

AB 6519

EXHIBIT 1

**COUNCILMEMBER PROPOSED ALTERNATIVE ECONOMIC
DEVELOPMENT ELEMENT GOALS AND POLICIES**

Agenda Bill 6519 Exhibit 1 – City Council Economic Development Element Comments (Corrected September 3, 2024).

Log #	Submitted By	Element	Policy or Goal #	Proposed Amendment	Category	Staff Comments
CC-166	Craig Reynolds	Economic Development	preamble	[page 1, line 5] By many measures Mercer Island is poised to significantly grow its economy during the planning period. [page 13, line 12] The majority of people employed on Mercer Island commute from outside the city. [page 13, line 14] The majority of people employed on Mercer Island commute from outside the city. [page 13, line 31] Assuming that housing costs should be around <u>not exceed</u> 30 percent of a household’s income, this would require a monthly income of roughly \$6,498-7,220 or \$77,976-86,640 annually to be affordable. Expanding to the county level, the 2020 median rent in King County was \$1,695. The King County median rent would require a monthly income of about \$5,085 5,650 or \$61,020 67,800 annually to be affordable. [page 14, line 16] The City can monitor the supply of developable commercial land to determine whether the availability of commercial space is not increasing the displacement risk for local businesses. [Page 14, line 26] <u>Shoppers may seek commercial areas that are more comfortable in a warmer climate to shop in ways and for products that reduce climate impact, which may include increased prioritization of shopping locally.</u>	Non-substantive	
CC-167	Craig Reynolds	Economic Development	7.1	7.1 Audit <u>Review</u> the development code and permitting processes to identify code amendments to support businesses, improve effectiveness, and make efficient use of City resources. The following goals should be coequally considered when identifying code amendments: [...]	Non-substantive	
CC-168	Craig Reynolds	Economic Development	7.5	7.5 Establish a small -business pre-application process to help guide applicants through the permitting process.	Non-substantive	
CC-169	Craig Reynolds	Economic Development	11	Goal 11 – Public space in Town Center is plentiful <u>adequate</u> , providing residents and visitors <u>access to places to shop</u> , gather, celebrate, and socialize.	Non-substantive	
CC-3	Salim Nice	Economic Development	New	Replace the proposed goals and policies in the Economic Development Element with the draft dated August 12, 2024.	Substantive	
CC-172	Ted Weinberg	Economic Development	New	Economic Development Element. I propose that we start from the attached revised draft, which combines elements from both the ED Workgroup’s draft and from the draft I received via the Director of the Chamber of Commerce. See file called “Economic Development Goals and Policies - Revised.docx”	Substantive	See email dated August 12, 2024 for Councilmember Weinberg’s draft Economic Development Element.

From: [Salim Nice](#)
To: [Adam Zack](#)
Cc: [Jeff Thomas](#)
Subject: Re: Mayor Nice Economic Development Amendment
Date: Monday, August 12, 2024 3:39:32 PM
Attachments: [Economic Development Amendment - Nice.docx](#)

From: Salim Nice <salim.nice@mercerisland.gov>
Date: Monday, August 12, 2024 at 3:38 PM
To: Adam Zack <adam.zack@mercerisland.gov>
Cc: Jeff Thomas <jeff.thomas@mercerisland.gov>
Subject: Mayor Nice Economic Development Amendment

This replaces the chapters goals.

[Salim Nice](#)

Mayor

City of Mercer Island

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II. Business Ecosystem Goals and Policies

Goal 1: Transform Mercer Island's Town Center into a Vibrant Destination

Policies:

1.1 Leverage the opening of Sound Transit's East Link Light Rail Line 2 to attract residents, commuters, and visitors to the Town Center.

1.2 Develop and promote a theme and vision (e.g., "Savor the Soul of Mercer Island," which plays on Mercer Island's geography, looking like the sole of a shoe, and points toward the "Walkability" of the Town Center) to create a unique and appealing identity for the Town Center.

1.3 Implement a cohesive visual brand, including a logo, color scheme, and typography, that reflects the island's natural beauty and upscale yet welcoming character.

1.4 Create branded wayfinding signage, street furniture, and public art to reinforce the Town Center identity.

1.4.a Prioritize improvements in key locations such as the Mercer Island Farmers Market site.

1.4.b Dedicate permanent signage for established community events like the Mercer Island Farmers Market.

Goal 2: Establish Mercer Island as a Premier Wine Destination

Policies:

2.1 Expand and promote the "Art Uncorked" event as a flagship attraction, leveraging its popularity to draw visitors year-round.

2.2 Actively recruit wineries to establish tasting rooms on Mercer Island, positioning the island as a premier, easily accessible wine destination. Emphasize Mercer Island's unique advantages, including its proximity to Seattle and Bellevue, excellent public transportation links, and picturesque island setting, to differentiate it from other regional wine experiences.

2.3 Facilitate partnerships between commercial landlords and wineries to encourage the establishment of tasting rooms in strategic locations.

2.4 Develop a comprehensive marketing strategy to position Mercer Island as a unique wine destination, distinguishing it from Seattle and Bellevue.

2.5 Encourage the development of complementary businesses such as artisanal food shops, wine-focused restaurants, and boutique hotels to support the wine destination concept.

2.6 Emphasize farm-to-table and outdoor dining experiences where possible.

Goal 3: Enhance and Diversify Business Offerings

Policies:

3.1 Attract a diverse mix of businesses that complement existing offerings and fill market gaps, with a focus on unique, locally-owned establishments.

3.2 Encourage the development of restaurants, cafes, and food-related businesses that align with the wine destination theme.

3.3 Support the growth of specialty retail shops catering to residents and visitors, emphasizing quality and uniqueness over specific business types.

3.4 Promote pop-up shops and rotating vendor markets to add variety and attract shoppers.

3.4.a Support existing markets by lowering vendor permit fees, reducing ROW fees, and studying and adjusting the budget for on-site support.

Goal 4: Integrate Arts & Culture

Policies:

4.1 Incorporate public art installations and performances that complement the wine destination theme and overall visitor experience.

4.2 Support cultural events and activities that enhance the appeal of Mercer Island to both residents and visitors.

4.3 Encourage the development of art spaces and events that align with and support the wine destination concept.

4.4 Develop and expand "Arts on the Island Weekend" as a signature annual event each September, enhancing the arts and culture experience.

4.5 Invest in strategically placed infrastructure to facilitate nonprofit organizations, the City, and other partners' hosting of music and art events, such as a permanent stage, improved public bathroom facilities, hot water access, solar energy, accessible seating, and access to the Town Center.

Goal 5: Implement Supportive Policies & Incentives

Policies:

5.1 Establish a dedicated "concierge" service to guide businesses through permitting.

5.2 Implement a guaranteed 30-day permit review for target business types.

5.3 Waive or reduce permit fees for the first 20 qualifying businesses in identified priority categories.

- 5.4 Offer a 3-year B&O tax exemption for new qualifying businesses in Town Center.
- 5.5 Explore the creation of a "Restaurant Row" designation with additional tax benefits.
- 5.6 Develop incentives that attract targeted businesses through public and private partnerships to foster affordable commercial space solutions.
- 5.7 Create a comprehensive "best practices" section on the City website detailing steps for business setup at city, state, and county levels.
- 5.8 Streamline and simplify the process for new business setup, making it more intuitive and user-friendly.
- 5.9 Act as a liaison between commercial landlords and desired businesses, mainly focusing on bringing wineries and complementary businesses.

Goal 6: Optimize Parking and Infrastructure

Policies:

- 6.1 Conduct a comprehensive review of current parking regulations in the city code to ensure they align with the Town Center's vision and economic vitality.
- 6.2 Analyze historical parking space trends in Town Center and correlate them with retail business numbers (e.g., Mostly Music in the Park, the Mercer Island Farmers Market, etc.).
- 6.3 Consider shared parking agreements to utilize existing surface lots for general Town Center parking.
- 6.4 Invest in public parking infrastructure, including angle-in-street parking and acquiring property for parking development.
- 6.5 Consider eliminating on-site parking requirements for a few net-new restaurants or retail businesses, leveraging right-of-way parking.
- 6.6 Consider eliminating traffic study requirements for small businesses outside of new development.
- 6.7 Implement and enforce time limits for street parking using existing ALPR technology.
- 6.8 Plan for increased parking needs as the wine destination concept develops, including considerations for ride-sharing and public transportation options.
- 6.9 Improve pedestrian infrastructure to support walkability between tasting rooms, restaurants, and other businesses.

Goal 7: Activate Public Spaces

Policies:

7.1 Create flexible-use outdoor spaces for dining, markets, and events.

7.2 Implement and promote a permanent seasonal parklet program allowing businesses to convert parking spaces to outdoor seating.

7.3 Develop a year-round program of events and activations to drive foot traffic in the Town Center.

7.3.a Prioritize coordination with established community-led events to ensure adequate resources for multiple events.

7.4 Ensure adequate public parking for community events like Music in the Park and the Farmers Market when planning new developments.

Goal 8: Establish an Implementation Sequence

Policies:

8.1 Finalize Town Center branding and begin implementation as a near-term action.

8.2 Launch expedited permitting program and initial tax incentives as a near-term action.

8.3 Begin public space improvements and activation as a near-term action.

8.4 Roll out marketing campaign targeting key market segments as a mid-term action.

8.5 Evaluate and adjust incentive programs based on initial uptake and feedback as a mid-term action.

8.6 Develop a signature event series as a mid-term action.

8.7 Reassess market conditions and adjust strategy as needed as a long-term action.

8.8 Consider expanding successful programs to other commercial areas as a long-term action.

8.9 Prioritize developing and promoting the wine destination concept as a near-term action.

Goal 9: Track Performance Metrics & Evaluation

Policies:

9.1 Track new business openings, sales tax revenue, and commercial vacancy rates.

9.2 Conduct annual surveys of residents, businesses, and visitors.

9.3 Monitor light rail ridership and conduct intercept surveys to gauge Town Center visits.

9.4 Establish a Town Center business coalition within the Mercer Island Chamber of Commerce to provide ongoing feedback and collaboration.

9.5 Track changes in available parking spaces in the Town Center over time.

9.6 Conduct regular reassessments of the economic development strategy, allowing for adjustments based on market response, community feedback, and the success of the wine destination concept.

Goal 10: Integrate Sustainability

Policies:

10.1 Offer incentives to businesses and developers implementing innovative sustainability practices.

10.2 Align economic development goals with the city's comprehensive plan sustainability element.

10.3 Encourage green building practices and energy-efficient retrofits in commercial spaces.

10.4 Launch an electric shuttle service pilot program to provide on-demand transportation within Mercer Island, reducing short car trips and supporting sustainable transportation.

10.4.a Collaborate with local businesses and stakeholders to identify key shuttle stops, ensuring convenient access to the Town Center, light rail stations, and popular destinations.

10.4.b Promote the service as a convenient, eco-friendly transportation option for residents and visitors, enhancing the Town Center's walkability and reducing traffic congestion.

10.4.c Monitor and report on the environmental and economic impacts of the shuttle service, using data to make adjustments and improvements.

10.5 Enhance sustainability infrastructure in the Town Center.

10.5.a Increase the presence of compost and recycling bins throughout the area.

10.5.b Work with providers for seamless collection-bin pick-up during events.

10.5.c Add solar-powered streetlights and carbon-reducing plantings consistent with the City's Climate Action Plan (CAP).

From: [Ted Weinberg](#)
To: [Jeff Thomas](#); [Adam Zack](#)
Cc: [Jessi Bon](#); [Jason Kintner](#)
Subject: 8/12 Update: Proposed Comp Plan Changes
Date: Monday, August 12, 2024 11:55:47 PM
Attachments: [City Council Comp Plan Amendment Log - Weinberg - 2024 0812.docx](#)
[Economic Development Goals and Policies - Revised.docx](#)

Greetings!

This email contains two attachments:

- **City Council Comp Plan Amendment Log - Weinberg - 2024 0812.docx.** This contains 5 new entries since my 8/5 submission. None of the 30 submissions from 8/5 or before have changed.
- **Economic Development Goals and Policies - Revised.docx.** As indicated in change #CC-31 in the amendment log, I'm proposing a new draft of the Goals and Policies section of the Economic Development Element. While it contains many of the policies from the ED Workgroup's draft, I have consolidated and rearranged them enough that I plan to move at the 9/3 council meeting that we use this revised draft as the starting point and make amendments from there as desired.

Cheers!

[Ted Weinberg](#)

Councilmember

City of Mercer Island

P: 206-275-7993 | e: ted.weinberg@mercerisland.gov | w: mercerisland.gov

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From: Ted Weinberg

Sent: Monday, August 5, 2024 11:39 PM

To: Jeff Thomas <jeff.thomas@mercerisland.gov>; Adam Zack <adam.zack@mercerisland.gov>

Cc: Jessi Bon <jessi.bon@mercerisland.gov>; Jason Kintner <jason.kintner@mercerisland.gov>

Subject: 8/5 Update: Proposed Comp Plan Changes

Greetings!

Attached is an updated copy of my log of proposed comp plan amendments. The log now contains 30 changes distributed as follows:

Element	Date Submitted	# of Proposed Changes
Introduction	7/29	2
Land Use	7/29	8

Housing	7/29	0
Transportation	8/5	10
Utilities	8/5	5
Capital Facilities	8/5	5

Cheers!

[Ted Weinberg](#)

Councilmember

City of Mercer Island

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Notice: Emails and attachments may be subject to disclosure pursuant to the Public Records Act (chapter 42.56 RCW)

From: Andrea Larson <Andrea.Larson@mercergov.org>

Sent: Monday, July 29, 2024 4:38 PM

To: Adam Zack <adam.zack@mercerisland.gov>; Jeff Thomas <jeff.thomas@mercerisland.gov>

Cc: Jessi Bon <jessi.bon@mercergov.org>; Ali Spietz <ali.spietz@mercerisland.gov>; Deb Estrada <Deborah.Estrada@mercerisland.gov>; Ted Weinberg <ted.weinberg@mercergov.org>

Subject: FW: Proposed changes for Introduction, Land Use, and Housing elements

Hello,

Please find Councilmember Weinberg’s proposed amendments.

Thank you,

[Andrea Larson, CMC](#)

City Clerk

City of Mercer Island

206.275.7793 | mercerisland.gov

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The City of Mercer Island utilizes a hybrid working environment. Please see the City’s [Facility and Program Information](#) page for City Hall and City service hours of operation.

From: Ted Weinberg <ted.weinberg@mercergov.org>

Sent: Monday, July 29, 2024 4:24 PM

To: City Clerk <cityclerk@mercerisland.gov>

Cc: Jessi Bon <jessi.bon@mercergov.org>

Subject: Proposed changes for Introduction, Land Use, and Housing elements

Greetings!

The attached Word document contains my proposed changes to the Introduction, Land Use, and Housing elements of the Comprehensive Plan. I have used the matrix format that you provided. To be clear, my proposed changes include:

- 2 proposed changes to the Introduction.
- 8 proposed changes to the Land Use element.
- No proposed changes to the Housing element.

Cheers,

[Ted Weinberg](#)

Councilmember

City of Mercer Island

P: 206-275-7993 | e: ted.weinberg@mercerisland.gov | w: mercerisland.gov

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II. Goals and Policies

Goal 1: Establish and fund a healthy ecosystem of partnerships with businesses, local organizations and other public agencies.

Policies

- 1.1 Partner with the Chamber of Commerce, local, regional, state, and federal economic development agencies to provide abundant resources for business owners, entrepreneurs, and job seekers including:
 - 1.1.1 Guides to doing business on the island with particular emphasis on the permitting process and the pre-application process.
 - 1.1.2 A mentorship program pairing experienced business owners and retirees with people interested in starting a new business.
 - 1.1.3 A “Shop Mercer Island” marketing campaign.
 - 1.1.4 A wayfinding kiosk on the light rail station platform informing commuters of shops available on the island.
 - 1.1.5 A regularly updated list of employment opportunities on Mercer Island.
- 1.2 Partner with the Chamber of Commerce, Mercer Island Visual Arts League (MIVAL), and other community non-profit organizations to develop and expand a year-round program of arts, cultural, and activation events which draw the community to our commercial areas, including:
 - 1.2.1 The First Friday Art Walks from May to September;
 - 1.2.2 The Sunday Farmers Markets from June to September;
 - 1.2.3 Summer Celebration each July;
 - 1.2.4 The summer “Mostly Music in the Park” events;
 - 1.2.5 The Arts on the Island Weekend each fall, including the Art Uncorked event;
 - 1.2.6 The Holiday Makers Market each December.
- 1.3 Appropriate funding for the implementation of this element through the City budget process.
- 1.4 Utilize federal, state, regional, and county resources and grants to implement this element.
- 1.5 Encourage the development of public-private partnerships to foster affordable commercial space solutions.
- 1.6 Conduct outreach to surrounding businesses before initiating capital projects in commercial zones. This outreach should create a two-way dialogue with businesses, offering a seat at the table when capital projects might affect business operation.

- 1.7 Identify and adopt measures to reduce the displacement of existing businesses as new development occurs. Notify nearby businesses of any potential redevelopment.

Goal 2: Develop expedited permitting, expedited inspections, and other regulatory policies in support of business development.

- 2.1 For targeted business types, implement, and provide sufficient staff to deliver, a guaranteed 28-calendar-day review for complete permit applications.
- 2.2 For targeted business types, implement, and provide sufficient staff to deliver, a guarantee of inspections within 7 calendar days of request.
- 2.3 Every 2 years, review and adjust the list of targeted business types that qualify for expedited permits and inspections.
- 2.4 Audit the development code permitting processes to identify additional code amendments to support businesses, improve effectiveness, and make efficient use of City resources. The following goals should be co-equally considered when identifying code amendments:
 - 2.4.1 Minimizing delay and reduce uncertainty in the entitlement process;
 - 2.4.2 Improving conflict resolution in the entitlement process;
 - 2.4.3 Mitigating the risk of business displacement as new development occurs;
 - 2.4.4 Beneficial impacts to parking and greenhouse gas emissions; and
 - 2.4.5 Lowering compliance costs for business owners.
- 2.5 Evaluate City fees imposed on development to determine their effect on business startup costs and City finances. The impact on business start costs must be balanced with the financial needs of the City.
- 2.6 Update home business regulations to support a mix of commercial uses while ensuring home businesses remain compatible with neighboring residential uses.

Goal 3: Diversify dining options throughout the City.

Policies

- 3.1 Include cafés as a business type targeted for expedited permits and inspections.
 - 3.1.1 An establishment qualifies as a café if it sells food, has a seating area, is open during morning commute hours, and includes breakfast items on its menu.
- 3.2 Seek out new restaurateurs who bring novel and diverse dining options to Mercer Island.

Goal 4: Attract more high-wage and commercial office employers to the City.

Policies

- 4.1 Include commercial office employers in the list of business types targeted for expedited permits and inspections.
 - 4.1.1 Establish a target for the percentage for jobs on the island with commercial office employers.
- 4.2 Include high-wage employers in the list of business types targeted for expedited permits and inspections.
 - 4.2.1 A business qualifies as a high-wage employer if the median salary of its on-island employees is equal to or greater than 90% of the median income of City residents; it resides in the Town Center, Commercial Office Zone, or Planned Business Zone; and the primary use of the space it occupies is not residential.
 - 4.2.2 Target increasing the percentage of island residents who work on-island to 30%.
- 4.3 Establish more networking and social events for young professionals.

Goal 5: Provide safe multimodal circulation and parking to commercial areas for residents, visitors, and employees of local businesses.

Policies

- 5.1 Provide safe and welcoming access to Town Center from the light rail station.
- 5.2 Create wayfinding signage guiding visitors to parking and gathering places such as Mercedale Park and the Gretta Hackett Outdoor Sculpture Gallery.
- 5.3 Balance parking requirements between reducing barriers to entry for new businesses and the need for adequate parking supply.
- 5.4 Develop a program to manage public parking spaces with the goal of achieving a peak occupancy of 85%.
- 5.5 Attract more hour-long and multi-store shoppers by developing a program to deploy a mix of high-speed EV chargers in on-street parking, off-street parking, and on utility poles. Target the electrification of 20% of parking spaces in Town Center by 2044.
- 5.6 Conduct a periodic review of Town Center public parking supply, demand, and management systems for both cars and bicycles. Make policy adjustments to align with the Town Center's vision and economic vitality.
- 5.7 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.
- 5.8 Look into the possibility of creating shared parking agreements or constructing a dedicated parking structure.

Goal 6: Keep commercial areas attractive and inviting to the Mercer Island community and visitors.

Policies

- 6.1 Encourage programming that enables residents and visitors to gather, access spaces, socialize, and celebrate in the city safely. Encouraging public gathering throughout the city can improve the quality of life, make the City a more vibrant place for residents and visitors, and in turn drive increased economic activity.
- 6.2 Emphasize spaces that are human-scaled, safe, and comfortable for walkers and bikers.
- 6.3 Utilize public art in concert with outdoor space and furniture design to activate public spaces.
- 6.4 Maintain the existing City program to beautify Town Center with landscaping, street trees, and flower baskets.

Goal 7: Promote climate-friendly economic development.

- 7.1 Consider Climate Action Plan strategies during economic development decision making.
- 7.2 Incentivize businesses' investment in energy efficiency improvements to realize long-term cost savings and economic benefits as well as environmental benefits.
- 7.3 Ensure multimodal transportation options are available for workers and shoppers to access on-island employment centers and retail businesses.
- 7.4 Encourage the development of community solar arrays, enabling properties with significant sun exposure to reduce their energy costs, reduce their greenhouse gas emissions, and sell any excess power generated either back to the grid or to neighbors with less sun exposure.

Goal 8: Economic Development Plan ImplementationNear-Term Policies (i.e. next 1-2 years)

- 8.1 Finalize and launch the "Shop Mercer Island" marketing campaign and branding.
- 8.2 Fund, staff, and launch the expedited permitting and inspections program for targeted business types.
- 8.3 Complete the 2023-2024 Town Center Parking Study and implement its suggested solutions.
- 8.4 Designate sufficient City staff to partner with the Chamber of Commerce in implementing the near-term policies.

- 8.5 Publish a biennial report documenting progress on implementing this element, including new business openings, sales tax revenue, commercial vacancy rates, and growth of targeted business types.

Mid-Term Policies (i.e. 3-4 year timeframe)

- 8.6 Conduct periodic survey of residents, businesses, and visitors to keep a pulse on the overlaps and gaps between the products and services desired and delivered on Mercer Island.
- 8.7 Evaluate and adjust incentive programs as goals are achieved and needs change.
- 8.8 Develop a new “main event” for the spring or summer.

Long-Term Policies (i.e. 5+ year timeframe)

- 8.9 Attract considerably more hour-long and multi-store shoppers by achieving the installation of high-speed EV chargers in 10% of Town Center parking spaces by 2034 and 20% in 2044.
- 8.10 Attract another 300+ employee, high-wage employer to the island.