



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6519**  
**September 3, 2024**  
**Regular Business**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6519: 2024 Comprehensive Plan Periodic Update: City Council Deliberations on the Proposed Comprehensive Plan Amendments and Direction to Staff to Prepare the 2024 City Council Draft Comprehensive Plan.	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Complete deliberation of proposed amendments and provide direction to staff on next steps.	

<b>DEPARTMENT:</b>	Community Planning and Development
<b>STAFF:</b>	Jeff Thomas, Community Planning and Development Director Adam Zack, Senior Planner
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	<ol style="list-style-type: none"> <li>1. City Council Economic Development Element Proposed Amendment Matrix</li> <li>2. Agency and City Proposed Amendment Matrix</li> <li>3A. City Council Proposed Amendment Matrix (Non-Substantive Items)</li> <li>3B. City Council Proposed Amendment Matrix (Substantive Items)</li> <li>4. Question and Comment Matrix</li> </ol>
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUIRED</b>	\$ n/a

## EXECUTIVE SUMMARY

The purpose of this agenda bill is to deliberate on the proposed amendments to the draft 2024 Comprehensive Plan and provide direction to staff to prepare the 2024 City Council Draft Comprehensive Plan for public review and comment.

- Multiple exhibits accompany this agenda bill, and they are summarized as follows:
  - **Exhibit 1:** Proposed amendments to the Economic Development Element.
  - **Exhibit 2:** Proposed amendments and findings to address external agency comments (i.e. WA Department of Commerce and others) as well as staff proposed amendments.
  - **Exhibit 3:** Proposed amendments from City Councilmembers since the July 16 handoff of the draft 2024 Comprehensive Plan from the Planning Commission.
    - Exhibit 3A: Non-substantive proposed amendments.
    - Exhibit 3B: Substantive proposed amendments.

- Exhibit 4: Staff responses to questions submitted by City Councilmembers.

On September 3, the City Council will review the proposed amendments to the Comprehensive Plan and provide direction to the staff on the amendments to be included in the 2024 City Council Draft Comprehensive Plan. The items included in Exhibit 1, related specifically to the Economic Development Element, are recommended to be addressed via the formation of an Ad-Hoc Committee.

## BACKGROUND

The City began the 2024 periodic review of its Comprehensive Plan in March 2022, when the City Council approved the Scope of Work, Master Schedule, and Public Participation Plan (see [Resolution No. 1621](#)). Per the WA Growth Management Act (GMA), the 2024 Comprehensive Plan periodic review must be adopted by December 31, 2024.

The Planning Commission (PC) prepared public hearing drafts for each Comprehensive Plan Element, except for the Shoreline Master Program, over the course of 24 public meetings between March 2022 and May 2024. Drafts were posted to the [project website](#) for public review throughout the PC review process. The public had the opportunity to comment on the drafts throughout the process, including public comment opportunities during each PC meeting.

On May 29, 2024, the PC conducted a public hearing on the draft Comprehensive Plan and began deliberating on its recommendation to the City Council. These deliberations continued at meetings on June 5 and June 12. On June 12, 2024, the PC finalized its recommendation to the City Council, and handed off their recommendation on July 16, 2024.

The following is a summary of key events and dates which have occurred during and since the last City Council meeting on July 16, 2024:

- July 16, 2024: The City Council received the Planning Commission draft 2024 Comprehensive Plan ([AB6510](#)) and established by motion a process and schedule for City Council proposed amendments to be submitted to staff during the August recess in preparation for deliberation on September 3, 2024.
- July 25, 2024: The WA Department of Commerce (Commerce) provided comments to the City on the draft 2024 Comprehensive Plan (Exhibit 2).
- July 29, 2024 through August 12, 2024: The City Council submitted proposed amendments to staff.
- August 14, 2024: Staff shared a preview of the City Council proposed amendment matrix with Each Councilmember for review of errors and omissions as well as an opportunity for Councilmembers to withdraw any proposed amendments.
- August 21, 2024: Staff shared with Councilmembers the preliminary drafts of Exhibits 2, 3 and 4.

### Comprehensive Plan Elements

The Comprehensive Plan is composed of topic-specific elements that establish goals and policies. The goals detail what the City would like to accomplish in the next 20 years. The policies establish the high-level strategies the City will use to achieve its goals. The goals and policies in the Comprehensive Plan elements are implemented through regulations, programs, and projects. The City Council will determine which actions the City will take to implement the updated goals and policies after the Comprehensive Plan elements are adopted.

## Drafting New Elements

The City Council approved scope of work for the 2024 Comprehensive Plan Periodic Update included a substantial reworking of the Housing Element and development of two new Comprehensive Plan Elements: the Economic Development Element and the Parks and Open Space Element ([Res. No. 1621](#)).

In 2023, the approved scope of work was supplemented with additional tasks for the Housing Element in response to updated statewide requirements ([Res. No. 1645](#)). The Council-adopted scope of work included the formation of a Housing Work Group and Economic Development Work Group composed of Planning Commissioners and Councilmembers. These two work groups prepared the initial drafts of the Economic Development and Housing Elements, which the Planning Commission reviewed, refined with some amendments, and recommended for adoption to the City Council.

## ISSUE/DISCUSSION

### Exhibit 1 – Councilmember Proposed Economic Development Elements

Two City Council proposed amendments provide alternative drafts of goals and policies for the Economic Development Element. The proposed drafts are provided in Exhibit 1. Given that these proposed amendments constitute rewrites of the Economic Development Element, staff recommends the City Council form an Ad Hoc Committee to work with staff to reconcile these proposed amendments for review and consideration by the full City Council at the September 17, 2024 City Council meeting. The Ad-Hoc Committee may also be assigned to review other proposed amendments as directed by the City Council.

#### Ad Hoc Committee

If the City Council desires to appoint an Ad-Hoc Committee, up to three Councilmembers may be appointed to serve in this role. The Ad-Hoc Committee will immediately commence their work to make the short turn time in between City Council meetings. The Ad Hoc committee will dissolve after it makes its recommendation to the City Council.

### Exhibit 2 – Agency and Staff Comments and Responses

The City received comments on the Comprehensive Plan Periodic Review from the WA Department of Fish and Wildlife (WDFW), Puget Sound Energy, the Puget Sound Regional Council (PSRC), and the WA Department of Commerce (Commerce). The WDFW and PSE comments were considered during the Planning Commission deliberations ([PCB 24-16](#)). The comments from PSRC and Commerce and the staff proposed responses are provided in Exhibit 2. The full text of all agency comments is provided in Exhibit 2, Appendix B.

#### PSRC Comments

The PSRC is the Regional Transportation Planning Organization (RTPO) for King, Pierce, Snohomish, and Kitsap counties. Under the GMA, RTPOs must certify that the transportation elements of comprehensive plans adopted by counties, cities, and towns within the region are consistent with the adopted regional transportation plan and, where appropriate, conform with the requirements of the GMA ([RCW 47.80.023\(3\)](#)).

The PSRC has adopted a regional planning document called VISION 2050, which established multicounty planning policies (MPPs) to provide direction for how the region will address growth. Within the GMA framework, comprehensive plan policies must be consistent with MPPs. In preparation for the Planning Commission public hearing, the City contracted with consultants from Kimley-Horn to review the proposed policies in the Comprehensive Plan periodic review for consistency with the MPPs and identify possible gaps

[\(PCB 24-12\)](#)). Prior to making a recommendation to the City Council, the Planning Commission made amendments to the draft Comprehensive Plan to address the identified gaps.

The PSRC submitted a comment letter on June 18, 2024 (Exhibit 2, Appendix B). The PSRC comment recommends a few revisions to ensure the updated Comprehensive Plan is consistent with VISION 2050 and identified some optional amendments. The PSRC comments and staff response are provided in Exhibit 2. When preparing the table in Exhibit 2, staff recommended a response to only those PSRC comments that required action, the optional amendments can be found in the PSRC comment letter.

#### Washington State Department of Commerce Comments (Commerce)

Commerce is the state-level department tasked with implementing the GMA. Counties and cities must notify Commerce at least 60 days prior to adoption of any comprehensive plan or development code amendment ([RCW 36.70A.106](#)). Mercer Island's 60-day notice was submitted to Commerce on May 3, 2024, and Commerce acknowledged receipt of the notice in a letter dated May 6, 2024. Commerce reviewed the draft Comprehensive Plan and provided comments in a letter dated July 25, 2024 (Exhibit 2, Appendix B). The Commerce comments are summarized with a staff response in Exhibit 2, Table 1.

#### Findings

Several of the staff recommended responses to agency comments suggest that the City Council make a finding. Findings will be included with the adopting ordinance. Findings are a way for the City Council to give further context to the Comprehensive Plan update such as:

- Direction for implementing the Comprehensive Plan, providing clarifying information about what and how the City should prioritize actions, and
- Information to supplement the record to explain how the Comprehensive Plan update satisfies requirements.

#### Staff Proposed Amendments

Staff proposed some amendments to the Capital Facilities Element to reflect the current state of facility planning, including the permanent closure of City Hall. Given that the facility planning work was lagging behind the Comprehensive Plan review, these amendments are being submitted to the City Council for review and consideration. The staff proposed Capital Facilities Element amendments are provided in Exhibit 2, Appendix A.

### **Exhibit 3 – City Council Proposed Amendments**

The City Council proposed amendments are listed and categorized in Exhibit 3. Staff divided the City Council proposed amendments into two categories: Non-substantive and Substantive changes.

#### Exhibit 3A – Non-substantive Changes

Non-substantive changes are proposed amendments that are not expected to significantly alter the policy direction of the Comprehensive Plan. In general, the non-substantive changes are those that would change either the feel or style of a goal or policy but would not change the substance. Staff recommends that the City Council address all non-substantive changes with a single motion.

#### Exhibit 3B – Substantive Changes

Substantive changes are proposed amendments that would change the policy direction in the draft Comprehensive Plan. Staff recommends the City Council review and discuss each of the substantive

amendments individually. Direction to incorporate a proposed amendment will come via motion. Staff have included comments related to each proposed substantive amendment for Council consideration.

## NEXT STEPS

The following dates are reserved on the Council Planning Schedule to ensure completion of the 2024 Comprehensive Plan Periodic Update by the end of the year:

- **September 17, 2024:** Receive the recommendation from the Ad-Hoc Committee on the Economic Development Element and any other tasks assigned to the Committee at the September 3, 2024 City Council meeting. Complete deliberation and direct staff to finalize the 2024 City Council Draft Comprehensive Plan and commence a public review and comment period of not less than thirty (30) calendar days.
- **November 5, 2024:** Consider public comment received on the 2024 City Council Draft Comprehensive Plan and complete first reading of an ordinance to adopt the 2024 Comprehensive Plan.
- **November 19, 2024:** Complete second reading of an ordinance and adopt the 2024 Comprehensive Plan effective December 31, 2024.

NOTE: There will be other dates this fall for the City Council to consider adopting amendments to the Mercer Island City Code (MICC) necessary to maintain consistency with the 2024 Comprehensive Plan. Necessary MICC amendments will relate to parks/open space zoning and Town Center development regulations.

## RECOMMENDED ACTION

As part of the City Council deliberation on the 2024 Comprehensive Plan periodic update, staff recommends the following motions in the order they appear below:

Prior to commencing deliberations:

1. **Recommended Motion – Produce a 2024 City Council Draft Comprehensive Plan:**  
“Move to direct staff to incorporate all approved amendments into the 2024 City Council Draft Comprehensive Plan and make this draft available for public review and comment for a period of not less than thirty (30) calendar days prior to the City Council completing the first reading of an adopting ordinance scheduled for November 5, 2024.”
2. **Recommended Motion – Appointment of a 2024 Comprehensive Plan Ad Hoc Committee:**  
“Move to form an Ad-Hoc Committee comprised of up to three City Council members to work with staff to formulate recommendations on the proposed Economic Development Element amendments contained in Agenda Bill 6519, Exhibit 1 as well as any other proposed amendments referred by the City Council. The Ad-Hoc Committee shall commence work immediately and present their recommendations to the full City Council at the September 17, 2024 Regular City Council meeting.”

To commence deliberations:

3. **Recommended Motion – Agency / City Proposed Amendments:**  
“Move to approve the recommended amendments and findings to respond to agency comments as well as the City staff proposed amendments in Exhibit 2.”

**4. Recommended Motion – City Council Non-Substantive Proposed Amendments:**

“Move to approve the City Council non-substantive proposed amendments in Exhibit 3A.”

To conclude deliberations:

**5. Recommended Motion – City Council Substantive Proposed Amendments:**

“Move to approve the City Council substantive proposed amendments [read log numbers ‘CC-XX’, ‘CC-XX’, etc] in Exhibit 3B.”

**6. Recommended Motion – Referral of City Council Proposed Amendments to the 2024 Comprehensive Plan Ad Hoc Committee (If Needed):**

“In addition to the proposed Economic Development Element items already referred, move to refer City Council substantive proposed amendments [read log numbers ‘CC-XX’, ‘CC-XX’, etc] in Exhibit 3B to the Ad-Hoc Committee.”