

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 between Bellevue and Seattle makes it a prime location for businesses
11 looking to draw workers and customers from larger surrounding cities. The Mercer Island economy is in
12 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.
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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%	-
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=ACSSY2021.S2404>
5 <https://data.census.gov/table?q=earnings+by+industry&g=1600000US5345005&tid=ACSDY2021.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 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.
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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.

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.

Mercer Island Commercial Areas

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 is home to different types of commercial development. 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

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 development combining first floor commercial space and parking with residential uses on the upper floors.

1 Older development in Town Center is lower-intensity, one-story, ‘strip mall’ development with surface
2 parking in front of the commercial space.

3 4 **Northeast Commercial Area**

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

13 14 **South End Commercial Area**

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

21 22 **Land Use Connection**

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

27
28 Each of the three commercial areas is regulated differently, with the built environment reflecting those
29 variations. The Town Center zones allow the highest intensity development and midrise mixed-use
30 structures are the principal form of new commercial development in that area. The northeast commercial
31 area is zoned for office and service uses as opposed to other commercial uses. It was largely developed
32 forty years ago and has not seen the same degree of recent development as Town Center. The south end
33 commercial area is zoned for a mix of small scale, neighborhood-oriented business, office, service, public
34 and residential uses. The smallest of the three commercial areas, the south end commercial area, is ~~are~~
35 mostly developed, so absent rezoning most [no consensus] n–New c commercial development in ~~most~~
36 ~~areas of~~ the City will likely come through redevelopment of existing commercial buildings.

37
38 The supply of commercial development capacity is closely controlled by Land Use policies and regulations.
39 Regulations that modulate the supply of an economic input such as, the space in which commercial activity
40 can take place also affect the location, size, scale, and cost associated with doing businesses in the City.
41 Controlling the supply of commercial development capacity is the primary way the Comprehensive Plan
42 has shaped the local economy prior to the adoption of this Economic Development Element. Because of
43 this connection, some goals and policies of this element connect directly to land use policies and
44 regulations.

1 **Relationship to Other Comprehensive Plan Elements and Other Plans**

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

4
5 **Housing**

6 Housing indirectly impacts the local economy because it has an effect on the local business’ customer
7 base and labor force. Housing on Mercer Island is primarily detached single-family homes and contributes
8 to the unique Island neighborhood character. Multifamily development is largely limited to the area in
9 and around Town Center. Housing has ~~two primary~~ several effects on the local economy. Higher cost
10 housing can attract higher income residents and customer for local business. On the other hand, high
11 housing costs may limit the ability for some workers to afford to live in the City, leading to increased
12 commuting and potentially limiting a business’s ability to hire. ~~Conversely, higher cost housing can~~
13 attract higher-income residents and customers for local businesses-, though, higher cost housing may
14 depress financial resources and reduce customer spending overall, including at Island businesses. Less
15 expensive, multifamily housing may attract residents in and near the Town Center who are more likely to
16 choose not to own a car and may be more likely to shop local than those in detached single-family housing.
17 The quantity of multifamily housing available may correlate with the market for the basics of everyday
18 living and experiences such as dining out. [Comment Log #60 and #67]

19
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.

29
30 **Utilities**

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

34
35 **Capital Facilities**

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

39
40 **Shoreline Master Program**

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

1 Other Plans

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

- 6 • The Arts and Cultural Plan – Directs the provision of artistic and cultural infrastructure that draw
7 both residents and shoppers to commercial areas. Artistic and cultural infrastructure and events
8 in the community improve the quality of life. Well executed, they can attract local and off-island
9 residents to commercial areas where they may be more likely to shop. It may also attract workers
10 to the island, who in addition to contributing to the employment base, may shop here. [Comment
11 Log # 67]
- 12 • The Pedestrian and Bicycle Facilities Plan – Establishes strategies maintaining and improving
13 pedestrian and bicycle infrastructure to provide multimodal connections throughout the City.
- 14 • Parks, Recreation and Open Space Plan – Plans for the maintenance, improvement, and
15 development of parks and open space.
- 16 • Climate Action Plan – Establishes the strategies the City will use to reduce greenhouse gas
17 emissions and address the impacts of climate change.
- 18 • Capital Improvement Plan – Lists the capital investments the City will make through 2044.
- 19 • Transportation Improvement Program – Lists the Transportation Element implementation
20 projects the City will undertake throughout the life of the Comprehensive Plan.

22 **Employment Growth Target**

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

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

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

43 **Strengths**

44 Strengths are the cornerstones of the economy. These are the aspects of the local economy that are
45 advantageous for economic growth. Strengths are factors that contribute to the prosperity, environment,
46 and social cohesion of the City and as such represent topic areas the City can support or expand to

1 overcome weaknesses and threats. Some of the principal strengths identified are listed and discussed
2 below.

3 4 **High Quality of Life**

5 The high quality of life on Mercer Island is a considerable strength. The Island’s parks, open space, high
6 quality public schools, safe and walkable neighborhoods, and cultural amenities helps attract new
7 businesses and workers alike. Community input gathered during the drafting of this element often
8 pointed to the high quality of life in Mercer Island as an asset the City can build upon to strengthen the
9 local economy. Quality of life may also serve as a draw for off-island visitors to patronize local businesses.
10 Since this high quality of life is a considerable strength, it must be protected. [No consensus Planning
11 Commission asked Chris Goelz to draft an amendment]

12 13 **High-Income Residents**

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

21
22 **Table 4. Household Income and Benefits, 2021.**

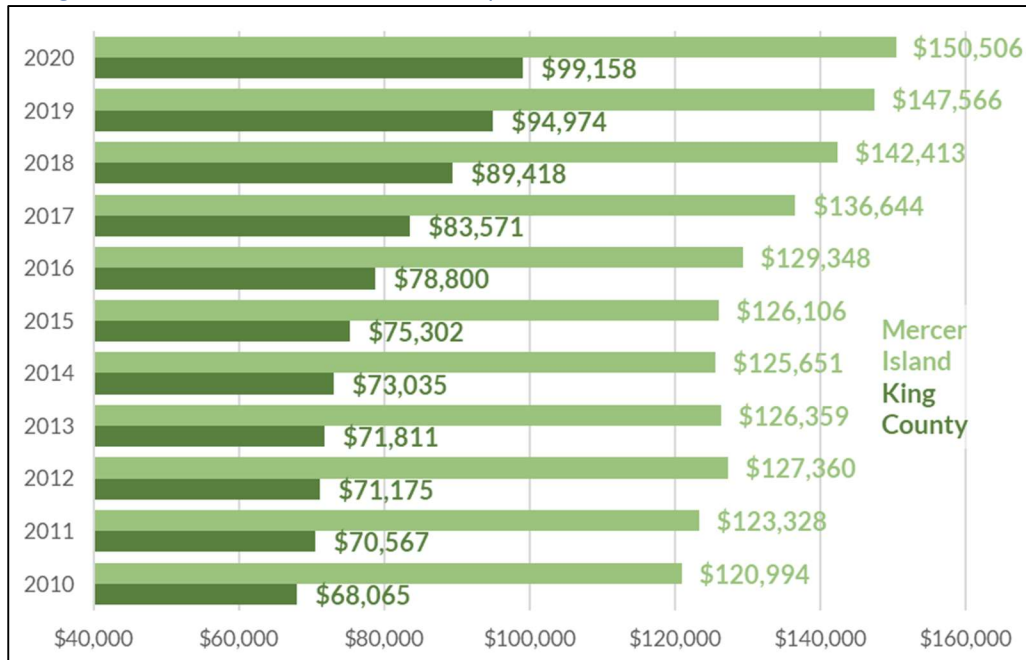
Income and Benefits in 2021 Inflation-Adjusted Dollars		
	Mercer Island	King County
Total households	9,758	924,763
Less than \$10,000	3.3%	4.7%
\$10,000 to \$14,999	0.5%	2.4%
\$15,000 to \$24,999	4.0%	4.3%
\$25,000 to \$34,999	5.1%	4.2%
\$35,000 to \$49,999	4.3%	7.4%
\$50,000 to \$74,999	8.3%	12.2%
\$75,000 to \$99,999	6.1%	10.3%
\$100,000 to \$149,999	14.3%	18.1%
\$150,000 to \$199,999	8.8%	12.1%
\$200,000 or more	45.3%	24.4%
Median household income (dollars)	\$170,000	\$110,586
Mean household income (dollars)	\$261,417	\$154,122

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

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

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Figure 1. Median Household Income by Year, Mercer Island, 2010 to 2020



Source: American Community Survey, 2010, 2020; CAI, 2022.

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

12

Location of the City

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Mercer Island’s location on Interstate 90 (I-90) and roughly equidistant from Seattle and Bellevue is a strength. Seattle and Bellevue are large metropolitan centers with many thriving businesses, potential customers for Mercer Island businesses, and workers with diverse skills and expertise. I-90 provides potential customers and employees with excellent access to the city and that access is complemented with available parking near businesses. The city is also connected to its neighbors by transit, allowing greater flow of people to and from its commercial centers. Ensuring good access to commercial areas with roads and transit connections can build on this strength.

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Weaknesses

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

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Permitting and Regulatory Environment

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Permitting challenges, difficulty navigating the development code, and protracted permitting processes 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. [PC directed staff to combine original sentences 1 and 2, staff draft is shown above] This increased financial risk can adversely impact business formation and retention. Public input indicated that the City’s

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1 development code and permitting processes can be complicated and make starting a business more
2 difficult. Permit fees and the time spent on permit review are also ~~Another~~ challenging factors ~~related to~~
3 ~~permitting is the additional cost that fees and delays in permitting can add to~~ starting a new business. As
4 the City considers permit fees, impact fees, and other regulatory requirements it can assess how those
5 changes might add to or reduce the cost of starting a new business. The City can address this weakness
6 by auditing its regulations and permit processes to ensure that they do not unnecessarily restrict or
7 complicate the process of starting or expanding a business. Another way for the City to address this
8 weakness is to engage the business community in the legislative process.

9 10 **Business Climate and Culture**

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

19 20 **Lack of Visitor Customer Base**

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

27 28 **Affordability and Availability of Commercial Space**

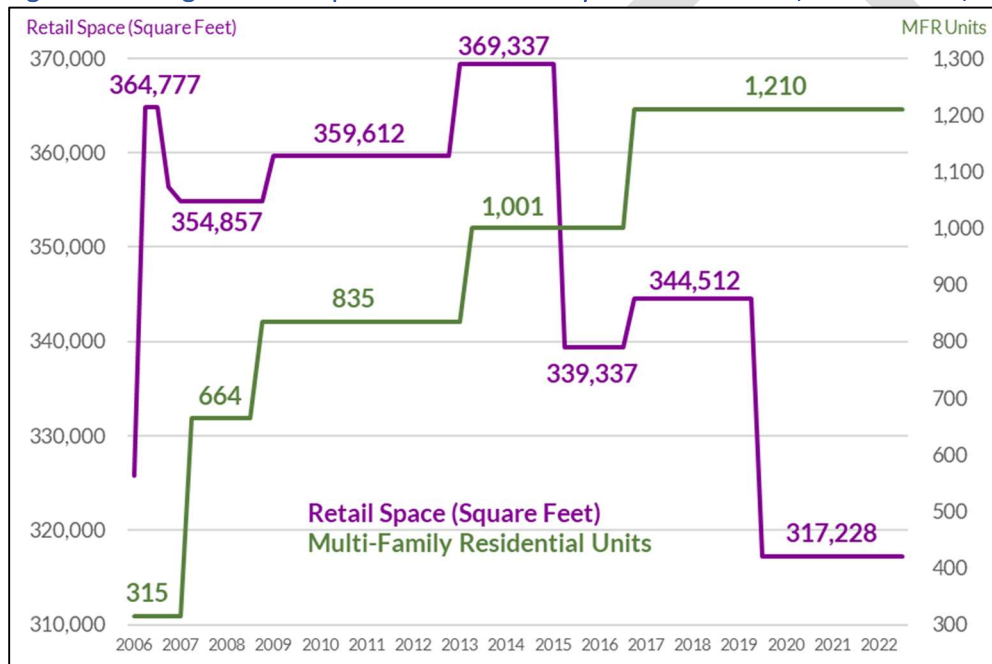
29 The lack of commercial space in the city and its cost can be a challenge for new business formulation and
30 expansion of existing businesses. Under the current zoning, commercial activities are largely limited to
31 three areas in the city. The largest of these areas, Town Center, is a mixed-use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

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37 The City's future land use map in the Land Use Element and the zoning that implements that policy
38 framework limits the areas where commercial uses are allowed to the Town Center, the planned business
39 zone, and commercial-offices zone. The size of commercial zones can influence the cost and availability
40 of commercial real estate. If the area available for commercial development is not large enough to
41 accommodate the projected growth, prices can rise, and businesses can have trouble finding available
42 spaces as supply reduces. The City must monitor the size of its commercial areas to ensure that the supply
43 of developable commercial land is not so restricted that it limits opportunities for development. This is
44 why the GMA includes a requirement to plan for projected growth in the form of adopting an employment
45 growth target. The employment growth target is derived from the projected population increase through
46 the planning period. By setting an employment growth target and ensure the Comprehensive Plan can

1 accommodate that target, the City can ensure that commercial areas are sized appropriately. [Planning
 2 Commission asked staff to incorporate information about how zoning influences commercial areas]

3
 4 Figure 2 compares the change in commercial square footage and residential units in Town Center between
 5 2006 and 2022. The retail space referred to in the figure is commercial store fronts that could be retail or
 6 restaurant space. From 2006 to 2022, the multi-family residential units increased by 895 units to a total
 7 of 1,210 (Figure 1). In that same period, the square footage of commercial space initially increased to a
 8 peak of about 369,000 square feet in 2013, before decreasing to about 317,000 square feet in the third
 9 quarter of 2019. This may be the result of a demolished building at 2431-2441 76th Ave SE. Although all
 10 development in Town Center is interconnected due to the mixed-use zoning in the area, this data does
 11 not mean that the amount of commercial space and number of residential units in Town Center are
 12 proportional or causal. From 2006 to 2022, the amount of commercial space has decreased by
 13 approximately 2.5% while the number of multi-family residential units have increased by nearly 75%.

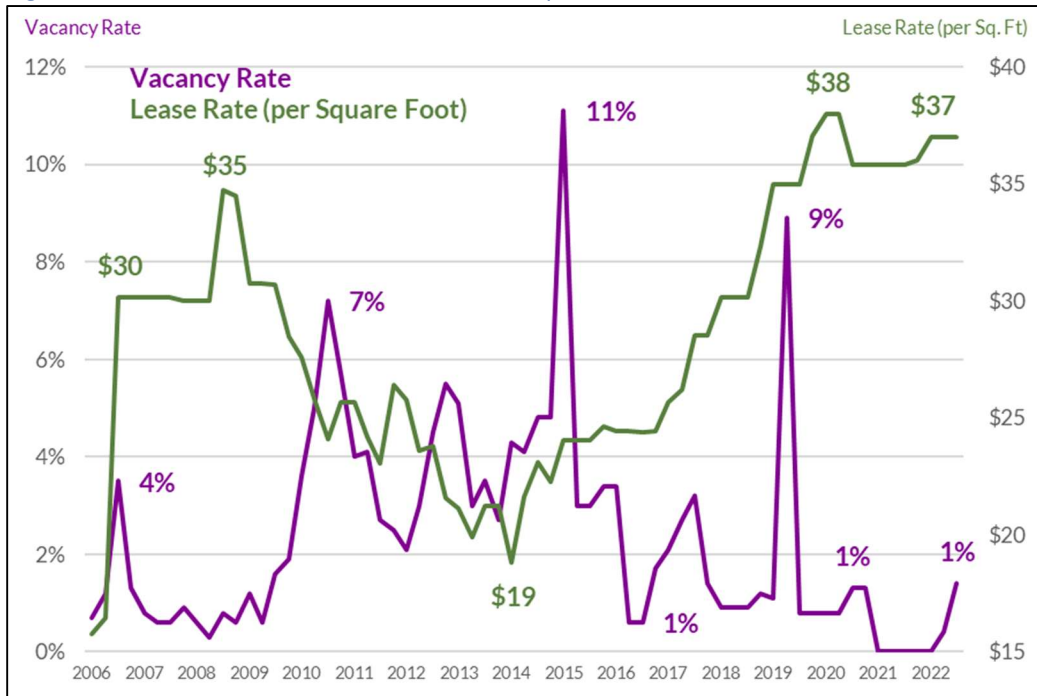
14
 15 **Figure 2. Change in Retail Space and Multi-Family Residential Units, Town Center, 2006 to 2022**



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 17 Source: CoStar, 2022; CAI, 2022.

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

1 Figure 3. Retail Annual Lease Rate and Vacancy Rate, Town Center, 2006 to 2022.



2 Source: CoStar, 2022; CAI, 2022.

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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 may constrain future economic growth and those
11 regulations may need to be revisited.

12 13 **Opportunities**

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

19 20 **Additional Transportation Connections**

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

1 [Planning Commission asked staff to draft clause at the end of this sentence referring to impacts] The City
2 can help connect transit riders with local businesses to take advantage of the arrival of light rail.
3

4 Arrival of a Large Employer in Town Center

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

12 More Islanders Working From Home

13 One of the changes prompted by the Covid-19 pandemic is the transition to more work-from-home
14 options for commuters. The extent to which commuting workers will spend their workdays on-island
15 instead of traveling to work off-island remains unclear. What seems increasingly likely is that workers will
16 commute less often than they did before the pandemic. Changes in commuting could lead to new demand
17 for different services in the city's commercial areas or increased demand for existing services.
18

19 More Housing Priced in the Middle Range

20 Recent legislation will encourage the development of more housing priced in the middle range, most of it
21 in and near the Town Center. Residents of this housing will be located near the commercial area, will be
22 less likely to own a car, and will be more likely to shop locally. The arrival of more residents in these
23 locations will likely spur economic development. [Comment Log #60 and #67]
24

25 **Threats**

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

31 Economic Uncertainty

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

42 The Changing Nature of Retail

43 Retail commerce is undergoing a transition as online retailers compete with brick-and-mortar stores. This
44 change appears to have been accelerated during the Covid-19 pandemic as more shoppers opted to order
45 goods online. Comments indicate that this could mean that retail will need to focus more on location-
46 specific or experiential retail to differentiate their goods and services from those more readily available

1 in online marketplaces. Some comments proposed a shop local campaign and adaptive reuse regulations
 2 for commercial spaces as possible measures to help local businesses respond to changes in demand.

3
 4 **Affordability in the Region**

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

12
 13 Housing affordability can impact workforce availability. Labor is an important input for local businesses.
 14 As housing prices increase, filling middle and lower wage positions can potentially become more difficult
 15 as many workers commute from outside the city. The majority of people employed on Mercer Island
 16 commute from outside the city. In 2019, 87 percent of workers employed on Mercer Island live outside
 17 the city. Only about 13 percent of workers employed in the city also live on Mercer Island. On the other
 18 hand, 91 percent of workers living on Mercer Island commuted to jobs outside the City in 2019. Table 5
 19 shows the inflow and outflow of Mercer Island workers as tracked by the U.S. Census Bureau in 2019.

20
 21 **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%

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

23
 24 Many workers commute from off-island to fill middle and lower wage positions. In 2019, more than half
 25 of jobs in Mercer Island paid less than \$3,333 a month or about \$40,000 a year. The low earnings for on-
 26 island jobs can make it difficult for workers to afford to live near Mercer Island and could make finding
 27 workers difficult given that all of metro King County has a higher cost of living. Table 6 shows the earnings
 28 for on-island jobs as tracked in 2019 by the U.S. Census Bureau.

29
 30 **Table 6. Mercer Island Jobs by Earnings, 2019.**

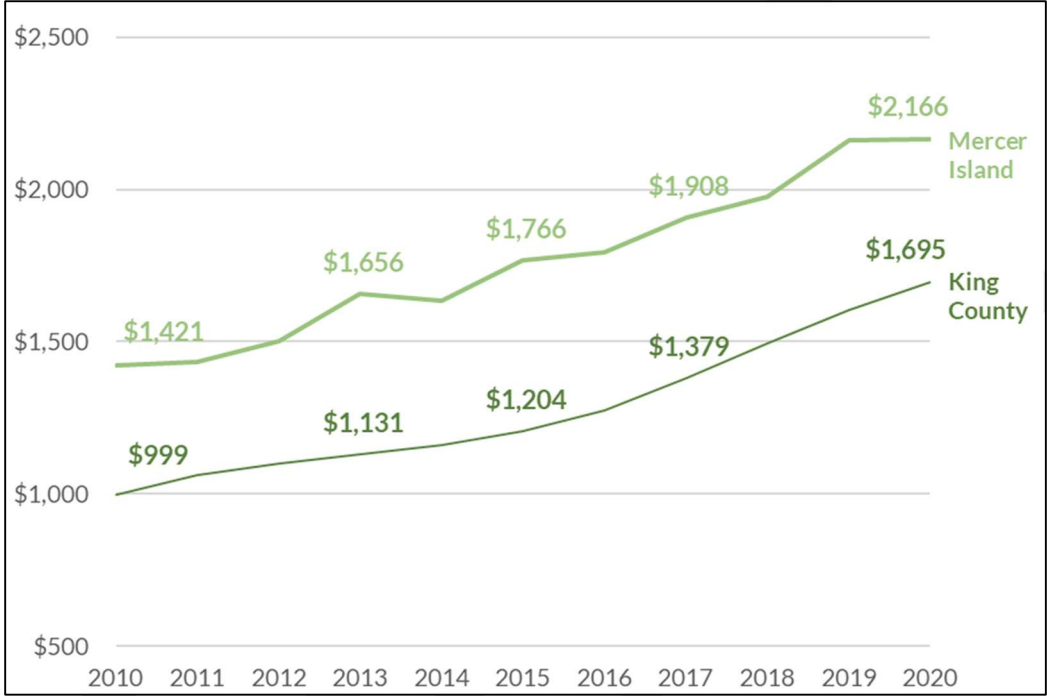
Earning Range	Mercer Island		King County	
	Count	Share	Count	Share
\$1,250 per month or less (\$15,000 annually)	1,738	24.6%	<u>188,902</u>	<u>13.7%</u>
\$1,251 to \$3,333 per month (\$15,012 to \$39,996 annually)	1,995	28.2%	<u>299,798</u>	<u>21.7%</u>
More than \$3,333 per month (more than \$39,996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

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

1 While many jobs on Mercer Island pay relatively lower wages, the cost of housing is rising. Figure 4 shows
2 that in 2020, the median rent in Mercer Island was \$2,166 a month. Assuming that housing costs should
3 be around 30 percent of a household’s income, this would require a monthly income of roughly \$6,498 or
4 \$77,976 annually to be affordable. Expanding to the county level, the 2020 median rent in King County
5 was \$1,695. The King County median rent would require a monthly income of about \$5,085 or \$61,020
6 annually to be affordable. As highlighted earlier, many jobs on Mercer Island pay \$40,000 a year or less.
7 If rent outpaces wage growth, many workers may choose to live or work in more affordable cities or
8 regions. Difficulty in attracting workers can hinder economic growth as greater competition for workers
9 can drive up wages and costs to businesses.

10
11

Figure 4. Median Rent, Mercer Island and King County, 2010 to 2020.



12
13
14

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

15 **Displacement During Redevelopment**

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

23
24

Climate Change

25 Climate change has the potential to have negative effects upon the economy. Business establishment
26 and success as well as customer spending patterns may be affected. Though many of the impacts of
27 climate change may be out of the control of local government, Mercer Island should implement and
28 market the success of climate mitigation and adaptation strategies included in the Climate Action plan to
29 attract businesses and shoppers. Businesses may want to locate where they can minimize their impact

1 upon the climate and where their employees may be more comfortable. Shoppers may seek commercial
2 areas that are more comfortable in a warmer climate. [Comment Log #60 and #67]
3

4 II. Business Ecosystem Goals and Policies 5

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

8 Policies 9

- 10 1.1 Partner with local, regional, state, and federal economic development agencies to increase
11 resources available for business owners and entrepreneurs.
12
- 13 1.2 Establish a local business liaison position on the City Council. The local business liaison will act as
14 a point of contact on the City Council for all business leaders and representatives on Mercer Island
15 for policy issues. [Next Discussion: Keep 1.2 as originally drafted or drop policy all together?]
16
- 17 1.3 Dedicate one staff position to coordinating the implementation of the Economic Development
18 Element.
19
- 20 1.4 Support local economic development nongovernmental organizations to grow their capacity to
21 support local businesses, attract new investment, and maintain a healthy business ecosystem.
22
- 23 1.5 Analyze commercial development capacity periodically to evaluate the type and quantity of
24 commercial development possible given existing development, zoning, and regulations.
25
- 26 1.6 Develop a citywide retail strategic plan. The citywide retail strategic plan should include
27 actionable steps the City can take to support existing retail businesses, attract new retail
28 businesses, and diversify the local economy.
29
- 30 1.7 Analyze the feasibility of establishing a Parking and Business Improvement Area (PBIA) or Local
31 Improvement District (LID) in one or more commercial areas to fund improvements for economic
32 development.
33
- 34 1.8 Partner with community organizations such as the Chamber of Commerce to market Mercer
35 Island as an ideal good place to do business. The City ~~should~~ could focus marketing materials on
36 the following nonexclusive list:
37
- 38 1.8.A Attracting new businesses and investment;
 - 39 1.8.B Attracting skilled workers;
 - 40 1.8.C Attracting off-island visitors to commercial centers; and
 - 41 1.8.D Highlighting the Mercer Island's economy's assets strengths that can attract businesses
42 such as high quality of life, business friendly environment, and prime location. [on 7/26
43 PC requested that staff draft an amendment to 1.8.D]
44
- 45 1.9 Encourage the planting of trees in the City's business districts. [Comment Log #6] [Comment Log
46 #68 proposes moving this policy to be listed under Goal 4]
47

1 1.10 Study relocation of City Hall facilities to downtown Mercer Island at the publicly owned parcel
2 known as the "Tully's Property". The new facility to include a public park and serve as a gateway
3 from Sound Transit light rail to downtown Mercer Island. Staffed Police and Planning service
4 counters to be housed on the ground floor. [Comment Log #62]
5

6 1.10 Study the feasibility of relocating City Hall facilities to Town Center. The study should consider
7 creation of a public park, establishing City Hall as a gateway from the Sound Transit Light Rail
8 Station, public access to City services, and accessibility for all Mercer Island residents. [staff
9 alternative, see Comment Log #62]
10

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

13
14 **Comment Log #7 and #10:** proposal to change the order of Goals 2 and 3, so the current Goal 3 becomes
15 Goal 2 and vice versa.
16

17 **Policies**
18

19 2.1 Partner with nongovernmental organizations and neighboring economic development agencies
20 to market Mercer Island as a prime location for businesses and investment. [Comment Log #8:
21 possibly fold together with Policies 1.4 and 1.8]
22

23 2.2 Partner with community organizations to target the following types of businesses and investment
24 when marketing the City as a prime location for business:
25

26 2.2.A A complementary and balanced mix of retail businesses and restaurants;

27 2.2.B ~~Satellite offices and coworking spaces~~ High wage employers; and

28 2.2.C ~~High wage employers~~ Satellite offices and coworking spaces. [Comment Log #39]
29

30 2.3 Partner with community organizations to develop a guide to doing business on Mercer Island to
31 help entrepreneurs navigate City processes and find additional resources available to assist in
32 starting a new business.
33

34 2.4 Partner with community organizations to facilitate a mentorship program that connects Mercer
35 Island business owners, entrepreneurs, and retirees with ~~young adults~~ people interested in
36 starting new businesses. [Comment Log #69]
37

38 2.5 Conduct a food truck pilot program to attract new entrepreneurs to Town Center. The pilot
39 program can include but is not limited to the following:
40

41 2.5.A Designated food truck parking on public property, including rights of way;

42 2.5.B Informational materials provided to existing food truck operators to attract them to
43 Mercer Island;

44 2.5.C Partnerships with food truck organizations in the region;

45 2.5.D Outreach to existing restaurants to consider the impacts of the pilot program on existing
46 businesses; and

47 2.5.E A report providing recommendations for potential programmatic and regulatory changes.
48

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

2
3 Policies

- 4
5 3.1 Convene an annual business owners’ forum to create a continuous feedback system during which
6 City elected officials and staff gather input from business owners. This input should inform City
7 decision making that affects the business community.
8
9 3.2 Facilitate periodic business roundtables with community organizations, local business owners,
10 and City staff.
11
12 3.3 Periodically distribute a business newsletter to local business owners and community
13 organizations.
14
15 3.4 Partner with community organizations, ~~with a focus on~~ including the Chamber of Commerce, to
16 initiate a “Shop Mercer Island” marketing campaign directed at drawing more residents and
17 visitors to commercial areas on the island. The City should fill a support role in this partnership.
18 **[Comment Log #11]**
19
20 3.5 Coordinate with transit providers to ~~ensure~~ make the “Shop Mercer Island” marketing campaign
21 includes visible to transit riders. **[Comment Log #12]** **[Comment Log #40]** proposes possibly
22 amending this policy to focus on online advertising rather than transit]
23
24 3.6 Conduct outreach to surrounding businesses before initiating capital projects in commercial
25 zones. This outreach should create a two-way dialogue with businesses, offering a seat at the
26 table when capital projects might affect business operation.
27
28 3.7 Identify and adopt measures to reduce displacement of existing businesses as new development
29 occurs. Notify nearby businesses of any potential redevelopment. **[Comment Log #13 and #85]**
30

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

- 33
34 4.1 Encourage programming that enables residents and visitors to safely gather, access spaces,
35 socialize, and celebrate in the City. Encouraging public gatherings throughout the City can
36 improve the quality of life on Mercer Island and make the City a more vibrant place for residents
37 and visitors alike, which can in turn drive increased economic activity.
38
39 4.2 Balance economic growth with maintaining easy access to services and small town feel. **[Comment**
40 **Log #14]**
41
42 4.2 Build resilience in the local economy by:
43
44 4.2.A Diversifying the goods and services available in the local economy;
45 4.2.B Being flexible when working with businesses to respond to crises such as allowing
46 temporary use of rights of way for business activity during a state of emergency like a
47 pandemic;

1 4.2.C Coordinating with local businesses to plan for disaster preparedness; and
2 4.2.D ~~Addressing the impacts of climate change to reduce its effect on doing business in the~~
3 City. [Comment Log #41] OR

4
5 4.2.D Be guided by relevant strategies in the Climate Action Plan Addressing the impacts of
6 climate change to reduce the negative its effects of climate change on doing business in
7 the City and to attract businesses, workers, and customers in a warming climate.
8 [Comment Log #70]
9

10 4.3 ~~Be Consistent with Consider~~ Climate Action Plan strategies during economic development
11 decision making.

12
13 4.3.A Enhance City-led street tree planting in the right-of-way and promote street frontage
14 planting by commercial property owners.

15 4.3.B Encourage the establishment of vegetated walkways and rest areas to combat heat island
16 effect in commercial areas. [Comment Log #71]
17

18 4.4 ~~Identify and adopt measures to reduce displacement of existing businesses as new development~~
19 ~~occurs.~~ [Comment Log #85 moved this and combined with Policy 3.7]
20

21 [Comment Log #15] possibly move 4.4 to be listed under Goal 3.
22

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

25
26 5.1 Partner with regional, statewide, and federal agencies to connect job seekers in the region with
27 opportunities on Mercer Island.

28
29 5.2 Partner with community organizations in the City and region to connect tradespeople and other
30 high-skilled workers with employment opportunities on Mercer Island. This work should focus on
31 communications and fostering connections between community organizations, employers, and
32 workers.
33

34 [Comment Log #16] Possibly combine goals 5 and 6.
35

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

38 Policies
39

40 6.1 Consistent with the Climate Action Plan, increase on-island employment options as a share of the
41 City's employment growth target in order to reduce vehicle miles traveled commuting. [Comment
42 Log #17]
43

44 6.1 ~~Plan Work~~ to increase high-wage on-island job opportunities for residents, ~~increase on-island~~
45 ~~employment options as a share of the City's employment growth target, eliminate the need to~~
46 ~~commute, and reduce vehicle miles traveled.~~ [Comment Log #18]
47

- 1 6.3 Take steps to increase the supply of affordable housing on the Island. [Comment Log #19]
 2 6.3 Take steps to increase the supply of affordable and housing priced in the middle range on the
 3 island. [Comment Log #73]
 4
 5 6.4 Establish a minimum wage on Mercer Island. [Comment Log #64]
 6
 7 6.5 Provide tax incentives to retailers, landscapers, and home health care services that provide living
 8 wage jobs, paid time off, and health insurance to their employees. [Comment Log #64]
 9
 10 6.6 Coordinate with the Housing Element to ensure that the employees that work in our community
 11 have future opportunities for housing in our community. [Comment Log #64]
 12
 13 6.6 Ensure that employees that work in our community have access to housing in the City that is
 14 affordable given their income level. [staff alternative, see Comment Log #64]
 15

16 III. Regulatory Environment Goals and Policies

17
 18 **Goal 7 – The City actively reduces ~~the regulatory burden~~ any unnecessary created by**
 19 **commercial development regulations and permitting processes to support a healthy**
 20 **business ecosystem, entrepreneurs, and innovation in business. [Comment Log #20]**
 21

22 Policies

- 23
 24 7.1 Audit the development code and permitting processes to identify code amendments to support
 25 businesses, improve effectiveness, and make efficient use of City resources. The following goals
 26 should be coequally considered when identifying code amendments:
 27
 28 7.1.A Lowering compliance costs for business owners;
 29 7.1.B Minimizing delay and reduce uncertainty in the entitlement process;
 30 7.1.C Improving conflict resolution in the entitlement process; [Comment Log #21 - Withdrawn]
 31 7.1.D Reducing the likelihood of business displacement as new development occurs; and
 32 7.1.E Balancing parking requirements between reducing barriers to entry for new businesses
 33 and the need for adequate parking supply.
 34 7.1.F Reducing greenhouse gas emissions. [Comment Log #22] [Comment Log #74]
 35
 36 7.2 Evaluate City fees imposed on development to determine their effect on business startup costs
 37 and City finances. The impact on business startup costs must be balanced with the financial needs
 38 of the City.
 39
 40 7.3 Evaluate additional process or code improvements on an annual basis with input from the
 41 ~~dedicated~~ economic development staff, Climate Action Plan project manager, and Council local
 42 business liaison. This evaluation should inform the development of annual docket
 43 recommendations as needed. [Comment Log #23] [Comment Log #75]
 44
 45 7.4 Update home business regulations to ~~support~~ ensure that they allow a mix of commercial uses
 46 while ensuring home businesses remain compatible with neighboring residential uses. [Comment
 47 Log #24: possibly move policy to Goal 2]

1
2 7.5 Establish a small-business pre-application process to help guide applicants through the permitting
3 process.

4
5 7.6 Convene an ad hoc committee of at least one architect, at least one developer, the Mercer Island
6 Building Official, ~~the business owner Planning Commissioner,~~ and City Council local business
7 liaison to develop proposed amendments to City codes to better facilitate adaptive reuse of
8 commercial real estate. The ad hoc committee's proposed amendments should be submitted
9 through the annual docket process. [Comment Log #76]

10
11 7.7 Study allowing small scale retail outside the existing commercial districts. [Comment Log #86]
12

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

14
15 **Goal 8 – The Mercer Island business ecosystem includes a diversity of goods and services**
16 **enjoyed by residents and visitors.**

17
18 [Comment Log #25] - Withdrawn: Possibly move Goal 8 policies to Goal 2.

19
20 Policies

21
22 8.1 Ensure land use regulations in commercial zones allow a diversity of commercial uses.

23
24 8.2 Encourage commercial offices to locate in Mercer Island to bring more potential daytime
25 customers to the Island without displacing existing retail space.

26
27 **Goal 9 – The commercial areas in Mercer Island, and especially the Town Center, are lively,**
28 **vibrant gathering places for the community and visitors.**

29
30 [Comment Log #26] - Withdrawn: Possibly Combine Goal 9 policies with Goal 4 policies, under Goal 4

31
32 Policies

33
34 9.1 Encourage arts and cultural activities in commercial zones to draw the community to commercial
35 areas.

36
37 9.2 Partner with community organizations to develop a program to activate Town Center in the
38 evening. The program should include strategies such as:

39
40 9.2.A Evening events to draw people to Town Center;

41 9.2.B Focusing on arts and cultural experiences;

42 9.2.C Engaging local nonprofits; and

43 9.2.D Incorporating existing community events.
44

45 **Goal 10 – Commercial areas are attractive and inviting to the Mercer Island community and**
46 **visitors.**
47

1 Policies

2
3 ~~10.1 Emphasize quality of life as a cornerstone of the Mercer Island economy.~~ [Comment Log #27]

4
5 10.2 Focus on public safety as an important component of ~~the high quality of life on Mercer Island a~~
6 thriving business community. [Comment Log #28]

7
8 10.3 Activate public spaces in commercial areas by establishing design standards that encourage
9 walkability and active use of street frontages in new development using strategies such as:

10
11 10.3.A Emphasizing spaces that are human-scaled, safe and comfortable for walkers and bikers;

12 10.3.B Incorporating principles of crime prevention through environmental design (CPTED);

13 10.3.C Increasing wayfinding;

14 10.3.D Incorporating public art;

15 10.3.E Increasing street furniture/public seating provided it is designed with a specific purpose
16 or function; and

17 10.3.F Increasing the amount of public space, including parklets.

18
19 10.4 Review street standards including the streetscape manual in Town Center, considering the
20 following:

21
22 10.4.A ~~Pedestrian improvements~~ On street parking;

23 10.4.B ~~Electric vehicle charging~~ Time-limited public parking;

24 10.4.C ~~Bike parking and infrastructure~~ Public safety;

25 10.4.D ~~Time-limited public parking~~ Pedestrian improvements;

26 10.4.E ~~Public safety~~ Electric vehicle charging; and

27 10.4.F ~~On street parking~~ Bike parking and infrastructure. [Comment Log #44] [Comment Log #77]

28
29 10.5 Review residential development standards and consider addition of small neighborhood
30 establishments such as cafes and small boutique grocery. [Comment Log #65]

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

34
35 Policies

36
37 11.1 Establish regulations for outdoor dining and temporary uses that allow flexible use of street
38 frontages and public rights of way for public space to gather, celebrate, and socialize.

39
40 11.2 Seek to create more community gathering spaces when considering development standards in
41 Town Center.

42
43 11.3 Maintain the existing City program to beautify Town Center with landscaping, street trees and
44 flower baskets.

45
46
47

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

2
3 Policies

4
5 12.1 Ensure multimodal transportation options are available for workers to access on-island
6 employment and customers to access goods and services.

7
8 12.2 Reduce car dependence without compromising existing available parking in commercial areas by
9 prioritizing the following when considering regulatory amendments and capital improvements:

10
11 12.2.A Bike safety, parking, and infrastructure;

12 12.2.B Access to transit;

13 12.2.C Pedestrian safety;

14 12.2.D Traffic calming; and

15 12.2.E Human scale design.

16
17 12.3 Prioritize capital investment in creating robust pedestrian and bicycle connections between the
18 park and ride, light rail station, Town Center and surrounding residential areas.

19
20 12.4 Ensure that sufficient parking is provided through a combination of regulations and incentives
21 like parking credits as commercial areas redevelop. Interpretation of the policies in this element
22 should not lead to a reduction in parking, [Comment Log #31]

23
24 [Comment Log #45] proposes changing the order of policies to switch 12.2 and 12.4]

25
26 12.4 Ensure that sufficient parking is provide through a combination of regulations and incentives like
27 parking credits as commercial areas redevelop. ~~Interpretation of the policies in this element~~
28 ~~should not lead to a reduction in parking.~~ [Comment Log #78] proposes striking the last sentence
29 of Policy 12.4]

30
31 12.5 All new and improved public plaza development is aligned with the Pedestrian and [Bicycle]
32 Facilities Plan so that safe walking and cycling routes are provided for residents, especially
33 children, connecting neighborhoods with downtown public spaces. [Comment Log #66]

34
35 12.5 Align the development of public space with all City functional plans, including the Pedestrian
36 and Bicycle Facilities Plan, to create safe walking and cycling routes that connect residential
37 areas with public spaces. [staff alternative, see Comment Log #66]

38
39 **IV. Implementation Goals and Policies**

40
41 **Goal 13 – The City takes specific actions and provides resources to implement the policies and**
42 **achieve the goals of this Economic Development Element. Progress toward achieving**
43 **Economic Development Element goals is regularly monitored and reported to the City**
44 **Council and public.**

- 1 Policies
2
3 13.1 Utilize federal, state, regional, and King County resources to implement this element.
4
5 13.2 Encourage public-private partnerships to achieve the goals of this element.
6
7 13.3 Seek grant funding for programs and activities that implement the policies of this element.
8
9 13.4 Appropriate funding for the implementation of this element through the City budget process.
10 Funds should be allocated at the same time projects are added to City department work plans to
11 ensure programs and projects are adequately funded to achieve the goals of this element.
12
13 13.5 Prepare a biennial report tracking implementation of the Economic Development Element. The
14 report will be provided to the City Council prior to adoption of the budget.
15
16 13.6 Establish an implementation timeline for this element each budget cycle. The implementation
17 timeline can be updated and amended each budget cycle to reflect the resources available to
18 accomplish actions to implement this element. The implementation timeline should detail the
19 following:
20
21 13.6.A Actions from this element to be added to department work plans for the upcoming
22 budget cycle;
23 13.6.B Actions from this element that should be added to work plans in the next three to six
24 years; and
25 13.6.C Actions from this element that should be added to future work plans in seven or more
26 years.
27
28 13.7 Respond to potential budget shortfalls for actions to implement this element with the following
29 strategies in descending order of priority:
30
31 13.7.A Alternate funding sources;
32 13.7.B Public-private partnerships;
33 13.7.C Reducing project or program scope to align with current budget constraints;
34 13.7.D Delaying projects to the next budget cycle; and
35 13.7.E Amending the policies of the Economic Development Element to reflect the City's capacity
36 to implement the element.
37