solve the problem of King County median rent still growing / necessitating a job paying 61k while 52.8% of MI jobs pays less than 40k. It is worth mentioning that the % above the KC median is decreasing since ~2015 - from the data in Figure 3, MI median rent is 42%, 46%, 46%, 38%, and 27% above KC median, showing a clear trend of narrowing the gap.</p>	<p>Deliberation and Direction Needed</p> <p>The purpose of this section is to provide a high-level description of the context within which the Economic Development Element was drafted. If more context is needed, the Planning Commission can ask staff to find additional data on this topic.</p>
38	Adam Ragheb	<p>Policy 1.8.B: minor text change</p>	<p>Simple Amendment See second draft</p>
39	Adam Ragheb	<p>Policy 2.3.C: move C to B and B to C</p>	<p>Simple Amendment See second draft</p>

Log #	Received From	Comment/Question	Staff Response
40	Adam Ragheb	Policy 3.5 Comment: This does not seem like a good use of city funds - I would think more shopping decisions are made using google maps or other online resources than ads on the side of or inside transit assets.	Deliberation and Direction Needed If the Planning Commission would like to amend this policy, please provide the desired text amendment.
41	Adam Ragheb	Policy 4.2.D: comment proposes striking this policy. Policy 4.2.D Comment: This is overly-vague - suggest removing	Deliberation Needed See second draft
42	Adam Ragheb	Policy 5.1 Comment: This is vague and doesn't match - if we are trying to attract high wage earners (per 2.2.C) and a skilled workforce, those companies are generally adept at seeking out their own employment candidates. Either add specifics or remove	Deliberation and Direction Needed If the Planning Commission would like to amend this policy, please provide the desired text amendment.
43	Adam Ragheb	Policy 6.1 Comment: remove "eliminate the need to commute" - reducing vehicle miles traveled is a realistic and achievable goal. Eliminating commuting is unreasonable even in the densest and most transit-oriented of cities; MI could be considered a bedroom community and thus there will always be some commuting	Deliberation Needed See proposed new Policy 6.1 under Log #17. This comment and #17 propose amendments to Policy 6.1.
44	Adam Ragheb	Policy 10.4 Comment: on-street parking and time-limited public parking need to be higher on the list as they affect a large portion of potential customers. Public safety also ought to be higher - that affects everybody. Suggest bike parking / infrastructure at bottom since I would expect that to be the smallest segment (can't buy large amt of groceries or mail a large box w/a bike) and electric vehicle charging just above that.	Simple Amendment See second draft. Note on the order of items under 10.4: This list is not presented as an order of importance. As drafted, each item under 10.4 would be considered equally.
45	Adam Ragheb	Policy 12.4 Comment: suggest switching 12.4 and 12.2. 12.4 is a current problem while 12.2 is a long-term goal	Simple Amendment 12.2 and 12.4 can be switched. There is no effect of the order of these two policies

Table 2. Planning Commission Implementation Plan Comments.

Log #	Received From	Comment/Question	Staff Response
46	Chris Goelz	Minor text amendments throughout the Implementation Plan	Simple Amendment
47	Chris Goelz	Proposed amendments to Project ED-8 project description	Simple Amendment This change would need to be made if the Planning Commission decides to change Policy 1.3 as proposed in Comment Log #3.

Table 3. Public Comment Matrix.

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

Log #	Received From	Comment/Question	Notes
PUB - 3	Kian Bradley	<p>Walkability</p> <p>Despite being referred to several times in the EDE, the Implementation Plan has no goal which directly addresses the improvement of Mercer Island's commercial areas for those outside of a car. Specifically with the Town Center, the coming light rail station and Riot Games office provide us with an opportunity to create a pedestrian and bike-friendly corridor along 77th Ave SE. This would allow people to come not just for a single errand, but stay and enjoy the entire Town Center for an evening in a similar way people enjoy walking around Bellevue's downtown park and mall. This would address goals 9, 10, 12 by increasing the attractiveness of our commercial centers, and goal 4 by meeting the environmental needs of residents.</p> <p>I would suggest we modify Project ED-11, PBIA/LIA to make the 'streetscape improvements' more clearly oriented towards increasing the attractiveness for people walking and rolling in commercial areas.</p>	<p>Updating the Pedestrian and Bicycle Facilities Plan (PBF Plan) is currently listed on the 6-Year Transportation Improvement Program. That plan update is expected to begin in 2026. The PBF Plan will detail the pedestrian and bicycle infrastructure improvements the City plans to make. That is another place where walkability is addressed.</p>
PUB - 4	Kian Bradley	<p>Parking</p> <p>The EDE is very careful to discourage any reduction in the amount of parking in our commercial areas. However, the 2023 Parking Study (from the 07/05/2023 Council meeting) shows that we never exceed 71% utilization for on-street parking, and even less for off-street parking. These are both below the suggested 85% peak occupancy threshold. In addition, the study found that certain streets had a much higher utilization than others, suggesting parking is not distributed evenly.</p> <p>The EDE should instead seek to more intelligently manage our existing parking supply. The report has several good recommendations, including making on-street parking times consistent; charging for parking in overutilized areas; creating loading zones; adding bicycle parking; and improving walking/biking facilities to discourage vehicle travel in the first place.</p> <p>This can be addressed as part of Project ED-11, PBIA/LIA. We should modify this project's wording to be clearer about what we want our parking improvements to look like.</p>	<p>When the City analyzes potentially creating a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID) the findings of the parking study would be used as part of that analysis.</p>
PUB - 5	Bonnie Godfred	<p>I scanned your 42 pages.</p> <p>Seems to me the main issue for economic development is our zoning regulations. We need to stress and protect retail and restaurant space and it needs to be affordable. The only way to do this is by requiring any future development to emphasize these two areas.</p> <p>The increase in residential occupancy in downtown versus the decrease in commercial occupancy in downtown is shameful and reflects the city's love affair with property developers.</p>	

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

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

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

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

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

Commented [ja1]: I don't understand why some industry groups are white and some are green. I'd make all the parallel sectors the same color.

2 *2021 median earnings are shown for the last 12 months in inflation adjusted dollars
 3 Source: U.S. Census Bureau 2021 American Community Survey, Tables S2404 and B24031.
 4 <https://data.census.gov/table?q=industry&g=1600000US5345005&tid=ACST5Y2021.S2404>
 5 <https://data.census.gov/table?q=earnings+by+industry&g=1600000US5345005&tid=ACSDT5Y2021.B24031>
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7 The Mercer Island population is well-educated. A little more than 82 percent of residents over the age of
 8 25 have completed a college degree, having earned an associate's degree or higher educational
 9 attainment. For comparison, about 64 percent of the population over 25 in King County have at least
 10 earned an associate's degree or higher educational attainment. The high educational attainment of
 11 Mercer Island residents indicates that the on island work force is highly skilled. Table 2 shows the
 12 educational attainment for the Mercer Island population aged 25 or older.
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Commented [ja2]: I'm not sure what this adds or that I agree that educational attainment and skill are highly correlated.

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

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

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

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

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

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

Source: 2021 American Community Survey Table S1903.

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Mercer Island Commercial Areas

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

Town Center

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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

1 commercial areas in the City in recent years. Most of the recent development has been mixed-use
2 development combining first floor commercial space and parking with residential uses on the upper floors.
3 Older development in Town Center is lower-intensity, one-story, 'strip mall' development with surface
4 parking in front of the commercial space.

6 Northeast Commercial Area

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

Commented [ja3]: If you want to include the westbound ramps, then this needs to be "these intersections"

16 South End Commercial Area

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

Commented [ja4]: I understand there can be a distinction between "on" and "in" Mercer Island. I prefer "on Mercer Island" to "in Mercer Island" in most cases. I marked it here, but will not mark it elsewhere.

24 Land Use Connection

25 There is a fundamental tie between the policies of this element and the Land Use Element. The Land Use
26 Element envisions a primarily residential city with three defined commercial areas. It The Land Use
27 Element of this Comprehensive Plan describes the nature and extent of commercial uses allowed in the
28 City. The Land Use Element policies and the resultant regulations shape the economy on Mercer Island.
29 The Land Use Element envisions a primarily residential city with three defined commercial areas. To that
30 end, largely confine commercial land uses are largely only allowed into those three distinct commercial
31 districts. This focuses all of the future economic growth in the City on a few defined areas to those districts.
32

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

42
43 The supply of commercial development capacity is closely controlled by Land Use policies and regulations.
44 Regulations that modulate the supply of an economic input such as commercial development, the space
45 in which commercial activity can take place, also affect the location, size, scale, and cost associated with
46 doing businesses in the City. Controlling the supply of commercial development capacity is the primary
47 way the Comprehensive Plan has shaped the local economy prior to the adoption of this Economic

1 Development Element. Because of this connection, some goals and policies of this element connect
2 directly to land use policies and regulations.

3 Relationship to Other Comprehensive Plan Elements

4 The Housing, Transportation, Utilities, Capital Facilities, and Shoreline Master Program elements all
5 interact with the local economy as follows: ~~in unique ways. Infrastructure and housing supply are vital~~
6 ~~components of any local economy: the flow of inputs, outputs, and information, along with the availability~~
7 ~~of a labor force, influence economic activity. The Capital Facilities and Utilities elements detail how the~~
8 ~~City will provide vital services to businesses. The Shoreline Master Program Element details how the City~~
9 ~~will regulate and protect the Lake Washington shoreline bounding the City. These five comprehensive~~
10 ~~plan elements influence the local economy as follows.~~

11
12 **Housing**
13 Housing indirectly impacts the local economy because it has an effect on the local business' customer
14 base and labor force. Housing on Mercer Island is primarily detached single-family homes. Multifamily
15 development is largely limited to the area in and around Town Center. Housing has two primary effects
16 on the local economy. High housing costs may limit the ability for some workers to afford to live in the
17 City, leading to increased commuting and potentially limiting a business's ability to hire. Conversely,
18 higher cost housing can attract higher-income residents and customers for local businesses.

20 Transportation Element

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

30 Utilities

31 The provision of utilities is vital ~~to workers and to local businesses, all of which need reliable sewer, water,~~
32 ~~power and internet. For example, technology based industries and telecommuting workers rely on access~~
33 ~~to high speed internet service to conduct business. Restaurants and coffee shops rely on water service~~
34 ~~providers to supply water to their businesses.~~ The Utilities Element details how the City will coordinate
35 with its utility service providers to ensure adequate provision of these vital services for residents and
36 businesses alike.

38 Capital Facilities

39 Capital facilities such as parks and public buildings ~~are central~~ critical to the provision of ~~important~~
40 ~~to~~for the local economy. In addition to planning for ~~providing services, through planning for parks and~~
41 ~~other~~ public assets, the Capital Facilities Element includes goals and policies to support a high quality of
42 life. Quality of life, which can attract new businesses and workers to ~~choose to do business on~~ Mercer
43 Island

45 Shoreline Master Program

46 The Shoreline Master Program (SMP) Element establishes the policies for managing development ~~in of~~
47 ~~the shoreline~~. This element is designed to ensure that the shoreline environment is protected, and that
48 the shoreline is available for water dependent uses. Those businesses located in the shoreline jurisdiction,

Commented [ja5]: I don't think this preview of the paragraphs below adds much.

Commented [ja6]: If "in the shoreline" is a term of art, ignore this.

1 within 200 feet of Lake Washington, are affected by the SMP. In situations where the policies in the SMP
2 and Economic Development Element intersect, the Comprehensive Plan will need to balance shoreline
3 environmental protection with fostering of appropriate water dependent commercial uses along ~~in~~ the
4 shoreline.

5 **Employment Growth Target**

6 The King County Countywide Planning Policies (CPPs) establish growth targets for all of the jurisdictions
7 within King County. The CPPs were initially adopted in 1992 and have been amended several times since
8 then. Elected officials from King County, the cities of Seattle and Bellevue, and the Sound Cities Association
9 meet as the Growth Management Planning Council. This Council makes recommendations to the County
10 Council, which has the authority to adopt and amend the CPPs. King County amended the CPPs in 2021,
11 updating the growth targets for cities and towns throughout the County. The updated growth targets
12 extended the planning horizon through the year 2044. Mercer Island's current employment is 7700 jobs;
13 the growth target is 1,300 new jobs by the year 2044.

Commented [ja7]: Is that right? I think it helps to put the growth target in context.

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

16
17 The advantages and challenges the City plans to encounter in the next twenty years can be divided into
18 strengths, weaknesses, opportunities, and threats. Strengths are those things already existing in the local
19 economy that the City can build on to grow the economy. Weaknesses are existing conditions in the local
20 economy that could impede or otherwise challenge economic growth through the planning period.
21 Opportunities are foreseeable changes that can give the City a stronger competitive advantage in the
22 coming years. Threats are external events or factors that have the potential to negatively affect economic
23 growth. The selected strengths, weaknesses, opportunities, and threats discussed in this section were
24 identified during public participation and data review conducted during the drafting of this element.

26 **Strengths**

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

Commented [ja8]: I don't understand what "cultural prosperity" means.

33 **Strengths Identified**

- 35 • ~~High quality of life~~
- 36 • ~~High income residents~~
- 37 • ~~Location of the City and its connection to the larger Puget Sound region~~

39 **High Quality of Life**

40 The high quality of life on Mercer Island is a considerable strength. The Island's parks, open space, good
41 public schools, and cultural amenities ~~High quality of life~~ helps attract new businesses and workers alike.
42 Community input gathered during the drafting of this element often pointed to the high quality of life in
43 Mercer Island as an asset the City can build upon to strengthen the local economy. Quality of life factors
44 may ~~such as parks, open space, good public schools, and cultural amenities~~ also serve as a draw for off-
45 island visitors ~~that may~~ to patronize local businesses. ~~The City's high quality of life will serve as a strong~~
46 ~~foundation for future economic growth.~~

1 **High-Income Residents**

2 Another key strength is the relatively high income of Mercer Island residents. During public input,
 3 business owners pointed out that the spending power of the Mercer Island community helped with the
 4 initial success of businesses. In 2021, the median household income for Mercer Island was \$170,000. For
 5 reference, the 2021 median household income in King County was \$106,326. Table 4 shows the 2021
 6 household income distribution in Mercer Island.

7 **Table 4. Household Income and Benefits, 2021.**

Income and Benefits in 2021 Inflation-Adjusted Dollars	
Total households	9,758
Less than \$10,000	3.3%
\$10,000 to \$14,999	0.5%
\$15,000 to \$24,999	4.0%
\$25,000 to \$34,999	5.1%
\$35,000 to \$49,999	4.3%
\$50,000 to \$74,999	8.3%
\$75,000 to \$99,999	6.1%
\$100,000 to \$149,999	14.3%
\$150,000 to \$199,999	8.8%
\$200,000 or more	45.3%
Median household income (dollars)	\$170,000
Mean household income (dollars)	\$261,417

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

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

10
 11 Having an existing high-income customer base is a considerable advantage for entrepreneurs and can
 12 draw firms from off-island to do business in the city. The financial resources of the community on Mercer
 13 Island can also help with business formulation and business attraction. ~~Many Mercer Island residents~~
 14 ~~have more resources to spend in the local economy.~~—The key to building on this strength is focusing on
 15 giving residents more opportunities to shop on-island and broadening prospects for entrepreneurs and
 16 businesses to invest capital in the Mercer Island economy.

Commented [ja9]: If you want to keep this sentence, I'd lead the paragraph with it and change "more" to "substantial."

17
 18 **Location of the City**

19 Mercer Island's location on Interstate 90 (I-90) and roughly equidistant from Seattle and Bellevue is a
 20 strength. Seattle and Bellevue are large metropolitan centers with many thriving businesses, potential
 21 customers for Mercer Island businesses, and workers with diverse skills and expertise. I-90 provides
 22 potential customers and employees with excellent access to the city and that access is complemented
 23 with available parking near businesses. ~~Furthermore, customers are drawn by the high quality of life,~~
 24 ~~public safety, and high-quality goods and services available in Mercer Island.~~ In addition to I-90, the
 25 city is also connected to its neighbors by transit, allowing greater flow of people to and from its
 26 commercial centers. Ensuring good access to commercial areas with roads and transit connections can
 27 build on this strength.

Commented [ja10]: I don't think this sentence fits. If you want to keep it, I'd change "high quality of life" to "pleasant public spaces" since we already have a separate HQL section.

28
 29 **Weaknesses**

30 Weaknesses are aspects of the local economy that could impede growth in the local economy.
 31 ~~Weaknesses can make growing business in the city challenging. As such, weaknesses~~They represent topic
 32 areas the City can apply policy mechanisms to minimize, reduce, or overcome ~~challenges~~impediments to

1 a healthy local economy. Some weaknesses increase barriers to entry for new businesses or make
2 innovating riskier. Weaknesses are listed and discussed below.

3 4 5 Weaknesses Identified

- 6
- 7 ● ~~Permitting and regulatory environment~~
- 8 ● ~~Business climate and Culture~~
- 9 ● ~~Lack of off island customer base~~
- 10 ● ~~Availability and affordability of commercial space~~
- 11

12 **Permitting and Regulatory Environment**

13 ~~Permitting challenges can adversely affect business formation.~~ Difficulty in navigating the development
14 code and permitting processes can increase financial risk when starting a new business or expanding an
15 existing one. This increased financial risk can adversely impact business formation and retention. Public
16 input indicated that the City's development code and permitting processes can be complicated and make
17 starting a business more difficult. Another challenging factor related to permitting is the additional cost
18 that fees and delays in permitting can add to starting a new business. As the City considers permit fees,
19 impact fees, and other regulatory requirements it can assess how those changes might add to or reduce
20 the cost of starting a new business. The City can address this weakness by auditing its regulations and
21 permit processes to ensure that they do not ~~overly unnecessarily~~ restrict or complicate the process of
22 starting or expanding a business ~~while safeguarding the public interest~~. Another way for the City to
23 address this weakness is ~~engaging to engage~~ the business community in the legislative process.

Commented [ja11]: This sentence doesn't add much to this sentence below "This increased financial risk can adversely impact business formation and retention."

24 25 **Business Climate and Culture**

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

34 35 **Lack of Visitor Customer Base**

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

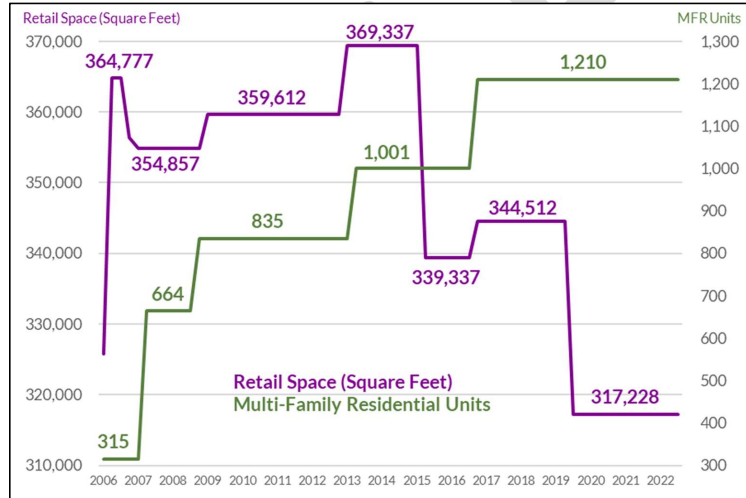
42 43 **Affordability and Availability of Commercial Space**

44 The ~~availability and cost~~ lack of commercial space in the city and its cost can be a challenge for new
45 business formulation and expansion of existing businesses. Under the current zoning, commercial
46 activities are largely limited to three areas in the city. The largest of these areas, Town Center, is a mixed-
47 use area where development is allowed to be a combination of commercial and residential space. Over

1 the last two decades, redevelopment in this area has favored residential space, with minimal commercial
 2 space along certain street frontages. As a result, there has been a limited amount of new commercial
 3 space added to Town Center in recent years.

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

18
 19 **Figure 1. Change in Retail Space and Multi-Family Residential Units, Town Center, 2006 to 2022**

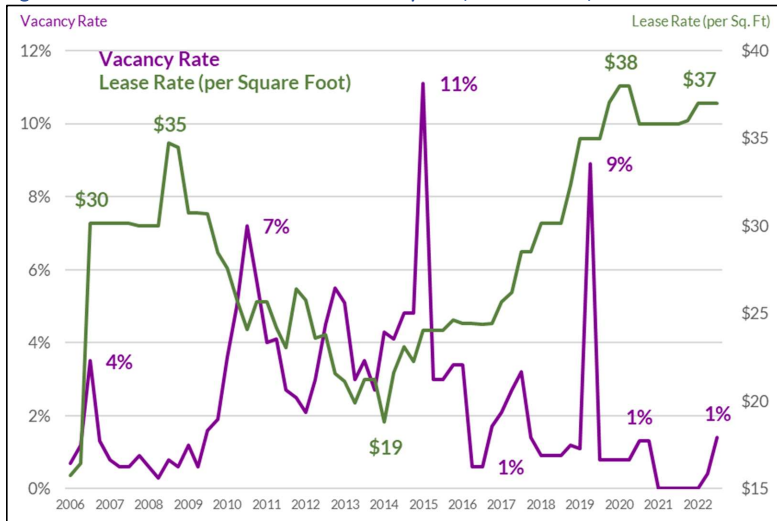


Source: CoStar, 2022; CAI, 2022.

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

1 Center saw a spike to nine percent in the retail vacancy rate. That spike was short-lived and held at about
 2 a one percent vacancy rate through 2022.

3
 4 **Figure 2. Retail Annual Lease Rate and Vacancy Rate, Town Center, 2006 to 2022.**



5
 6 Source: CoStar, 2022; CAI, 2022.

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

14
 15 **Opportunities**

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

21
 22 **Opportunities Identified**

- 23 ● Improved transportation connections
- 24 ● Arrival of large employer in Town Center
- 25 ● More islanders working from home

1 **Improved Transportation Connections**

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

11
12 **Arrival of a Large Employer in Town Center**

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

19
20 **More Islanders Working From Home**

21 One of the changes prompted by the Covid-19 pandemic is the transition to more work-from-home
22 options for commuters. ~~This has the potential to change the habits of workers who live on Mercer Island
23 but are employed elsewhere.~~ The extent to which commuting workers will spend their workdays on-
24 island instead of traveling to work off-island remains unclear. What seems increasingly likely is that
25 workers will commute less often than they did before the pandemic. Changes in commuting could lead to
26 new demand for different services in the city’s commercial areas.

27
28 **Threats**

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

33
34 **Threats Identified**

- 35 ● Economic Uncertainty
- 36 ● The Changing Nature of Retail
- 37 ● Affordability in the Region
- 38 ● Displacement During Redevelopment

39
40
41 **Economic Uncertainty**

42 There currently is a high degree of uncertainty about the future in the regional, national, and global
43 economy. The unknown future of market forces such as inflation, supply chain difficulties, labor
44 shortages, stock market volatility, and rising transportation costs obfuscate the economic outlook in for
45 the coming years. Many of these market forces are beyond the reach of City policies, however the City
46 can prepare for positive and negative swings in the regional, national, and global economy by planning
47 for economic resilience. Policy interventions that look to build on the local economy’s strengths,

Commented [ja12]: Doesn't add anything to the paragraph as a whole.

1 overcome its weaknesses, and capitalize on expected opportunities can build resilience in the local
 2 economy. Policies that establish contingency plans for economic downturns can also help position the
 3 City to be responsive to changing conditions in uncertain times.

4
 5 **The Changing Nature of Retail**

6 Retail commerce is undergoing a transition as online retailers compete with brick-and-mortar stores. This
 7 change appears to have been accelerated during the Covid-19 pandemic as more shoppers opted to order
 8 goods online. Comments indicate that this could mean that retail will need to focus more on location-
 9 specific or experiential retail to differentiate their goods and services from those more readily available
 10 in online marketplaces. Some comments proposed a shop local campaign and adaptive reuse regulations
 11 for commercial spaces as possible measures to help local businesses respond to changes in demand.

12
 13 **Affordability in the Region**

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

22
 23 Housing affordability can impact workforce availability. Labor is an important input for local businesses.
 24 As housing prices increase, filling middle and lower wage positions can potentially become more difficult
 25 as many workers commute from outside the city. The majority of people employed in Mercer Island
 26 commute from outside the city. In 2019, 87 percent of workers employed on Mercer Island live outside
 27 the city. Only about 13 percent of workers employed in the city also live in Mercer Island. On the other
 28 hand, 91 percent of workers living on Mercer Island commuted to jobs outside the City in 2019. Table 5
 29 shows the inflow and outflow of Mercer Island workers as tracked by the U.S. Census Bureau in 2019.

30
 31 **Table 5. Worker Inflow and Outflow, 2019.**

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

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

33
 34 Many workers commute from off-island to fill middle and lower wage positions. In 2019, more than half
 35 of jobs in Mercer Island paid less than \$3,333 a month or about \$40,000 a year. The low earnings for on-
 36 island jobs can make it difficult for workers to afford to live near Mercer Island and could make finding
 37 workers difficult given that all of metro King County has a higher cost of living. Table 6 shows the earnings
 38 for on-island jobs as tracked in 2019 by the U.S. Census Bureau.

Commented [ja13]: Here's a good example of the in/on issue. We have "in" then "on" then "in" again.

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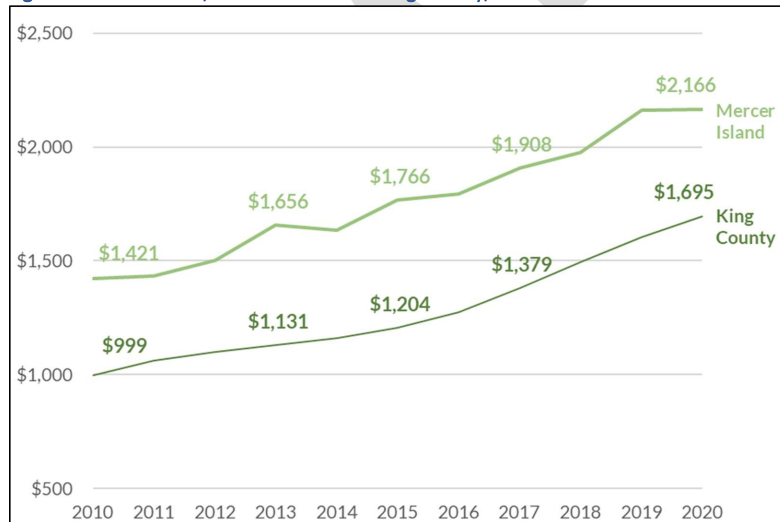
Table 6. Mercer Island Jobs by Earnings, 2019.

Earning Range	Count	Share
\$1,250 per month or less (\$15,000 annually)	1,738	24.6%
\$1,251 to \$3,333 per month (\$15,012 to \$39,996 annually)	1,995	28.2%
More than \$3,333 per month (more than \$39,996 annually)	3,338	47.2%

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 3 shows that in 2020, the median rent in Mercer Island was \$2,166 a month. Assuming that housing costs should be around 30 percent of a household’s income, this would require a monthly income of roughly \$6,498 or \$77,976 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 \$5,085 or \$61,020 annually to be affordable. As highlighted earlier, many most 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.

Figure 3. Median Rent, Mercer Island and King County, 2010 to 2020.



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

Displacement During Redevelopment

The City’s commercial areas are largely developed. ~~This causes so most new commercial development on the Island to occur will occur~~ through redevelopment of existing commercial buildings, which can displace. ~~Because most new commercial development happens through redevelopment,~~ businesses in older developments can face potential displacement. Displacement risk increases as sites redevelop because commercial spaces in redeveloped sites can have higher rents, construction can interrupt business, and

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1 new spaces might not fit existing business' needs. ~~Redevelopment is often driven by constrained supply~~
2 ~~of vacant developable land at the same time demand for a given type of development increases.~~ The City
3 can monitor the supply of developable commercial land to ~~ensure that~~ determine whether the availability
4 of commercial space is ~~not~~ increasing the displacement risk for local businesses.

5
6 **II. Business Ecosystem Goals and Policies**

7
8 **Goal 1 – The City of Mercer Island actively fosters a healthy business ecosystem.**

9
10 Policies

11
12 1.1 Partner with local, regional, state, and federal economic development agencies to increase
13 resources available for business owners and entrepreneurs.

14
15 1.2 Establish a local business liaison position ~~to~~ on the City Council. The local business liaison will act
16 as a point of contact ~~on the City Council~~ for all business leaders and representatives on Mercer
17 Island for policy issues.

18
19 1.3 Dedicate one staff position to coordinating the implementation of the Economic Development
20 Element.

21
22 1.4 Support local economic development nongovernmental organizations to grow their capacity to
23 support local businesses, attract new investment, and maintain a healthy business ecosystem.

24
25 1.5 Analyze commercial development capacity periodically to evaluate the type and quantity of
26 commercial development possible given existing development, zoning, and regulations.

27
28 1.6 Develop a citywide retail strategic plan. The citywide retail strategic plan should include
29 actionable steps the City can take to support existing retail businesses, attract new retail
30 businesses, and diversify the local economy.

31
32 1.7 Analyze the feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local
33 Improvement District (LID) in one or more commercial areas to fund improvements for economic
34 development.

35
36 1.8 Partner with community organizations such as the Chamber of Commerce to ~~Market-market~~
37 Mercer Island as an ~~ideal~~ good place to do business. ~~The City should focus marketing materials~~
38 ~~on the following:~~

39
40 ~~1.8.A Attracting new businesses and investment;~~

41 ~~1.8.B Attracting skilled workers;~~

42 ~~1.8.C Attracting off island visitors to commercial centers; and~~

43 ~~1.8.D Highlighting Mercer Island's assets such as high quality of life, business friendly environment, and~~
44 ~~prime location.~~

45
46 1.9 Encourage the planting of trees by businesses in the City's business districts.

Commented [ja14]: I don't think a council person should be the liaison. This would create an asymmetry of information on the council that may skew debate. It might also give rise to the well-studied risk of regulatory capture.

It's apparent that the business community feels like it's not been heard sufficient, but hopefully Policy 1.3 and the other policies described will address that need. Naming a member of that community as liaison to the counsel could complement staff input.

Commented [ja15]: Perhaps this policy could be folded together with 1.8 and 2.1.

Commented [ja16]: Too granular. I'd probably fold this together with 1.4 and 2.1.

Formatted: Indent: Left: 0"

Commented [ja17]: This is suggested by CAP NS1.2.

Formatted: Indent: Left: 0"

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

Commented [ja18]: Make this Goal 3. See note below.

3
4
5 Policies

6
7 2.1 Partner with nongovernmental organizations and neighboring economic development agencies
8 to market Mercer Island as a prime location for businesses and investment.

Commented [ja19]: Fold together with 1.4 and 1.8.

9
10 2.2 Partner with community organizations to target the following types of businesses and investment
11 when marketing the City as a prime location for business:

- 12
13 2.2.A A complementary and balanced mix of retail businesses and restaurants;
14 2.2.B Satellite offices and coworking spaces; and
15 2.2.C High wage employers.

16
17 2.3 Partner with community organizations to develop a guide to doing business on Mercer Island to
18 help entrepreneurs navigate City processes and find additional resources available to assist in
19 starting a new business.

20
21 2.4 Partner with community organizations to facilitate a mentorship program that connects Mercer
22 Island business owners, entrepreneurs, and retirees with young adults interested in starting new
23 businesses.

Commented [ja20]: Would it make sense to say something here about specifically trying to encourage opportunities for the BIPOC community? Or perhaps that could be a separate policy under this goal or Goal 4.

24
25 2.5 Conduct a food truck pilot program to attract new entrepreneurs to Town Center. The pilot
26 program can include but is not limited to the following:

- 27
28 2.5.A Designated food truck parking on public property, including rights of way;
29 2.5.B Informational materials provided to existing food truck operators to attract them to
30 Mercer Island;
31 2.5.C Partnerships with food truck organizations in the region;
32 2.5.D Outreach to existing restaurants to consider the impacts of the pilot program on existing
33 businesses; and
34 2.5.E A report providing recommendations for potential programmatic and regulatory changes.

35
36 **Goal 3 – Existing Businesses thrive as the cornerstone of Mercer Island’s business ecosystem.**

Commented [ja21]: Make this Goal 2. Cornerstones go in first :)

37
38 Policies

39
40 3.1 Convene an annual business owners’ forum to create a continuous feedback system during which
41 City elected officials and staff gather input from business owners. This input should inform City
42 decision making that affects the business community.

43
44 3.2 Facilitate periodic business roundtables with community organizations, local business owners,
45 and City staff.

46

- 1 3.3 Periodically distribute a business newsletter to local business owners and community
2 organizations.
- 3
- 4 3.4 Partner with community organizations, with a focus on the including the Chamber of Commerce,
5 to initiate a “Shop Mercer Island” marketing campaign directed at drawing more residents and
6 visitors to commercial areas on the island. The City should fill a support role in this partnership.
- 7
- 8 3.5 Coordinate with transit providers to ensure the to make the “Shop Mercer Island” marketing
9 campaign includes visible to transit riders.
- 10
- 11 3.6 Conduct outreach to surrounding businesses before initiating capital projects in commercial
12 zones. This outreach should create a two-way dialogue with businesses, offering a seat at the
13 table when capital projects might affect business operation.
- 14
- 15 3.7 Add policy re giving existing businesses notice of potential redevelopment – maybe replace
16 current 4.4 or complement it.
- 17

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

- 20
- 21 4.1 Encourage programming that enables residents and visitors to safely gather, access spaces,
22 socialize, and celebrate in the City. Encouraging public gatherings throughout the City can
23 improve the quality of life on Mercer Island and make the City a more vibrant place for residents
24 and visitors alike, which can in turn drive increased economic activity.
- 25
- 26 4.2 Balance economic growth with maintaining easy access to services and a small town feel.
- 27
- 28 4.3 Build resilience in the local economy by:
 - 29 4.2.A Diversifying the goods and services available in the local economy;
 - 30 4.2.B Being flexible when working with businesses to respond to crises such as allowing
31 temporary use of rights of way for business activity during a state of emergency like a
32 pandemic;
 - 33 4.2.C Coordinating with local businesses to plan for disaster preparedness; and
 - 34 4.2.D Addressing the impacts of climate change to reduce its effect on doing business in the
35 City.
 - 36
 - 37
- 38 4.4 Consider Climate Action Plan strategies during economic development decision making.
- 39
- 40 4.4 Identify and adopt measures to reduce displacement of existing businesses as new development
41 occurs.
- 42

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

- 45
- 46 5.1 Partner with regional, statewide, and federal agencies to connect job seekers in the region with
47 opportunities on Mercer Island.

Commented [ja22]: CAP CD2.2 seems similar. A strong shop local campaign would serve both the CAP and the business community.

Commented [ja23]: This seems to fit better under existing Goal 3 -- see proposed policy 3.7.

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

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

Policies

6.1 Consistent with the CAP, increase on-island employment options as a share of the City's employment growth target in order to reduce vehicle miles traveled commuting.

Commented [ja24]: I broke up 6.1 and referenced the Climate Action Plan.

Plan

6.2 Work to increase high-wage on-island job opportunities for residents.

increase on-island employment options as a share of the City's employment growth target, eliminate the need to commute, and reduce vehicle miles traveled.

6.3 Take steps to increase the supply of affordable housing on the Island.

Commented [ja25]: I would fold Goals 5 and 6 together.

III. Regulatory Environment Goals and Policies

Goal 7 – The City actively reduces the regulatory any unnecessary burden created by commercial development regulations and permitting processes to support a healthy business ecosystem, entrepreneurs, and innovation in business.

Policies

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

- 7.1.A Lowering compliance costs for business owners;
- 7.1.B Minimizing delay and reduce uncertainty in the entitlement process;
- 7.1.C Improving conflict resolution in the entitlement process;
- 7.1.D Reducing the likelihood of business displacement as new development occurs; and
- 7.1.E Balancing parking requirements between reducing barriers to entry for new businesses and the need for adequate parking supply.
- 7.1F Reducing GHG emissions.

Commented [ja26]: Does it make sense to replace "entitlement" with "regulatory."

Commented [ja27]: I don't want to lose track of the CAP. It's a lens through which all City decision making should be viewed. CAP CC3.2.

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

1 7.3 Evaluate additional process or code improvements on an annual basis with input from the
2 dedicated economic development staff, CAP Project Manager and Council local business liaison.
3 This evaluation should inform the development of annual docket recommendations as needed.

Commented [ja28]: I'm not sure what the this person's title will be moving forward.

4
5 7.4 Update home business regulations to support ensure that they allow a mix of commercial uses
6 while ensuring home businesses remain compatible with neighboring residential uses.

7
8 7.5 Establish a small-business pre-application process to help guide applicants through the permitting
9 process.

Commented [ja29]: Might this fit better under current Goal 2.

10
11 7.6 Convene an ad hoc committee of at least one architect, at least one developer, the Mercer Island
12 Building Official, the business owner Planning Commissioner, and City Council local business
13 liaison to develop proposed amendments to City codes to better facilitate adaptive reuse of
14 commercial real estate. The ad hoc committee's proposed amendments should be submitted
15 through the annual docket process.

16
17
18
19 **IV. Business and Customer Attraction Goals and Policies**

20
21 **Goal 8 – The Mercer Island business ecosystem includes a diversity of goods and services
22 enjoyed by residents and visitors.**

Commented [ja30]: Seems like this stuff could go in existing Goal 2.

23
24 Policies

25
26 8.1 Ensure land use regulations in commercial zones allow a diversity of commercial uses.

27
28 8.2 Encourage commercial offices to locate in Mercer Island to bring more potential daytime
29 customers to the Island without displacing existing retail space.

30
31 **Goal 9 – The commercial areas in Mercer Island, and especially the Town Center, are lively,
32 vibrant gathering places for the community and visitors.**

Commented [ja31]: Maybe fold this goal with goal 4. I think 4.1 and 9.1 are pretty similar.

33
34 Policies

35
36 9.1 Encourage arts and cultural activities in commercial zones to draw the community to commercial
37 areas.

38
39 9.2 Partner with community organizations to develop a program to activate Town Center in the
40 evening. The program should include strategies such as:

- 41
42 9.2.A Evening events to draw people to Town Center;
43 9.2.B Focusing on arts and cultural experiences;
44 9.2.C Engaging local nonprofits; and
45 9.2.D Incorporating existing community events.
46

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

3
4 Policies

- 5
6 ~~10.1 Emphasize quality of life as a cornerstone of the Mercer Island economy.~~
7
8 10.2 Focus on public safety as an important component of ~~the high quality of life on Mercer Island~~ thriving business community.
9
10 10.3 Activate public spaces in commercial areas by establishing design standards that encourage
11 walkability and active use of street frontages in new development using strategies such as:
12
13 10.3.A Emphasizing spaces that are human-scaled, safe and comfortable for walkers and bikers;
14 10.3.B Incorporating principles of crime prevention through environmental design (CPTED);
15 10.3.C Increasing wayfinding;
16 10.3.D Incorporating public art;
17 10.3.E Increasing street furniture/public seating provided it is designed with a specific purpose
18 or function; and
19 10.3.F Increasing the amount of public space, including parklets.
20
21 10.4 Review street standards including the streetscape manual in Town Center, considering the
22 following:
23
24 10.4.A Pedestrian improvements;
25 10.4.B Electric vehicle charging;
26 10.4.C Bike parking and infrastructure;
27 10.4.D Time-limited public parking;
28 10.4.E Public safety; and
29 10.4.F On street parking.
30

Commented [ja32]: Is this redundant with 11.2?

Commented [ja33]: Are these coordinated with CAP TR2.1 and 2.3? I don't understand the relationship of the CAP to the Comp Plan. This is another place where the CAP and the interests of the business community align

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

33
34 Policies

- 35
36 11.1 Establish regulations for outdoor dining and temporary uses that allow flexible use of street
37 frontages and public rights of way for public space to gather, celebrate, and socialize.
38
39 11.2 Seek to create more community gathering spaces (including parklets) when considering
40 development standards in Town Center.
41
42 11.3 Maintain the existing City program to beautify Town Center with landscaping, street trees and
43 flower baskets.
44

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

46
47 Policies

- 1
- 2 12.1 Ensure multimodal transportation options are available for workers to access on-island
- 3 employment and customers to access goods and services.
- 4
- 5 12.2 Reduce car dependence without compromising existing available parking in commercial areas by
- 6 prioritizing the following when considering regulatory amendments and capital improvements:
- 7
- 8 12.2.A Bike safety, parking, and infrastructure;
- 9 12.2.B Access to transit;
- 10 12.2.C Pedestrian safety;
- 11 12.2.D Traffic calming; and
- 12 12.2.E Human scale design.
- 13
- 14 12.3 Prioritize capital investment in creating robust pedestrian and bicycle connections between the
- 15 park and ride, light rail station, Town Center and surrounding residential areas.
- 16
- 17 12.4 Ensure that sufficient parking is provided through a combination of regulations and incentives
- 18 like parking credits as commercial areas redevelop. Interpretation of the policies in this element
- 19 should not lead to a reduction in parking,
- 20
- 21

Commented [ja34]: Explore a program that provides property owners in the CBD tax credits for making parking slots generally available to the public.

22 IV. Implementation Goals and Policies

23

24 **Goal 13 – The City takes specific actions and provides resources to implement the policies and**

25 **achieve the goals of this Economic Development Element. Progress toward achieving**

26 **Economic Development Element goals is regularly monitored and reported to the City**

27 **Council and public.**

28 Policies

- 29
- 30
- 31 13.1 Utilize federal, state, regional, and King County resources to implement this element.
- 32
- 33 13.2 Encourage public-private partnerships to achieve the goals of this element.
- 34
- 35 13.3 Seek grant funding for programs and activities that implement the policies of this element.
- 36
- 37 13.4 Appropriate funding for the implementation of this element through the City budget process.
- 38 Funds should be allocated at the same time projects are added to City department work plans to
- 39 ensure programs and projects are adequately funded to achieve the goals of this element.
- 40
- 41 13.5 Prepare a biennial report tracking implementation of the Economic Development Element. The
- 42 report will be provided to the City Council prior to adoption of the budget.
- 43
- 44 13.6 Establish an implementation timeline for this element each budget cycle. The implementation
- 45 timeline can be updated and amended each budget cycle to reflect the resources available to
- 46 accomplish actions to implement this element. The implementation timeline should detail the
- 47 following:

- 1
- 2 13.6.A Actions from this element to be added to department work plans for the upcoming
- 3 budget cycle;
- 4 13.6.B Actions from this element that should be added to work plans in the next three to six
- 5 years; and
- 6 13.6.C Actions from this element that should be added to future work plans in seven or more
- 7 years.
- 8
- 9 13.7 Respond to potential budget shortfalls for actions to implement this element with the following
- 10 strategies in descending order of priority:
- 11
- 12 13.7.A Alternate funding sources;
- 13 13.7.B Public-private partnerships;
- 14 13.7.C Reducing project or program scope to align with current budget constraints;
- 15 13.7.D Delaying projects to the next budget cycle; and
- 16 13.7.E Amending the policies of the Economic Development Element to reflect the City's capacity
- 17 to implement the element.
- 18

DRAFT

2025-26

Economic Development
Implementation Plan



Community Planning and Development
City of Mercer Island



City of Mercer Island
Department of Community Development and Planning
Adoption Date, 2024

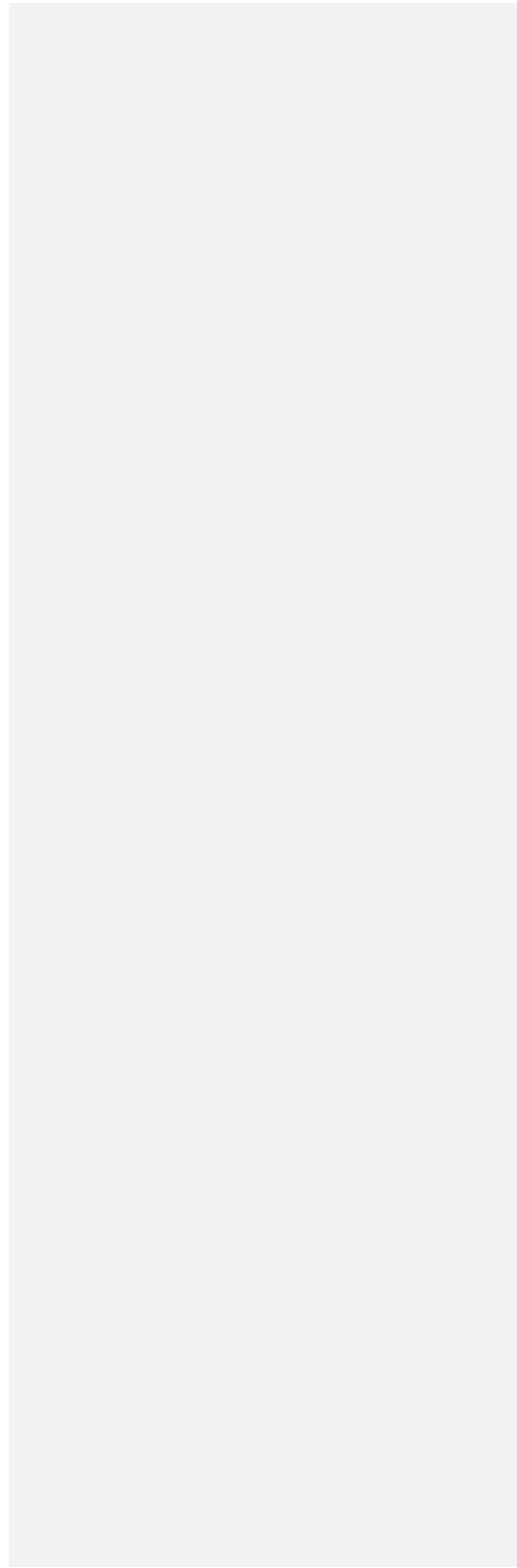


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1 Economic Development Element Implementation

2 ~~The policies in the Economic Development Element describe the projects and programs the City will~~
3 ~~undertake to realize its goals for economic development. They implementation policies in the Economic~~
4 ~~Development Element establish a the process by which the City Council will add projects from the element~~
5 ~~to departmental work plans. This process requires that an implementation progress report, project list,~~
6 ~~and implementation timeline be presented to the City Council each biennium as the budget is adopted.~~
7 ~~Each budget cycle, the City Council approves will approve a resolution setting the project list, adding~~
8 ~~projects to departmental work plans, and appropriating funds to achieve the goals of the Economic~~
9 ~~Development Element.~~

10
11 ~~The policies in the Economic Development Element describe the projects and programs the City will~~
12 ~~undertake to realize its goals for economic development. The City Council has discretion as to when those~~
13 ~~projects are added to departmental work plans. This document summarizes which projects and programs~~
14 ~~will be undertaken in the upcoming biennium.~~

15 **Project and Program List**

16 The Economic Development Element policies establish direction to undertake certain projects and
17 programs the City will undertake to grow its economy. Implementation of those policies requires direction
18 from the City Council to budget for and add those projects and programs to departmental work plans.
19 The following list outlines the projects and programs with their associated policy numbers from the
20 Economic Development Element:
21

- 22
- 23 • Establish a local business liaison position on the City Council (Policy 1.2)
- 24 • Dedicate one staff position to coordinating the implementation of the Economic Development
- 25 Element (Policy 1.3)
- 26 • Analyze commercial development capacity (Policy 1.5)
- 27 • Develop a citywide retail strategic plan (Policy 1.6)
- 28 • Analyze the feasibility of establishing a Parking Benefit and Improvement Area (PBIA) or Local
- 29 Improvement District (LID) (Policy 1.7)
- 30 • Partner with nongovernmental organizations and other economic development agencies to
- 31 market Mercer Island as an ideal place to do business (Policy 2.1)
- 32 • Develop a guide to doing business on Mercer Island to help entrepreneurs (Policy 2.4)
- 33 • Conduct a food truck pilot program (Policy 2.5)
- 34 • Convene an annual business owners' forum (Policy 3.1)
- 35 • Facilitate periodic business roundtables (Policy 3.2)
- 36 • Distribute a periodical business newsletter (Policy 3.3)
- 37 • Partner with community organizations to undertake a "Shop Mercer Island" marketing campaign
- 38 (Policy 3.4)
- 39 • Establish partnerships to connect workers with jobs on Mercer Island (Policies 5.1 and 5.2)
- 40 • Audit the commercial development code (Policy 7.1)
- 41 • Evaluate City fees (Policy 7.2)
- 42 • Jointly developed annual docket recommendation from the dedicated economic development
- 43 staff and Council local business liaison (Policy 7.3)
- 44 • Update home business regulations (Policy 7.4)
- 45 • Establish a small business preapplication process (Policy 7.5)

- 1 • Convene an ad hoc committee to review building and development code provisions related to
- 2 adaptive reuse of commercial spaces (Policy 7.6)
- 3 • Develop a program to activate Town Center (Policy 9.2)
- 4 • Review street standards including the streetscape manual in Town Center (Policy 10.4)
- 5 • Establish regulations for outdoor dining and temporary uses (Policy 11.1)
- 6 • Prepare a biennial report tracking implementation of the Economic Development Element (Policy
- 7 13.5)
- 8 • Establish an implementation timeline for this element each budget cycle (Policy 13.6)

9 Implementation Progress Report

10 This is the first Economic Development Element implementation plan and progress report. As such, the
11 City has yet to initiate any projects or programs to implement the element. The project list and
12 implementation timeline that follows will be the first actions taken in pursuit of the goals of the Economic
13 Development Element. This section will include an update of implementation progress when prepared
14 for future budget cycles.

15 Implementation Timeline

16 The implementation timeline includes the estimated duration of each project ~~spelled out~~ specified in the
17 goals and policies. Projects resulting from policies with specific deadlines are projected to ~~end~~ be
18 completed by the end of the ~~deadline year in which the policy establishes a deadline~~. Please note that
19 under state law, the City will likely be required to complete a periodic review and update of the
20 Comprehensive Plan, including the Economic Development Element, by 2034. Implementation tasks and
21 timelines are expected to be updated during the next periodic review.
22

Commented [ja1]: Is this what you meant? It sounded to me like the end of the year in which the deadline was sent which arguable would be he year the comprehensive plan is adopted.

Table 1. Six-Year EDE Implementation Timeline 2025-2030.

Implementation Action		Source Policy	'25-'26 Biennium								'27-'28 Biennium								'29-'30 Biennium								2031-44
			2025				2026				2027				2028				2029				2030				
Ongoing Implementation Actions	Economic Development staff position	1.3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Distribute business newsletter	3.3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Establish local business liaison position on City Council	1.2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Annual Business Owners' Forum	3.1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Economic development annual docket recommendation	7.3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Periodic Business Roundtables	3.2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Biennial implementation tracking report	13.5	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Update implementation plan	13.6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Term Limited Implementation Actions	Commercial development code audit	7.1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Small business pre-application process	7.5	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Analyze feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID)	1.7	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Outdoor dining and temporary uses regulations	11.1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Home Business development code review	7.4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	"Shop Mercer Island" marketing campaign	3.4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Evaluate City Fees	7.2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Food truck pilot program	2.5	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Citywide retail strategy	1.6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Work with partners to develop a guide to doing business on Mercer Island	2.3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Establish partnerships to connect workers with jobs on Mercer Island	5.1 & 5.2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Commercial development capacity analysis	1.5	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Review Town Center street standards and Streetscape Manual	10.4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Work with partners to facilitate a mentorship program	2.4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Adaptive Reuse Ad Hoc committee	7.6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Town Center activation program	9.2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Market Mercer Island as a prime location for doing business	2.1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		

Implementation Actions by Biennia

2025-2026 Biennium

The Economic Development Element implementation project list in Table 1 summarizes the projects and programs that the City will carry out in the upcoming 2025-2026 biennium. Each project or program includes a budget estimate, a projected start, and a projected completion. The projected start and end are listed as a quarter of the year to account for the variability of exact start times. The City Council can add or remove projects listed in Table 2 if a project should be deferred to a later budget cycle.

Table 2. Economic Development Element Implementation Project List 2025-2026 Biennium.

ID #	Project/Program	Source Policy Number	Start Date	End Date	Estimated Budget
ED-1	Dedicated Economic Development staff position	1.3	Ongoing	Ongoing	\$140,000
ED-2	Distribute business newsletter	3.3	Ongoing	Ongoing	N/A ¹
ED-3	Annual Business Owners' Forum	3.1	Q2 Annually	Ongoing	N/A ¹
ED-4	Economic development annual docket recommendation	7.3	Q3 Annually	Ongoing	N/A ¹
ED-5	Periodic Business Roundtables	3.2	Q4 Biennially	Ongoing	N/A ¹
ED-6	Report tracking implementation of the Economic Development Element.	13.5	Q2 Biennially	Ongoing	N/A ¹
ED-7	Update Economic Development Element implementation plan	13.6	Q3 Biennially	Ongoing	N/A ¹
ED-8	Establish local business liaison position on City Council	1.2	Q1 Annually	Ongoing	N/A ¹
ED-9	Develop Small business pre-application process	7.5	Q1 2025	Q2 2025	N/A ¹
ED-10	Commercial Development Code Audit	7.1	Q1 2025	Q4 2026	\$100,000
ED-11	Analyze feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID)	1.7	Q4 2025	Q1 2026	N/A ¹
ED-12	Establish outdoor dining and temporary uses regulations	11.1	Q2 2026	Q3 2026	N/A ¹
ED-13	Home Business Development Code Review	7.4	Q3 2026	Q4 2026	N/A ¹
ED-14	"Shop Mercer Island" Marketing Campaign	3.4	Q1 2026	Q4 2026	\$50,000
ED-15	Evaluate City Fees	7.2	Q1 2026	Q4 2026	\$40,000
ED-16	Food Truck Pilot Program	2.5	Q1 2026	Q4 2026	\$10,000
Approximate Total Budget for 2025 ²					\$190,000
Approximate Total Budget for 2026 ²					\$290,000
Approximate Total Budget for 2025-2026 Biennium					\$480,000

Notes:

- 1) Actions with an "N/A" in the budget line can be rolled into existing operations and/or the created economic development staff position.
- 2) The estimated budget for projects that span two years is divided evenly between both years.

1 **2027-2028 and 2029-2030 Biennia**

2 The remaining projects and programs outlined in the Economic Development Element are proposed to
 3 take place in subsequent biennia. Table 3 shows the projects and programs planned for the 2027-2028
 4 budget cycle. Table 4 shows the projects and programs planned for the 2029-2030 budget cycle. The City
 5 Council can decide to move any project or program from Tables 3 or 4 to the current project list in Table
 6 2. Moving a project or program to Table 2 would add it to a departmental work plan for the upcoming
 7 biennium and require a corresponding update to the implementation timeline.

8
 9 **Table 3. Economic Development Element Implementation Project List 2027-2028 Biennium.**

Project/Program	Source Policy Number	Start Date	End Date	Estimated Budget
Dedicated Economic Development staff position	1.3	Ongoing	Ongoing	\$140,000
Distribute business newsletter	3.3	Ongoing	Ongoing	N/A ¹
Annual Business Owners' Forum	3.1	Q2 Annually	Ongoing	N/A ¹
Jointly developed annual docket recommendation from the dedicated economic development staff and Council local business liaison	7.3	Q3 Annually	Ongoing	N/A ¹
Periodic Business Roundtables	3.2	Q4 Semi-annually	Ongoing	N/A ¹
Biennial report tracking implementation of the Economic Development Element.	13.5	Annual Q2	Ongoing	N/A ¹
Update Economic Development Element implementation plan	13.6	Quarterly	Ongoing	N/A ¹
Citywide retail strategy	1.6	Q1 2027	Q4 2028	\$80,000
Establish partnerships to connect workers with jobs on Mercer Island	5.1 & 5.2	Q1 2027	Q2 2027	N/A ¹
Work with partners to develop a guide to doing business on Mercer Island	2.3	Q1 2026	Q4 2026	N/A ¹
Commercial development capacity analysis	1.5	Q1 2028	Q4 2029	\$40,000 ²
Approximate Total Budget for 2027 ²				\$180,000
Approximate Total Budget for 2028 ²				\$220,000
Approximate Total Budget for 2027-2028 Biennium				\$400,000

10 Notes:

- 11 1) Actions with an "N/A" in the budget line can be rolled into existing operations and/or the created economic
 12 development staff position.
 13 2) The estimated budget for projects that span two years is divided evenly between both years.

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1 **Table 4. Economic Development Element Implementation Project List 2029-2030 Biennium.**

Project/Program	Source Policy Number	Start Date	End Date	Estimated Budget
Dedicated Economic Development staff position	1.3	Ongoing	Ongoing	\$140,000
Distribute business newsletter	3.3	Ongoing	Ongoing	N/A ¹
Annual Business Owners' Forum	3.1	Q2 Annually	Ongoing	N/A ¹
Jointly developed annual docket recommendation from the dedicated economic development staff and Council local business liaison	7.3	Q3 Annually	Ongoing	N/A ¹
Periodic Business Roundtables	3.2	Q4 Semi-annually	Ongoing	N/A ¹
Biennial report tracking implementation of the Economic Development Element.	13.5	Annual Q2	Ongoing	N/A ¹
Update Economic Development Element implementation plan	13.6	Quarterly	Ongoing	N/A ¹
Commercial development capacity analysis	1.5	Q1 2028	Q4 2029	\$40,000
Review Town Center street standards and Streetscape Manual	10.4	Q1 2029	Q4 2030	\$120,000
Work with partners to facilitate a mentorship program that connects Mercer Island business owners, entrepreneurs, and retirees with young adults interested in starting new businesses	2.4	Q1 2028	Q2 2028	N/A ¹
Approximate Total Budget for 2029 ²				\$240,000
Approximate Total Budget for 2030 ²				\$200,000
Approximate Total Budget for 2029-2030 Biennium				\$440,000

2 Notes:

- 3 1) Actions with an "N/A" in the budget line can be rolled into existing operations and/or the created economic
4 development staff position.
5 2) The estimated budget for projects that span two years is divided evenly between both years.
6

7 **2031-2044 Implementation Actions**

8 Some implementation actions are planned for the years 2031-2044. These implementation actions are
9 listed in Table 5. Cost estimates for these implementation actions are not included in the table because
10 they ~~will need to be~~ better determined closer to the time that they will be added to the
11 implementation plan in order to be more accurate. These implementation projects and programs would
12 be in addition to the ongoing implementation actions initiated in previous biennia.
13

14 **Table 5. 2031-2044 Economic Development Element Implementation Project List.**

Project/Program	Source Policy Number	Estimated Start	Estimated Duration
Adaptive Reuse Ad Hoc committee	7.6	2030	1 Year
Town Center activation program	9.2	2030	2 Years
Market Mercer Island as a prime location for doing business	2.1	2031	1 Year

1 2025-2026 Economic Development Element Implementation Action
 2 Descriptions

3 The following tables list detailed descriptions of each Economic Development Element implementation
 4 action, project, or program planned for the 2025-2026 Biennium. The tables include the budget estimates
 5 for each year and the project overall.

7 **Project ED-1 Dedicated Economic Development Staff Position**

8 Create a staff position that is dedicated to the implementation of the Economic Development Element
 9 and oversee the City’s economic development program. The position is not expected to only focus on the
 10 Economic Development Element, but also engage in other economic development projects. This position
 11 is also expected to pursue grant funding for economic development, facilitate partnerships in the Mercer
 12 Island business community, and coordinate City efforts with regional, statewide, and federal economic
 13 development programs.

15 Project Justification

16 The Economic Development Element creates a directive to dedicate one full-time position to its
 17 implementation. Initiating and carrying out an economic development program will require staff
 18 resources beyond what the City has available without establishing a new position. This position will help
 19 to ensure that the City realizes its economic development goals by overseeing the economic development
 20 projects and programs the City has included in its Comprehensive Plan. This position can help offset some
 21 of the budget impacts of the economic development program by exploring and applying for grants and
 22 other funding sources. This position can also provide professional technical information for City decision
 23 makers as the City considers actions that intersect-affect with the local economy.

Project ED-1 Dedicated Economic Development Staff Position				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing	\$140,000	\$140,000	\$280,000	Community Planning and Development (CPD)

26 **Project ED-2 Distribute Business Newsletter**

27 The City started providing a regular business newsletter during the COVID-19 pandemic to keep local
 28 businesses informed of resources available and the shifting safety protocols. Economic Development
 29 Element Policy 3.3 calls for continuing to periodically distribute a business newsletter. Initially, this
 30 distribution will occur quarterly in the form of an emailed newsletter. The frequency of distribution can
 31 be adjusted as needed to account for the information needs of the business community. The dedicated
 32 economic development staff position will oversee the production and distribution of the newsletter and
 33 manage the distribution list. The expected cost of this implementation action is projected to be included
 34 in the existing cost of the economic development staff position, without added material or labor costs.

36 Project Justification

37 This project is expected to facilitate communication between the City and the Mercer Island business
 38 community. This communication should boost participation of business leaders in the City’s other
 39 economic development projects and programs and raise awareness of City actions that might affect
 40 businesses.

Commented [ja2]: I would leave "without added material or labor costs" out of all these. It seems redundant to me.

Project ED-2 Distribute Business Newsletter				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing	N/A	N/A	N/A	CPD

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Project ED-3 Annual Business Owners’ Forum

Economic Development Element Policy 3.1 calls for the City to hold an annual Business Owners’ Forum involving the business leaders, the City Council Local Business Liaison, and City economic development staff. The purpose of this annual forum is to gather input from the business community that can help guide the City’s future economic development activities. This can include feedback on what regulatory improvements the City might make or the effectiveness of economic development programs. Comments from the business community gathered during the annual forum can help the Local Business Liaison and City staff prepare new project proposals for upcoming City work plans and inform other City decision making. This forum will also begin to establish a continuous feedback system between the City and business community. The expected cost of this implementation action is projected to be included in the existing cost of the economic development staff position, without added material or labor costs.

Project Justification

This project will be one of the cornerstones of the City’s economic development program by creating an annual opportunity for business leaders to engage with City staff and elected officials. Regularly scheduled input will establish a predictable avenue for business leaders to interface with the City and help improve the City’s economic development projects and programs.

Project ED-3 Annual Business Owners’ Forum				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing Q2 Annually	N/A	N/A	N/A	CPD

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Project ED-4 Economic Development Annual Docket Recommendation

Each year the City Council’s Local Business Liaison and economic development staff will consider proposing amendments to the City’s Comprehensive Plan and Title 19 Mercer Island City Code – Unified Land Development Code during the annual docket process. This annual docket proposal process can account for will utilize the feedback received during other economic development activities the City has conducted throughout the year. During this project, the City’s main economic development points of contact will consider whether amendments to City policies and regulations are needed to better support the business community. The Any resultant proposal will be considered by the Planning Commission and City Council for inclusion in the next CPD work plan. The expected cost of this implementation action is projected to be included in the existing cost of the economic development staff position, without added material or labor costs.

Project Justification

This implementation action provides an annual avenue for the Local Business Liaison and economic development staff to propose changes to the City’s Comprehensive Plan and development regulations to account for the input they have received from the business community throughout the year. Establishing a recurring project to develop an annual docket proposal will help ensure that actionable feedback is responded to in a timely way via the proper process.

Commented [ja3]: I guess there's not necessarily going to be a proposal each year.

Project ED-4 Economic Development Annual Docket Recommendation				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing Q3 annually	N/A	N/A	N/A	CPD

Project ED-5 Periodic Business Roundtable

Economic Development Element Policy 3.2 calls for the City to periodically hold a Business Roundtable involving the with business leaders, the City Council Local Business Liaison, and City economic development staff. To start with initially, this roundtable is planned to take place every other year after the City has updated its economic development implementation plan. The roundtable will serve as a kickoff for the economic development programs planned for the upcoming biennium. ~~The Council's Local Business Liaison and economic development staff will collaborate to communicate to the business community what the City has accomplished in the previous biennium and what it plans to do in the upcoming years. This will also be an opportunity for dialog with business leaders prior to initiating programs and projects. That dialog should help the City refine its approaches to existing programs and projects as well as inform the scoping of other tasks.~~ The expected cost of this implementation action is projected to be included in the existing cost of the economic development staff position, without added material or labor costs.

Commented [ja4]: Most of this is already covered in the "Project Justification," which can be tweaked to take into account this deletion.

Project Justification

The periodic business roundtable is another key component of the City's outreach to local businesses. This roundtable should provide useful feedback for the City to understand how its programs are affecting the business community. The business roundtable will also give the City the opportunity to introduce its planned economic development actions to the business community in advance of undertaking those actions. These systems of feedback and communication between the City and business community are vital to the City's overall economic development program.

Project ED-5 Periodic Business Roundtable				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing Q4 Biennially	N/A	N/A	N/A	CPD

Project ED-6 Biennial Economic Development Element Implementation Tracking

Every other year, staff will catalog the economic development projects and programs the City has undertaken in the previous budget cycle. This will be compared against the actions outlined in the Economic Development Element to determine which projects and programs should be budgeted and planned for in the upcoming biennium. This implementation tracking will be compiled in a report provided to the City Council in advance of budgeting and assigning tasks for the upcoming biennium. The expected cost of this implementation action is projected to be included in the existing cost of the economic development staff position, without added material or labor costs.

Project Justification

The Economic Development Element outlines an implementation tracking process in policies 13.5 and 13.6. The purpose of these policies and the implementation tracking process overall is to ensure that the City is following through on the economic development actions it has ~~planned~~ outlined in its

Commented [ja5]: I don't understand how the timetables for ED-5 and ED-6 relate. Are they in the same year or opposite years? Maybe that can be clarified. If the Implementation Tracking is antecedent to the Roundtable, maybe their order should be switched.

1 Comprehensive Plan. Ultimately, the Economic Development Element implementation tracking will be a
 2 tool for the City Council to evaluate which actions to budget for and assign to City departmental work
 3 plans.
 4

Project ED-6 Biennial Economic Development Element Implementation Tracking				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing Biennially Q2	N/A	N/A	N/A	CPD

5
 6 **Project ED-7 Update Economic Development Element Implementation Plan**
 7 The City Council will update the Economic Development Element implementation plan each budget cycle.
 8 This update is required by Policy 13.6. The implementation tracking report prepared during task ED-6 will
 9 help give the City Council the information needed to determine which implementation actions from the
 10 Economic Development Element still need to be done. The biennial update to the implementation plan
 11 will coincide with the City’s budget process. The expected cost of this implementation action is projected
 12 to be included in the existing cost of the economic development staff position, without added material or
 13 labor costs.
 14

15 Project Justification

16 Assigning and budgeting for implementation of the Economic Development Element is an important step
 17 in making sure the City realizes its economic development goals in the Comprehensive Plan. Through this
 18 process, the City Council will determine which implementation actions to add to upcoming departmental
 19 work plans and budget for in the ensuing biennium.
 20

Project ED-7 Update Economic Development Element Implementation Plan				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing Biennially Q4	N/A	N/A	N/A	CPD

21
 22 **Project ED-8 Establish local business liaison position on to the City Council**
 23 Economic Development Element Policy 1.2 calls for the creation of a Local Business Liaison position on to
 24 the City Council. ~~Every year, a sitting City Council member will be selected to fill this position.~~ The Local
 25 Business Liaison will serve as a point of contact for the Mercer Island business community and coordinate
 26 with economic development staff to conduct outreach to economic development stakeholders through
 27 events such as the annual business forum and periodic business roundtables. The Local Business Liaison
 28 will also work with economic development staff to propose Comprehensive Plan and/or development
 29 code amendments as needed during the annual docket process. ~~To initiate the creation of this City Council~~
 30 ~~position, Staff will prepare the necessary documents to establish the procedure for selecting the Local~~
 31 ~~Business Liaison. The expected cost of this implementation action is projected to be included in the~~
 32 ~~existing cost of the economic development staff position, without added material or labor costs.~~
 33

34 Project Justification

35 The City Council Local Business Liaison is an important piece of the Economic Development Element. The
 36 Element spells out a handful of specific duties for the Local Business Liaison and relies on this position to
 37 act as a go-between for the City Council and the business community. Establishing this position should

Commented [ja6]: For the reasons stated in my comments to the Element, I don't think the liaison should be a Councilperson.

Commented [ja7]: If we decide to have it be a councilperson, I think it needs to be a different person each year to mitigate the problems I described in my earlier comments.

1 increase the efficiency of implementing the economic development program at the City and create a
 2 regular feedback mechanism between the City Council, economic development staff, and the Mercer
 3 Island business community.

4

Project ED-8 Establish local business liaison position on City Council				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Ongoing Q1 Annually	N/A	N/A	N/A	CPD

5
 6 **Project ED-9 Develop Small Business Pre-Application Process**
 7 Economic Development Element Policy 7.5 calls for the creation of a small business pre-application
 8 process. This is expected to help entrepreneurs and existing small businesses navigate City regulations
 9 and the permitting processes when starting a new business or expanding an existing one. The purpose of
 10 creating this process is to reduce permitting delays for development permit applications and cut down on
 11 the permitting costs for small businesses. Developing this preapplication process is expected to take place
 12 during the first half of 2025. The expected cost of this implementation action is projected to be included
 13 in the existing cost of the economic development staff position, without added material or labor costs.

14
 15 Project Justification

16 The small business pre-application process should help the local economy grow by assisting smaller
 17 businesses navigate the City’s permitting processes which will help cut down on permit delays and costs
 18 to applicants.

19

Project ED-9 Develop Small Business Pre-Application Process				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q2 2025	N/A	N/A	N/A	CPD

20
 21 **Project ED-10 Commercial Development Code Audit**
 22 Economic Development Element Policy 7.1 calls for an audit of the commercial development code to
 23 improve its effectiveness and make efficient use of City resources. The policy includes a list of specific
 24 factors the audit should address:

- 25
- 26 • Lowering ~~Minimizing unnecessary~~ compliance costs for business owners;
 - 27 • Minimizing delay and reduce uncertainty in the entitlement process;
 - 28 • Improving conflict resolution in the entitlement process; and
 - 29 • Reducing the likelihood of business displacement as new development occurs; and
 - 30 • Balancing parking requirements between reducing barriers to entry for new businesses and the
 31 need for adequate parking supply.

32
 33 The project is expected to take roughly two years to complete. During the first year, staff will conduct the
 34 audit. After auditing the code, staff will prepare commercial development code alternatives for the City
 35 Council to consider through a legislative process. The legislative process is planned for the second year
 36 of the project. Public participation will be integrated into the project in both the development of code
 37 alternatives and the legislative review.

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Project Justification

The development code audit and update should encourage economic growth by lowering barriers of entry for businesses. The cost associated with this project is for the retention of consultants to assist City staff in the development code audit and preparing updates for the code.

Project ED-10 Commercial Development Code Audit				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q4 2026	\$50,000	\$50,000	\$100,000	CPD

Project ED-11 Analyze feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID)

This implementation project is a study of the feasibility of establishing a Parking Benefit Improvement Area (PBIA), Local Improvement District (LID), or other similar district in the City that would focus on improving on-street parking and the streetscape. Establishing this kind of district or area has the potential to generate funding and other resources to update infrastructure in the City’s commercial areas. The intended outcome of this feasibility study is to develop alternatives for the City Council to consider. The expected cost of this implementation action is projected to be included in the existing cost of the economic development staff position, without added material or labor costs.

Project Justification

Establishing a PBIA, LID, or other similar district could generate funding and resources for parking and streetscape improvements that would further the City’s economic development goals. This is intended to give the City Council information about alternatives available to manage and fund improvements to increase circulation and access within the district or area thereby bolstering economic activities in that area.

Project ED-11 Analyze feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local Improvement District (LID)				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q1 2026	N/A	N/A	N/A	CPD

Project ED-12 Outdoor Dining and Temporary Uses Regulations

~~This project would be carried out by a combination of economic development and long-range planning staff.~~ This purpose of the project is intended to establish new or and clarify existing outdoor dining and temporary use regulations. Outdoor dining and temporary uses can potentially activate commercial areas by drawing more pedestrians and increasing outdoor activity in commercial zones. The project is expected to take roughly six months in the first half of 2026. ~~This project would be carried out by a combination of economic development and long-range planning staff.~~ In addition to City staff, the Planning Commission would be involved in the legislative review of the proposed regulations. The expected cost of this implementation action is projected to be included in the existing cost of the economic development staff position, without added material or labor costs.

1 Project Justification

2 The current development code for outdoor dining and temporary uses is unclear and at times restricts
 3 commercial activity that ~~would~~ could otherwise be beneficial to the local economy. This project would
 4 clarify the existing regulations and establish new regulations that would reduce regulatory barriers while
 5 safeguarding the public interest in orderly development. When drafting the Economic Development
 6 Element, staff identified this project as a low-cost project that has the potential for high beneficial impact
 7 on commercial activity in the City.
 8

Project ED-12 Outdoor Dining and Temporary Uses Regulations				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q3 2026	N/A	N/A	N/A	CPD

9

10 **Project ED-13 Home Business Development Code Review**

11 As the City evaluates its other development code provisions related to commercial development during
 12 Project ED-10, it can also evaluate its home business regulations for commercial activities in residential
 13 zones. Given that this code section has not been updated in some years, an update ~~and potential~~
 14 ~~streamlining~~ could spur additional economic growth by simplifying the regulatory requirements and
 15 streamlining the permitting process.
 16

17 Project Justification

18 Reviewing and streamlining the development code and permitting process for home businesses can make
 19 it easier for smaller firms to start businesses in the City.
 20

Project ED-13 Home Business Development Code Review				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q4 2026	N/A	N/A	N/A	CPD

21

22 **Project ED-14 Shop Mercer Island Marketing Campaign**

23 Policy 3.4 calls for the City to work with partners to initiate a “Shop Mercer Island” marketing campaign
 24 to support local businesses and attract more customers to retail businesses in the City. This will include
 25 working with the Chamber of Commerce and other economic development organizations and agencies.
 26 The City’s primary role in this project is expected to be coordinating this campaign, facilitating
 27 partnerships between the community organizations involved, and marshalling resources.
 28

29 Project Justification

30 The Shop Mercer Island Marketing Campaign will support the retail industry in the City, a key sector of
 31 the local economy. Through this project, the City can have a direct impact on providing additional visibility
 32 for local businesses.
 33

Project ED-14 Shop Mercer Island Marketing Campaign				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q4 2026	N/A	\$50,000	\$50,000	CPD

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1 **Project ED-15 Evaluate City Fees**

2 Policy 7.2 calls for the City to evaluate permitting fees to determine their effect on business startup costs
 3 and City finances. The evaluations should ~~also~~ balance the permitting costs, the impact on business
 4 startup costs, and ~~with~~ the financial needs of the City. This project ~~should~~ is intended to find ways the
 5 City can reduce costs for starting new businesses and expanding existing businesses. This project is
 6 scheduled to take place during the latter half of the commercial development code audit to take into
 7 consideration ~~the~~ any easing of regulatory barriers and streamlining of permit processes.

8
 9 Project Justification

10 This project is expected to reduce business formulation and expansion costs. This should make it easier
 11 for firms to locate and grow in the City, both of which would spur additional economic growth. Planning
 12 to do this project at the same time the City audits its development code during project ED-10 should
 13 maximize the potential economic growth this project can stimulate by reducing permitting costs at the
 14 same time regulatory barriers are reevaluated.

Project ED-15 Evaluate City Fees				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q4 2026	N/A	\$40,000	\$40,000	CPD

16
 17 **Project ED-16 Food Truck Pilot Program**

18 Economic Development Element Policy 2.5 calls for the creation of a food truck pilot program ~~as a means~~
 19 ~~to attract more entrepreneurs to Town Center~~. The program would look at ways to attract more food
 20 trucks and result in a report detailing what regulatory and programmatic changes can be made to make
 21 the City more attractive to food truck operators.

22
 23 Project Justification

24 Finding ways to encourage and attract food truck operators is expected to spur economic activity in the
 25 City. Food trucks ~~specifically~~ are targeted by this program because they ~~tend to eventually~~ have the
 26 potential to become permanent businesses in brick-and-mortar restaurants. This entrepreneurship can
 27 help grow the Mercer Island economy.

Project ED-16 Food Truck Pilot Program				
Target Completion Date	2025 Cost Estimate	2026 Cost Estimate	2025-26 Total Cost Estimate	Department
Q4 2026	N/A	\$10,000	\$10,000	CPD

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

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

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

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

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

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

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

4 <https://data.census.gov/table?q=industry&g=1600000US5345005&tid=ACSST5Y2021.S2404>5 <https://data.census.gov/table?q=earnings+by+industry&g=1600000US5345005&tid=ACSDT5Y2021.B24031>

6

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

13

14

1

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

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

2

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

3

4

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

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

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

13

Source: 2021 American Community Survey Table S1903.

14

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Mercer Island Commercial Areas

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Town Center

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Town Center is located south of Interstate 90, north of Mercerdale Park, west of Island Crest Way, and east of 74th Avenue Southeast. The Town Center has experienced the most development of all the commercial areas in the City in recent years. Most of the recent development has been mixed-use

1 development combining first floor commercial space and residential uses on the upper floors. Older
2 development in Town Center is lower-intensity, one-story, 'strip mall' development with surface parking
3 in front of the commercial space.
4

5 **Northeast Commercial Area**

6 The northeast commercial area is south of Interstate 90, north of Stroum Jewish Community Center, west
7 of East Mercer Way, and east of Gallagher Hill. This area is primarily developed for commercial and
8 institutional uses. The majority of buildings in this area were constructed between 1957 and 1981.
9 Commercial development is typically composed of one- and two-story buildings surrounded by surface
10 parking lots. The commercial land uses in this area are offices for professional services and services such
11 as daycares and private schools. City hall is located in this area. The intersection of E Mercer Way, SE 36th
12 Street and I-90 offramps is located in the eastern portion of this area. This intersection experiences
13 significant traffic levels during peak travel hours.
14

15 **South End Commercial Area**

16 The south end commercial area is south of Southeast 68th Street, west of Island Crest Way, east of 84th
17 Avenue Southeast, and north of Southeast 71st Street. This is the smallest commercial area in Mercer
18 Island at roughly 14 acres. The majority of the commercial development dates to the early 1960's. The
19 commercial land uses here are primarily restaurants and retail. There are some commercial offices, a gas
20 station, and a storage facility. This area has low intensity commercial development surrounded by surface
21 parking lots.
22

23 **Land Use Connection**

24 There is a fundamental tie between the policies of this element and the Land Use Element. The Land Use
25 Element of this Comprehensive Plan describes the nature and extent of commercial uses allowed in the
26 City. The Land Use Element policies and the resultant regulations shape the economy on Mercer Island.
27 The Land Use Element envisions a primarily residential city with three defined commercial areas. To that
28 end, commercial land uses are largely only allowed in those three distinct commercial districts. This
29 focuses all of the future economic growth in the City on a few defined areas.
30

31 Each of the three commercial areas are regulated differently, with the built environment reflecting those
32 variations. The Town Center zones allow the highest intensity development and midrise mixed-use
33 structures are the principal form of new commercial development in that area. The northeast commercial
34 area is zoned for office and service uses as opposed to other commercial uses. The northeast commercial
35 area was largely developed forty years ago and has not seen the same degree of recent development as
36 Town Center. The south end commercial area is zoned for a mix of small scale, neighborhood-oriented
37 business, office, service, public and residential uses. The smallest of the three commercial areas, the south
38 end commercial area, is mostly developed. New commercial development in most areas of the City will
39 likely come through redevelopment of existing commercial buildings.
40

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

1 **Relationship to Other Comprehensive Plan Elements**

2 The Housing, Transportation, Utilities, Capital Facilities, and Shoreline Master Program elements all
3 interact with the local economy in unique ways. Infrastructure and housing supply are vital components
4 of any local economy: the flow of inputs, outputs, and information, along with the availability of a labor
5 force, influence economic activity. The Capital Facilities and Utilities elements detail how the City will
6 provide vital services to businesses. The Shoreline Master Program Element details how the City will
7 regulate and protect the Lake Washington shoreline bounding the City. These five comprehensive plan
8 elements influence the local economy as follows.

9

10 **Housing**

11 Housing indirectly impacts the local economy because it has an effect on local business' customer base
12 and labor force. Housing on Mercer Island is primarily detached single-family homes. Multifamily
13 development is largely limited to the area in and around Town Center. Housing has two primary effects
14 on the local economy. High housing costs may limit the ability for some workers to afford to live in the
15 City, leading to increased commuting and potentially limiting business' ability to hire. Conversely, higher
16 cost housing can attract higher-income residents and customers for local businesses.

17

18 **Transportation Element**

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

27

28 **Utilities**

29 The provision of utilities is vital to workers and local businesses. For example, technology-based industries
30 and telecommuting workers rely on access to high-speed internet service to conduct business.
31 Restaurants and coffee shops rely on water service-providers to supply water to their businesses. The
32 Utilities Element details how the City will coordinate with its utility service providers to ensure adequate
33 provision of these vital services for residents and businesses alike.

34

35 **Capital Facilities**


36 Capital facilities are central to the provision of important services for the local economy. In addition to
37 planning for providing services, through planning for parks and other public assets, the Capital Facilities
38 Element includes goals and policies to support a high quality of life. Quality of life can attract new
39 businesses and workers to choose to do business on Mercer Island

40

41 **Shoreline Master Program**

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

1 **Employment Growth Target**

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

10 11 **I.B Strengths, Weaknesses, Opportunities, and Threats**

12
13 The advantages and challenges the City plans to encounter in the next twenty years can be divided into
14 strengths, weaknesses, opportunities, and threats. Strengths are those things already existing in the local
15 economy that the City can build on to grow the economy. Weaknesses are existing conditions in the local
16 economy that could impede or otherwise challenge economic growth through the planning period.
17 Opportunities are foreseeable changes that can give the City a stronger competitive advantage in the
18 coming years. Threats are external events or factors that have the potential to negatively affect economic
19 growth. The selected strengths, weaknesses, opportunities, and threats discussed in this section were
20 identified during public participation and data review conducted during the drafting of this element.
21



22 **Strengths**

23 Strengths are the cornerstones of the economy. These are the aspects of the local economy that are
24 advantageous for economic growth. Strengths are factors that contribute to the material and cultural
25 prosperity in the City and as such represent topic areas the City can support or expand to overcome
26 weaknesses and threats. Some of the principal strengths identified are listed and discussed below.
27


28 **Strengths Identified**

- 29
- 30 • High quality of life
- 31 • High-income residents
- 32 • Location of the City and its connection to the larger Puget Sound region
- 33

34 **High Quality of Life**

35 The high quality of life on Mercer Island is a considerable strength. High quality of life helps attract new
36 businesses and workers alike. Community input gathered during the drafting of this element often
37 pointed to the high quality of life in Mercer Island as an asset the City can build upon to strengthen the
38 local economy. Quality of life factors such as parks, open space,  good public schools, and cultural
39 amenities also serve as a draw for off-island visitors that may patronize local businesses. The City’s high
40 quality of life will serve as a strong foundation for future economic growth. 

41 **High-Income Residents**

42 Another key strength is the relatively high income of Mercer Island residents. During public input,
43 business owners pointed out that the spending power of the Mercer Island community helped with the
44 initial success of businesses. In 2021, the median household income for Mercer Island was \$170,000. For
45 reference, the 2021 median household income in King County was \$106,326. Table 4 shows the 2021
46 household income distribution in Mercer Island. 

1

Table 4. Household Income and Benefits, 2021.

Income and Benefits in 2021 Inflation-Adjusted Dollars	
Total households	9,758
Less than \$10,000	3.3%
\$10,000 to \$14,999	0.5%
\$15,000 to \$24,999	4.0%
\$25,000 to \$34,999	5.1%
\$35,000 to \$49,999	4.3%
\$50,000 to \$74,999	8.3%
\$75,000 to \$99,999	6.1%
\$100,000 to \$149,999	14.3%
\$150,000 to \$199,999	8.8%
\$200,000 or more	45.3%
Median household income (dollars)	\$170,000
Mean household income (dollars)	\$261,417

2

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

3

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

4

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

11

12 Location of the City

13 Mercer Island's location on Interstate 90 (I-90) and roughly equidistant from Seattle and Bellevue is a
 14 strength. Seattle and Bellevue are large metropolitan centers with many thriving businesses, potential
 15 customers for Mercer Island businesses, and workers with diverse skills and expertise. I-90 provides
 16 potential customers and employees with excellent access to the city and that access is complemented
 17 with available parking near businesses. Furthermore, customers are drawn by the high quality of life,
 18 public safety, and high-quality goods and services available in Mercer Island. In addition to I-90, the city is
 19 connected to its neighbors by transit, allowing greater flow of people to and from its commercial centers.
 20 Ensuring good access to commercial areas with roads and transit connections can build on this strength.

21

22 Weaknesses

23 Weaknesses are aspects of the local economy that could impede growth in the local economy.
 24 Weaknesses can make growing business in the city challenging. As such, weaknesses represent topic areas
 25 the City can apply policy mechanisms to minimize, reduce, or overcome challenges. Some weaknesses
 26 increase barriers to entry for new businesses or make innovating riskier. Weaknesses are listed and
 27 discussed below.

28

29

30 Weaknesses Identified

31

- 32 • Permitting and regulatory environment
- 33 • Business climate and Culture

- Lack of off-island customer base
- Availability and affordability of commercial space

Permitting and Regulatory Environment

Permitting challenges can adversely affect business formation. Difficulty in navigating the development code and permitting processes can increase financial risk when starting a new business or expanding an existing one. 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. Another challenging factor related to permitting is the additional cost that fees and delays in permitting can add 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 overly restrict or complicate the process of starting or expanding a business while safeguarding the public interest. Another way to address this weakness is engaging the business community in the legislative process.

Business Climate and Culture

Public input gathered during the drafting of this element indicated that the business climate and culture on Mercer Island are 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 of 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.

Affordability and Availability of Commercial Space

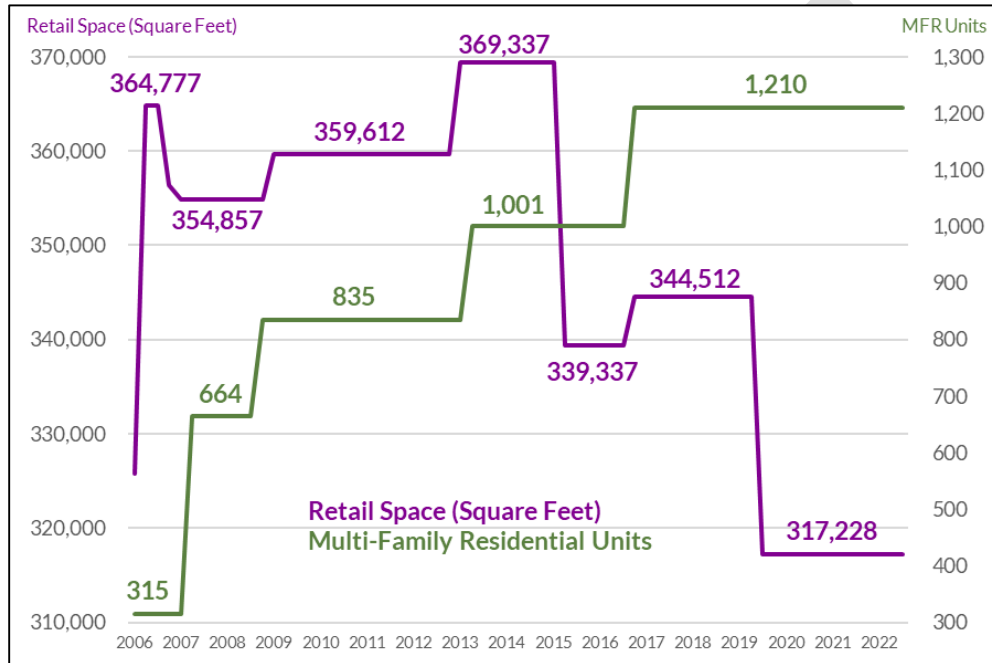
The availability and cost of commercial space in the city can be a challenge for new business formulation and expansion of existing businesses. Under the current zoning, commercial activities are largely limited to three areas in the city. The largest of these areas, Town Center, is a mixed-use area 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.

Figure 1 compares the change in commercial square footage and residential units in Town Center between 2006 and 2022. The retail space referred to in the figure is commercial store fronts that could be retail or restaurant space. From 2006 to 2022, the multi-family 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

1 peak of about 369,000 square feet in 2013, before decreasing to about 317,000 square feet in the third
 2 quarter of 2019. This may be the result of a demolished building at 2431-2441 76th Ave SE. From 2006 to
 3 2022, the amount of commercial space has decreased by approximately 2.5% while the number of multi-
 4 family residential units have increased by nearly 75%. Although all development in Town Center is
 5 interconnected due to the mixed-use zoning in the area, this data does not mean that the amount of
 6 commercial space and number of residential units in Town Center are proportional or causal. The data
 7 does indicate that the overall trend in recent years is an increase in residential units at the same time
 8 commercial space is decreasing.

9

10 **Figure 1. Change in Retail Space and Multi-Family Residential Units, Town Center, 2006 to 2022**



11
 12

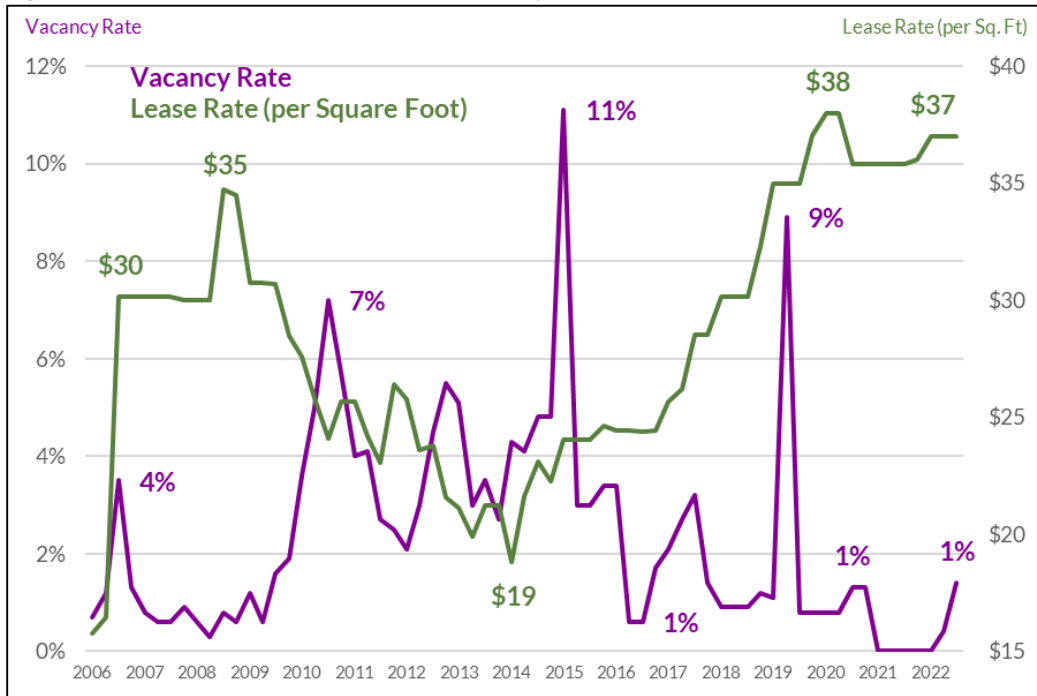
Source: CoStar, 2022; CAI, 2022.

13

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

24

1 Figure 2. Retail Annual Lease Rate and Vacancy Rate, Town Center, 2006 to 2022.



2 Source: CoStar, 2022; CAI, 2022.

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

11
12 **Opportunities**

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

18
19 **Opportunities Identified**

- 20
21
- Improved transportation connections
 - Arrival of large employer in Town Center
 - More islanders working from home
- 22
23
24

25 **Improved Transportation Connections**

26 The flow of goods and people is a major component of any city’s economy. Transportation infrastructure
27 can be even more impactful for an island community where moving people and goods is complicated by
28 lack of an overland route. For this reason, the East Link Light Rail station has the potential to be one of
29 the most transformative transportation developments on Mercer Island since the construction of the first

1 bridge to the island. The arrival of light rail will increase access to Mercer Island for workers and customer
2 base alike. The potential to draw more off-island visitors to increase the customer base for local
3 businesses is an opportunity to boost economic growth in the city. Leveraging the arrival of light rail will
4 require some active steps to ensure that this opportunity is maximized. The City can help connect transit
5 riders with local businesses to take advantage of the arrival of light rail.

7 Arrival of a Large Employer in Town Center

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

15 More Islanders Working From Home

16 One of the changes prompted by the Covid-19 pandemic is the transition to more work-from-home
17 options for commuters. This has the potential to change the habits of workers who live on Mercer Island
18 but are employed elsewhere. The extent to which commuting workers will spend their workdays on-
19 island instead of traveling to work off-island remains unclear. What seems increasingly likely is that
20 workers will commute less often than they did before the pandemic. Changes in commuting could lead to
21 new demand for different services in the city's commercial areas.

23 Threats

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

29 Threats Identified

- 31 • Economic Uncertainty
- 32 • The Changing Nature of Retail
- 33 • Affordability in the Region
- 34 • Displacement During Redevelopment

36 Economic Uncertainty

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

1 **The Changing Nature of Retail**

2 Retail commerce is undergoing a transition as online retailers compete with brick-and-mortar stores. This
 3 change appears to have been accelerated during the Covid-19 pandemic as more shoppers opted to order
 4 goods online. Comments indicate that this could mean that retail will need to focus more on location-
 5 specific or experiential retail to differentiate their goods and services from those more readily available
 6 in online marketplaces. Some comments proposed a shop local campaign and adaptive reuse regulations
 7 for commercial spaces as possible measures to help local businesses respond to changes in demand.
 8

9 **Affordability in the Region**

10 The affordability of both housing and commercial space on the island has the potential to slow economic
 11 growth in the coming years. Rising commercial real estate costs negatively impact both business
 12 formation and retention by making it more expensive to locate a business in the city. Higher rents can
 13 price out existing businesses, make expanding cost prohibitive, and increase startup costs for
 14 entrepreneurs. Higher rents in new development can displace existing businesses as commercial areas
 15 redevelop. The City can monitor commercial space availability and development capacity to ensure that
 16 zoning and other development regulations do not create scarcity of commercial spaces in the city’s
 17 commercial zones.
 18

19 Housing affordability can impact workforce availability. Labor is an important input for local businesses.
 20 As housing prices increase, filling middle and lower wage positions can potentially become more difficult
 21 as many workers commute from outside the city. The majority of people employed in Mercer Island
 22 commute from outside the city. In 2019, 87 percent of workers employed on Mercer Island live outside
 23 the city. Only about 13 percent of workers employed in the city also live in Mercer Island. On the other
 24 hand, 91 percent of workers living on Mercer Island commuted to jobs outside the City in 2019. Table 5
 25 shows the inflow and outflow of Mercer Island workers as tracked by the U.S. Census Bureau in 2019.
 26

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

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

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

29
 30 Many workers commute from off-island to fill middle and lower wage positions. In 2019, more than half
 31 of jobs in Mercer Island paid less than \$3,333 a month or about \$40,000 a year. The low earnings for on-
 32 island jobs can make it difficult for workers to afford to live near Mercer Island and could make finding
 33 workers difficult given that all of King County has a higher cost of living. Table 6 shows the earnings for
 34 on-island jobs as tracked in 2019 by the U.S. Census Bureau.
 35
 36

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

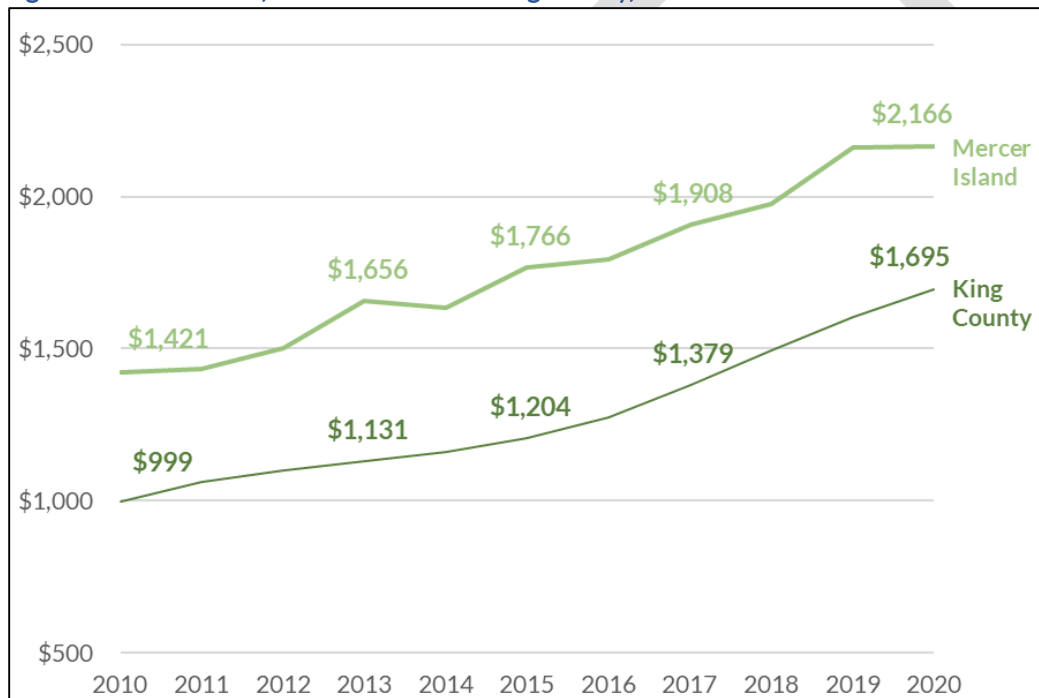
Earning Range	Count	Share
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\$1,250 per month or less (\$15,000 annually)	1,738	24.6%
\$1,251 to \$3,333 per month (\$15,012 to \$39,996 annually)	1,995	28.2%
More than \$3,333 per month (more than \$39,996 annually)	3,338	47.2%

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 3 shows that in 2020, the median rent in Mercer Island was \$2,166 a month. Assuming that housing costs should be around 30 percent of a household’s income, this would require a monthly income of roughly \$6,498 or \$77,976 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 \$5,085 or \$61,020 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.

Figure 3. Median Rent, Mercer Island and King County, 2010 to 2020.



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

Displacement During Redevelopment

The City’s commercial areas are largely developed. This causes most new commercial development to occur through redevelopment of existing commercial buildings. Because most new commercial development happens through redevelopment, businesses in older developments can face potential displacement. 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. Redevelopment is often driven by constrained supply of vacant developable land at the same time demand for a given type of development increases. The City can monitor the supply of developable commercial land to ensure that the availability of commercial space is not increasing the displacement risk for local businesses.

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II. Business Ecosystem Goals and Policies


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

Policies

- 1.1 Partner with local, regional, state, and federal economic development agencies to increase resources available for business owners and entrepreneurs.
- 1.2 Establish a local business liaison position on the City Council. The local business liaison will act as a point of contact on the City Council for all business leaders and representatives on Mercer Island for policy issues.
- 1.3 Dedicate one staff position to coordinating the implementation of the Economic Development Element.
- 1.4 Support local economic development nongovernmental organizations to grow their capacity to support local businesses, attract new investment, and maintain a healthy business ecosystem.
- 1.5 Analyze commercial development capacity periodically to evaluate the type and quantity of commercial development possible given existing development, zoning, and regulations.
- 1.6 Develop a citywide retail strategic plan. The citywide retail strategic plan should include actionable steps the City can take to support existing retail businesses, attract new retail businesses, and diversify the local economy.
- 1.7 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.
- 1.8 Partner with community organizations such as the Chamber of Commerce to Market Mercer Island as an ideal place to do business. The City should focus marketing materials on the following:
 - 1.8.A Attracting new businesses and investment;
 - 1.8.B Attracting skilled workers;
 - 1.8.C Attracting off-island visitors to commercial centers; and
 - 1.8.D Highlighting Mercer Island’s assets such as high quality of life, business friendly environment, and prime location.

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

Policies

- 1 2.1 Partner with nongovernmental organizations and neighboring economic development agencies
2 to market Mercer Island as a prime location for businesses and investment.
3
- 4 2.2 Partner with community organizations to target the following types of businesses and investment
5 when marketing the City as a prime location for business:
6
 - 7 2.2.A A complementary and balanced mix of retail businesses and restaurants;
 - 8 2.2.B Satellite offices and coworking spaces; and
 - 9 2.2.C High wage employers. 
- 10
- 11 2.3 Partner with community organizations to develop a guide to doing business on Mercer Island to
12 help entrepreneurs navigate City processes and find additional resources available to assist in
13 starting a new business.
14
- 15 2.4 Partner with community organizations to facilitate a mentorship program that connects Mercer
16 Island business owners, entrepreneurs, and retirees with young adults interested in starting new
17 businesses.
18
- 19 2.5 Conduct a food truck pilot program to attract new entrepreneurs to Town Center. The pilot
20 program can include but is not limited to the following:
21
 - 22 2.5.A Designated food truck parking on public property, including rights of way;
 - 23 2.5.B Informational materials provided to existing food truck operators to attract them to
24 Mercer Island;
 - 25 2.5.C Partnerships with food truck organizations in the region;
 - 26 2.5.D Outreach to existing restaurants to consider the impacts of the pilot program on existing
27 businesses; and
 - 28 2.5.E A report providing recommendations for potential programmatic and regulatory changes.
29

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

31
32 Policies

- 33
- 34 3.1 Convene an annual business owners’ forum to create a continuous feedback system during which
35 City elected officials and staff gather input from business owners. This input should inform City
36 decision making that affects the business community.
37
- 38 3.2 Facilitate periodic business roundtables with community organizations, local business owners,
39 and City staff.
40
- 41 3.3 Periodically distribute a business newsletter to local business owners and community
42 organizations.
43
- 44 3.4 Partner with community organizations, with a focus on the Chamber of Commerce, to initiate a
45 “Shop Mercer Island” marketing campaign directed at drawing more residents and visitors to
46 commercial areas on the island. The City should fill a support role in this partnership.
47

1 3.5 Coordinate with transit providers to ensure the “Shop Mercer Island” marketing campaign
2 includes transit riders.
3

4 3.6 Conduct outreach to surrounding businesses before initiating capital projects in commercial
5 zones. This outreach should create a two-way dialogue with businesses, offering a seat at the
6 table when capital projects might affect business operation.
7

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

10
11 4.1 Encourage programming that enables residents and visitors to safely gather, access spaces,
12 socialize, and celebrate in the City. Encouraging public gatherings throughout the City can
13 improve the quality of life on Mercer Island and make the City a more vibrant place for residents
14 and visitors alike, which can in turn drive increased economic activity.
15

16 4.2 Build resilience in the local economy by:

17
18 4.2.A Diversifying the goods and services available in the local economy;

19 4.2.B Being flexible when working with businesses to respond to crises such as allowing
20 temporary use of rights of way for business activity during a state of emergency like a
21 pandemic;

22 4.2.C Coordinating with local businesses to plan for disaster preparedness; and

23 4.2.D Addressing the impacts of climate change to reduce its effect on doing business in the
24 City.
25

26 4.3 Consider Climate Action Plan strategies during economic development decision making.
27

28 4.4 Identify and adopt measures to reduce displacement of existing businesses as new development
29 occurs.
30


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

33
34 5.1 Partner with regional, statewide, and federal agencies to connect job seekers in the region with
35 opportunities on Mercer Island.
36

37 5.2 Partner with community organizations in the City and region to connect tradespeople and other
38 high-skilled workers with employment opportunities on Mercer Island. This work should focus on
39 communications and fostering connections between community organizations, employers, and
40 workers.
41

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

44 Policies
45

- 1 6.1 Plan to increase high-wage on-island job opportunities for residents, increase on-island
2 employment options as a share of the City’s employment growth target, eliminate the need to
3 commute, and reduce vehicle miles traveled. 
- 4

5 **III. Regulatory Environment Goals and Policies**

- 6

7 **Goal 7 – The City actively reduces the regulatory burden created by commercial development** 8 **regulations and permitting processes to support a healthy business ecosystem,** 9 **entrepreneurs, and innovation in business.**

10 Policies

- 11
- 12

- 13 7.1 Audit the development code and permitting processes to identify code amendments to support
14 businesses, improve effectiveness, and make efficient use of City resources. The following goals
15 should be coequally considered when identifying code amendments:
- 16

- 17 7.1.A Lowering compliance costs for business owners;
- 18 7.1.B Minimizing delay and reduce uncertainty in the entitlement process;
- 19 7.1.C Improving conflict resolution in the entitlement process;
- 20 7.1.D Reducing the likelihood of business displacement as new development occurs; and
- 21 7.1.E Balancing parking requirements between reducing barriers to entry for new businesses
22 and the need for adequate parking supply.
- 23

- 24 7.2 Evaluate City fees imposed on development to determine their effect on business startup costs
25 and City finances. The impact on business startup costs must be balanced with the financial needs
26 of the City.
- 27

- 28 7.3 Evaluate additional process or code improvements on an annual basis with input from the
29 dedicated economic development staff and Council local business liaison. This evaluation should
30 inform the development of annual docket recommendations as needed.
- 31

- 32 7.4 Update home business regulations to ensure that they allow a mix of commercial uses while
33 ensuring home businesses remain compatible with neighboring residential uses.
- 34

- 35 7.5 Establish a small-business pre-application process to help guide applicants through the permitting
36 process.
- 37

- 38 7.6 Convene an ad hoc committee of at least one architect, at least one developer, the Mercer Island
39 Building Official, the business owner Planning Commissioner, and City Council local business
40 liaison to develop proposed amendments to City codes to better facilitate adaptive reuse of
41 commercial real estate. The ad hoc committee’s proposed amendments should be submitted
42 through the annual docket process.
- 43
- 44
- 45

46 **IV. Business and Customer Attraction Goals and Policies**

- 47

1 **Goal 8 – The Mercer Island business ecosystem includes a diversity of goods and services**
2 **enjoyed by residents and visitors.**

3
4 Policies

- 5
6 8.1 Ensure land use regulations in commercial zones allow a diversity of commercial uses.
7
8 8.2 Encourage commercial offices to locate in Mercer Island to bring more potential daytime
9 customers to the Island without displacing existing retail space.
10

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


13
14 Policies

- 15
16 9.1 Encourage arts and cultural activities in commercial zones to draw the community to commercial
17 areas.
18
19 9.2 Partner with community organizations to develop a program to activate Town Center in the
20 evening. The program should include strategies such as:
21
22 9.2.A Evening events to draw people to Town Center;
23 9.2.B Focusing on arts and cultural experiences;
24 9.2.C Engaging local nonprofits; and
25 9.2.D Incorporating existing community events.
26

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

29
30 Policies

- 31
32 10.1 Emphasize quality of life as a cornerstone of the Mercer Island economy.
33
34 10.2 Focus on public safety as an important component of the high quality of life on Mercer Island.
35
36 10.3 Activate public spaces in commercial areas by establishing design standards that encourage
37 walkability and active use of street frontages in new development using strategies such as:
38
39 10.3.A Emphasizing spaces that are human-scaled, safe and comfortable for walkers and bikers;
40 10.3.B Incorporating principles of crime prevention through environmental design (CPTED);
41 10.3.C Increasing wayfinding;
42 10.3.D Incorporating public art;
43 10.3.E Increasing street furniture/public seating provided it is designed with a specific purpose
44 or function; and
45 10.3.F Increasing the amount of public space, including parklets.
46 10.4 Review street standards including the streetscape manual in Town Center, considering the
47 following:

- 1
- 2 10.4.A Pedestrian improvements;
- 3 10.4.B Electric vehicle charging;
- 4 10.4.C Bike parking and infrastructure; 
- 5 10.4.D Time-limited public parking;
- 6 10.4.E Public safety; and
- 7 10.4.F On street parking.
- 8


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

11
12 Policies

- 13
- 14 11.1 Establish regulations for outdoor dining and temporary uses that allow flexible use of street
- 15 frontages and public rights of way for public space to gather, celebrate, and socialize.
- 16
- 17 11.2 Seek to create more community gathering spaces when considering development standards in
- 18 Town Center.
- 19
- 20 11.3 Maintain the existing City program to beautify Town Center with landscaping, street trees and
- 21 flower baskets.
- 22

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

24
25 Policies

- 26
- 27 12.1 Ensure multimodal transportation options are available for workers to access on-island
- 28 employment and customers to access goods and services.
- 29
- 30 12.2 Reduce car dependence without compromising existing available parking in commercial areas by
- 31 prioritizing the following when considering regulatory amendments and capital improvements:
- 32
- 33 12.2.A Bike safety, parking, and infrastructure;
- 34 12.2.B Access to transit;
- 35 12.2.C Pedestrian safety;
- 36 12.2.D Traffic calming; and
- 37 12.2.E Human scale design.
- 38
- 39 12.3 Prioritize capital investment in creating robust pedestrian and bicycle connections between the
- 40 park and ride, light rail station, Town Center and surrounding residential areas.
- 41
- 42 12.4 Ensure that sufficient parking  is provided as commercial areas redevelop. Interpretation of the
- 43 policies in this element should not lead to a reduction in parking,
- 44
- 45

46 **IV. Implementation Goals and Policies**

47

1 **Goal 13 – The City takes specific actions and provides resources to implement the policies and**
2 **achieve the goals of this Economic Development Element. Progress toward achieving**
3 **Economic Development Element goals is regularly monitored and reported to the City**
4 **Council and public.**

5
6 Policies

7
8 13.1 Utilize federal, state, regional, and King County resources to implement this element.

9
10 13.2 Encourage public-private partnerships to achieve the goals of this element.

11
12 13.3 Seek grant funding for programs and activities that implement the policies of this element.

13
14 13.4 Appropriate funding for the implementation of this element through the City budget process.
15 Funds should be allocated at the same time projects are added to City department work plans to
16 ensure programs and projects are adequately funded to achieve the goals of this element.

17
18 13.5 Prepare a biennial report tracking implementation of the Economic Development Element. The
19 report will be provided to the City Council prior to adoption of the budget.

20
21 13.6 Establish an implementation timeline for this element each budget cycle. The implementation
22 timeline can be updated and amended each budget cycle to reflect the resources available to
23 accomplish actions to implement this element. The implementation timeline should detail the
24 following:

25
26 13.6.A Actions from this element to be added to department work plans for the upcoming
27 budget cycle;

28 13.6.B Actions from this element that should be added to work plans in the next three to six
29 years; and

30 13.6.C Actions from this element that should be added to future work plans in seven or more
31 years.

32
33 13.7 Respond to potential budget shortfalls for actions to implement this element with the following
34 strategies in descending order of priority:

35
36 13.7.A Alternate funding sources;

37 13.7.B Public-private partnerships;

38 13.7.C Reducing project or program scope to align with current budget constraints;

39 13.7.D Delaying projects to the next budget cycle; and

40 13.7.E Amending the policies of the Economic Development Element to reflect the City's capacity
41 to implement the element.

42

Adam Zack

From: Kian Bradley <kbradley@ucmerced.edu>
Sent: Tuesday, July 11, 2023 10:32 PM
To: Adam Zack
Subject: Planning Commission Economic Development Element feedback

Hello Adam Zack and the Planning Commission,

I am writing to provide feedback on the Economic Development Element and Implementation Plan for Mercer Island. I wanted to suggest a few points:

Single-use zoning in most of the city

The EDE and Implementation Plan do not address the possibility of opening up commercial area outside of the town center. Allowing small-scale retail (such as cafes, gyms and small professional offices) interspersed through neighborhoods would accomplish several of the EDE's stated goals:

- Goal 4, Sustainability: providing basic services nearer to residents reduces VMT (traffic). Transportation emissions are Mercer Island's single biggest contributor to greenhouse gases.
- Goal 7, Regulatory burden: Our current single-use zoning approach limits the amount of commercial area available. Opening up more area would reduce commercial rent by creating a greater supply.
- Goal 9, Gathering places: Small neighborhood establishments provide a pleasant meeting space for neighbors to interact on a regular basis. This is especially relevant for children and teenagers who must be driven by an adult to shop and meet friends.
- Goal 12, Safety: Small neighborhood establishments can be more easily reached without a car, meeting the goal of reducing car dependence and creating more human-scaled design.

I would suggest we study this as part the Implementation Plan's Project ED-10, Commercial Development Code Audit. It may also be part of Project ED-13, Home Business Development Code Review, though home businesses seem like an unrelated concept.

High housing cost

In page 2 of the EDE, the document says "higher cost housing can attract higher-income residents and customers for local businesses". I don't think this sentence is logically consistent. Higher cost housing reduces the spending power of the local customer base and generally acts as a drag on the entire economy. This sentence should be removed, and ideally the EDE should make it more clear that the high cost of housing has an adverse impact on businesses as well.

Reducing housing cost addresses goals 1 and 2 by allowing access to a customer base with more spending money and a greater local employee base.

Walkability

Despite being referred to several times in the EDE, the Implementation Plan has no goal which directly addresses the improvement of Mercer Island's commercial areas for those outside of a car. Specifically with the Town Center, the coming light rail station and Riot Games office provide us with an opportunity to create a pedestrian and bike-friendly corridor along 77th Ave SE. This would allow people to come not just for a single errand, but stay and enjoy the entire Town Center for an evening in a similar way people enjoy walking around Bellevue's downtown park and mall.

This would address goals 9, 10, 12 by increasing the attractiveness of our commercial centers, and goal 4 by meeting the environmental needs of residents.

I would suggest we modify Project ED-11, PBIA/LIA to make the 'streetscape improvements' more clearly oriented towards increasing the attractiveness for people walking and rolling in commercial areas.

Parking

The EDE is very careful to discourage any reduction in the amount of parking in our commercial areas. However, the [2023 Parking Study](#) (from the 07/05/2023 Council meeting) shows that we never exceed 71% utilization for on-street parking, and even less for off-street parking. These are both below the suggested 85% peak occupancy threshold. In addition, the study found that certain streets had a much higher utilization than others, suggesting parking is not distributed evenly.

The EDE should instead seek to more intelligently manage our existing parking supply. The report has several good recommendations, including making on-street parking times consistent; charging for parking in overutilized areas; creating loading zones; adding bicycle parking; and improving walking/biking facilities to discourage vehicle travel in the first place.

This can be addressed as part of Project ED-11, PBIA/LIA. We should modify this project's wording to be clearer about what we want our parking improvements to look like.

Thanks for reading! I hope none of this is read as a criticism of the work you are doing; I earnestly appreciate the time you're all putting in to this.

Kian Bradley

Adam Zack

From: Bonnie Godfred <bonniegodfred@gmail.com>
Sent: Thursday, July 13, 2023 12:52 PM
To: ComprehensivePlanUpdate
Subject: Draft economic plan

I scanned your 42 pages.

Seems to me the main issue for economic development is our zoning regulations. We need to stress and protect retail and restaurant space and it needs to be affordable. The only way to do this is by requiring any future development to emphasize these two areas.

The increase in residential occupancy in downtown versus the decrease in commercial occupancy in downtown is shameful and reflects the city's love affair with property developers.

Bonnie Schrader Godfred
206-304-9403