



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6040
March 15, 2022
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6040: Consider 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule, and Public Participation Plan and related Port of Seattle Economic Development Grant Funding for 2022-23	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve Resolution No. 1621 for Comprehensive Plan Periodic Review and Direct City Manager to Pursue Grant Funding for 2022-23.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Interim CPD Director Adam Zack, Senior Planner Sarah Bluvus, Economic Development Coordinator
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Resolution No. 1621 with Exhibits A, B and C 2. Proposed Amendments Matrix
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The purpose of this agenda bill is to consider a Resolution to approve a scope of work, master schedule, and public participation plan for completing the required periodic review of the Mercer Island Comprehensive Plan ("Comprehensive Plan"). Additional summary information includes:

- The Washington State Growth Management Act (GMA) requires King County and incorporated jurisdictions within King County to complete a periodic review of their comprehensive plans on or before June 30, 2024. City Council adoption of the periodic review of the Comprehensive Plan is anticipated by April 2024.
- The draft scope of work, master schedule, and public participation plan were initially presented to the City Council on February 15, 2022 ([AB 6015](#)).
- Resolution No. 1621 with exhibits containing the staff recommended scope of work, master schedule, and public participation plan are included as Exhibit 1.
- The City Council and Planning Commission were invited to submit amendment proposals to the scope, the master schedule, and/or the public participation plan. Requests received by the end of business on March 1 are included in Exhibit 2.

- On March 15, 2022, the City Council will determine which requests in Exhibit 2, if any, to include as part of its approval of Resolution No. 1621.
- Staff also requests authorization from the City Council to pursue economic development grant funds from the Port of Seattle (2022-2023 grant cycle) to support the development and implementation of a new Comprehensive Plan Economic Development Element.

BACKGROUND

The Mercer Island Comprehensive Plan sets forth a vision and establishes goals, policies, and implementation actions for managing and growing into the future. The vision is a statement of how the Comprehensive Plan will guide the City. The goals describe what objectives the City will pursue to further the vision. The policies and implementation actions established in the Comprehensive Plan describe what the City will do to achieve its goals and provide crucial guidance for the City in capital improvements, development regulations, and other supporting programs and services.

The Comprehensive Plan considers projected growth during a twenty-year period called a “planning horizon”. Currently, the GMA requires cities and counties to update each respective plan every nine years to extend the planning horizon. The Comprehensive Plan is shaped by a combination of state, regional, county, and local contexts.

The City of Mercer Island adopted its first GMA compliant Comprehensive Plan in 1994 (Ordinance A-122). The City’s Comprehensive Plan has been amended several times since 1994. The last periodic review of the Comprehensive Plan was completed in 2015. The existing Comprehensive Plan planning period is 2015 to 2035. The next mandated periodic review of the Mercer Island Comprehensive Plan must be adopted by June 30, 2024 (RCW 36.70A.130). This periodic review will update the planning period for the Comprehensive Plan to be 2024 to 2044.

The City is now preparing to undertake the next periodic review of the Comprehensive Plan. At its February 15, 2021 meeting, the City Council reviewed the draft scope of work, master schedule and public participation plan (summarized below).

OVERVIEW

Resolution No. 1621 (Exhibit 1) includes the staff recommended scope of work and master schedule (Exhibit 1A), the public participation plan (Exhibit 1B), and charters establishing the Housing Work Group and the Economic Development Work Group (Exhibit 2C). Approval of Resolution No. 1621 will adopt the scope of work, master schedule, and public participation plan and establish the Economic Development Work Group and Housing Work Group. Potential amendments to the project scope of work are included as Exhibit 2.

Scope of Work (Exhibit 1A)

The scope of work proposes a focused “surgical” periodic review of the Comprehensive Plan. The concept is to have a narrow scope of work, primarily limited to only those updates required by state law. As such, the element-specific tasks for the Land Use, Utilities, Capital Facilities, and Transportation Elements are primarily constrained to only those updates required by the GMA and to account for recent planning actions.

There are two aspects of the periodic review that will include more extensive goal and policy work beyond the technical updates elsewhere in the Comprehensive Plan – development of a new Economic Development Element and amendments to housing goals and policies to address the findings in the *Housing Needs Assessment*.

Master Schedule (Exhibit 1B)

The Master Schedule establishes key milestones over the course of the two-year project, which is expected to commence this spring and conclude with City Council adoption in April 2024 and filing with appropriate agencies in May 2024. Most of 2022 and 2023 will be spent preparing technical analyses and drafting amendments with the Planning Commission culminating in public workshops in the late summer and fall of 2023. The project will then enter the public hearing phase at the end of 2023. The Planning Commission public hearing and deliberations are planned to take approximately 3 months from September to November 2023. The City Council review process will begin after the Planning Commission makes a recommendation. The Council review will include a public hearing and is expected to take roughly 4 months from January to April 2024.

Public Participation Plan (Exhibit 1C)

Public participation is a vital aspect of the periodic review process. Public participation improves the planning process by gathering the shared knowledge and experience of the community and fostering public confidence in the periodic review process. The public participation plan details the engagement goals, tasks, phases, and schedule for public participation during the periodic review. Key activities include a dedicated Let's Talk page providing up-to-date project information, community workshops and the formation of two work groups to inform the more extensive work planned for the Economic Development and Housing Elements.

Amendment Proposals

The City Council and Planning Commission were invited to submit amendment proposals to the scope of work, master schedule, and/or the public participation plan. Exhibit 2 summarizes the proposals received and includes staff comments. At the March 15 City Council meeting, staff will review each of the requested amendments and the City Council will determine which of the requests, if any, to include as amendments to Resolution No. 1621.

ECONOMIC DEVELOPMENT AND HOUSING WORK GROUPS

The public participation plan calls for the formation of two work groups that will assist in preparing the initial draft of the Economic Development Element and amendments to the Housing Element.

Resolution No. 1621, Section 3 establishes these two work groups. The work group charters included in Exhibit C outline the mission, duties, and procedures for each work group. Staff recommends the work groups be composed of two City Councilmembers and two Planning Commissioners. Work group volunteers will be selected by each body.

The Economic Development Work Group is expected to commence work in May and finish the initial draft of the Economic Development Element by August 2022. The Housing Work Group is expected to commence work in June and finish the initial draft of amendments to the Housing Element by October 2022. Work group members can anticipate meeting at least once per month through this summer to review draft materials.

The terms for both work groups automatically expire when the work groups finish preparing the initial drafts and provide them to the Planning Commission, unless the City Council extends the term.

ADDITIONAL FUNDING AVAILABLE - ECONOMIC DEVELOPMENT ELEMENT

The Port of Seattle opened applications for the 2022-2023 Economic Development Partnership grant program on February 10, 2022. This program provides per-capita, reimbursement-based grant funding every year to foster economic development initiatives in King County. Starting in 2022, the Port is piloting a two-year grant

cycle, meaning cities will apply for funding in March 2022 and have until November 2023 to complete projects and submit final grant reporting documents. Each city will receive two years of grant funding; for the City of Mercer Island, this will amount to approximately \$25k each year for a total of \$50k in awarded funds. Additionally, the grant program requires at least a 50 percent match from the city; up to half of that match requirement can come from in-kind staff support, and at least half of it must be a cash match.

Staff confirmed with the Port that the City may use a portion of funds from this grant cycle to support economic development planning work. As such, staff propose shaping the City's grant application and project scope to include the following:

- **2022 funding:** Support the economic analysis/technical work needed as part of the process to develop an Economic Development Element for the City's periodic update to the comprehensive plan.
- **2023 funding:** Support the development of an implementation strategy for the Economic Development Element and execute quick action items (where applicable).

The Port is still interested in supporting small businesses in recovering from the COVID-19 pandemic, so staff will reserve funds each year to provide "buy local" support to Island businesses. Additionally, the Port recognizes that cities may need to revisit their project scopes in 2023 and is willing to accommodate Mercer Island's needs if we must adjust projects after the first year of the grant cycle.

If the City Council is amenable to this approach, staff will move forward with applying for the 2022-2023 grant program. Applications close on March 18, 2022, and the Port anticipates completing the contracting process by the end of May 2022. After executing the agreement, the City will have 18 months to complete projects, with final reports due November 23, 2023.

NEXT STEPS

After the City Council has adopted Resolution No. 1621, the planning process will commence.

Staff will be contracting with consultants to compile data and perform technical analyses to support the review process, as well as assisting with public outreach and engagement. The Planning Commission and City Council will each select representatives for the two work groups later by May 2022. A City Council Study Session is planned for June 2022 to present initial technical work related to the housing and economic development elements. By summer 2022, the Planning Commission will begin review of the Comprehensive Plan elements one-by-one, with work continuing through 2023.

RECOMMENDED ACTION

1. Approve Resolution No. 1621, adopting the scope of work, master schedule and public participation plan including the establishment of the Economic Development Work Group and the Housing Work Group for the 2024 periodic review of the Mercer Island Comprehensive Plan as [presented / amended].
2. Direct the City Manager to pursue an economic development grant from the Port of Seattle for the 2022-2023 grant cycle to support the development and implementation of a new Comprehensive Plan Economic Development Element.