
CITY OF MERCER ISLAND

COMMUNITY PLANNING & DEVELOPMENT

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PLANNING COMMISSION

TO: Planning Commission
FROM: Adam Zack, Senior Planner
DATE: June 28, 2023
SUBJECT: Comprehensive Plan Update
Economic Development Element – First Draft

Attachments

- A. First Draft Economic Development Element
- B. First Draft Economic Development Element Implementation Plan

PURPOSE

To get the Planning Commission’s comments on the first draft of the Economic Development Element of the Comprehensive Plan and Implementation Plan (Attachments A and B).

COMMENTS

Please submit written comments or questions on the Economic Development Element and Implementation Plan by 4:00 PM on July 12. Please send comments to adam.zack@mercerisland.gov. Comments submitted by the deadline will be provided to the Planning Commission at their next meeting scheduled for July 26.

BACKGROUND

The City of Mercer Island is updating its comprehensive plan as part of the periodic review required by the WA Growth Management Act (GMA). The City Council added drafting a new Economic Development Element of the Comprehensive Plan to the project scope of work with Resolution 1621. This element will be a completely new addition to the Comprehensive Plan. The preparation of the draft Economic Development Element included additional steps prior to Planning Commission review. The following steps were undertaken between March 2022 and June 2023 to prepare the attached draft element and implementation plan:

- Informational interviews with business owners, community members, and subject matter experts;
- Online survey;
- Community workshop;
- Preparation of an Economic Analysis Report; and
- Economic Development Work Group (EDWG) drafting and review.

Informational Interviews

City staff conducted 21 interviews with business owners, community members, and subject matter experts between March 31 and May 18, 2022. The interviewees were selected by staff to provide a range of perspectives on economic development to help staff get the general “lay of the land” in advance of the development of the initial draft of the Economic Development Element. The interviews were conducted at the outset of the process to identify some of the general themes and issues that come up in conversations about economic development in Mercer Island. The information collected during the interviews is

qualitative data to supplement the quantitative data gathered in later public participation efforts. A summary of the interviews is available online [here](#).

Online Survey

Following the interviews, City staff and consultants from BERK Consulting Inc. (BERK) prepared a community survey to gather additional feedback from a broader sampling of City residents. Survey questions were developed using the themes highlighted during the interviews. The community survey was structured to get high-level feedback from the community to help the Economic Development Work Group formulate goals and policies for the first draft of the EDE.

The survey was available on the Comprehensive Plan update project website between June 30 and August 1, 2022. During the survey period a mailer was sent to all Mercer Island addresses with information on how to take the survey. Staff distributed postcards with information about the survey at the 2022 Summer Celebration. The survey gathered 644 responses. The survey responses are [available online here](#).

Community Workshop

The City of Mercer Island held a community workshop online, on June 30, 2022, to inform the public and gather input to help develop the vision for the Economic Development Element in the City's upcoming Comprehensive Plan Update. This Zoom meeting was hosted by Mercer Island staff as well as staff from BERK Consulting. City staff opened the presentation with an explanation and overview of the Comprehensive Plan and the Periodic Review process in the context of the State of Washington Growth Management Act. Ann Mueller, Senior Planner with BERK, followed with an overview of the community involvement process for developing the Economic Development Element as well as information about economic conditions and commercial areas on the island. A recording of the workshop is available on the City website [here](#).

Following the explanatory slides, the presentation included a series of interactive poll questions. Participants' feedback indicated their economic development interests and priorities, and identified strengths, opportunities, and areas in need of improvement in the local economy. The poll results are available on the City website [here](#).

Economic Analysis

At the same time the City was conducting public outreach, consultants from Community Attributes Inc. (CAI) were preparing an Economic Analysis for the City. The Economic Analysis is an analysis of economic data to describe existing economic conditions and expected growth through the year 2044. This report summarizes this data to establish a shared understanding of the economy on Mercer Island for the City to consider as it develops the Economic Development Element. The Economic Analysis was presented during a joint Planning Commission and City Council study session on September 6, 2022. More information about this draft is provided with [Agenda Bill 6107](#) and a recording of the study session is available on the City website [here](#). The final draft of the Economic Analysis is available online [here](#).

Economic Development Work Group

The Comprehensive Plan periodic update scope of work approved with Resolution 1621 included the creation of an Economic Development Work Group (EDWG) composed of two Planning Commissioners and three City Councilmembers. The two Planning Commission members that served on the EDWG were Victor Raisys and Michael Murphy and the three Council members were Dave Rosenbaum, Lisa Anderl and Ted Weinberg. The EDWG was created to develop the first draft of the Economic Development Element and Implementation Plan. Over the course of eleven meetings between June 2022 and June 2023, the EDWG

worked on developing the draft Economic Development Element and Implementation Plan provided in Attachments A and B.

Beginning in June 2022, the EDWG initially prepared an economic development issues list that detailed the topics the group wanted to address in the element. Following the preparation of the issues list, staff prepared a strawman draft of goals and policies based on the public input received through the summer, the Economic Analysis, and the EDWG issues list. Between October 2022 and March 2023, the EDWG revised the strawman draft of goals and policies. Then, staff prepared an initial draft of the full element and an implementation plan based on the work group's input and EDWG refined goals and policies. Between April and June 2023, the EDWG revised the draft Economic Development Element and Implementation Plan. The EDWG made a recommendation on the draft element and implementation plan on June 8, 2023.

ECONOMIC DEVELOPMENT ELEMENT

The Economic Development Element is a component of the Comprehensive Plan that establishes goals and policies to guide City decision making regarding economic growth. The Economic Development Element is made up of goals and policies: the goals state the objectives that the policies are intended to achieve. The policies establish direction for how the City will work to achieve the goals. An implementation plan accompanies the element to outline when the City will undertake the programs and projects detailed in the policies so the City can realize its economic development goals. Each of these three components are discussed below.

Goals

The goals in each element are statements of the intention behind policies adopted in the Comprehensive Plan. For example, Economic development Goal 1 states a goal for the business ecosystem as follows:

“The City of Mercer Island actively fosters a healthy business ecosystem.”

The goals of the Comprehensive Plan state the objectives the City aims to achieve. The policies that follow detail the different ways the City will achieve this goal.

Policies

The policies that follow each goal establish the strategies for achieving that goal. For example, Economic development Policy 1.2 states an approach to actively fostering a healthy business ecosystem as follows:

“Establish a local business liaison position on the City Council. The local business liaison will act as a point of contact on the City Council for all business leaders and representatives on Mercer Island for policy issues.”

This policy statement directs the creation of a local business liaison position on the City Council. This liaison position will serve as a conduit of feedback from local business owners to the City Council as a means to get feedback on policy issues, helping the City to be responsive to local business needs. Proposed Policy 1.2 directs a specific City action, which must be included in the Implementation Plan. The proposed Goal 1 has eight associated policies. Where there are multiple policies that address the same goal, all policies are considered together in the decision-making process.

Implementation Plan

The Economic Development Element includes implementation policies under Goal 13 that detail the process that will be used for achieving the goals of the element. This includes Policy 13.6 that calls for preparation of an implementation timeline, which is a key component of the Implementation Plan. This will help the City

realize the Economic Development Element Goals by linking the policy statements in the element with specific actions the City will take. The Implementation Plan is expected to be adopted by Resolution around the same time the City adopts the Comprehensive Plan update.

For example, Policy 1.2 calls for the creation of a local business liaison position on the City Council. This policy direction is translated into a scheduled action by the implementation plan. Project ED-8 in the attached draft Implementation Plan would schedule the creation of a liaison position in the first quarter of 2025 and annually thereafter. Per Policy 13.6, the implementation plan will be updated every budget cycle to add projects to city work plans and appropriate resources for those projects to ensure the Economic Development Element will be implemented.

PLANNING COMMISSION FEEDBACK

The Planning Commission was briefed on the initial draft of the Economic Development Element on June 28. Staff is requesting written comments on the initial draft from members of the Planning Commission no later than the end of the day on July 12. Staff will compile all individual comments for the Planning Commission to discuss at their next meeting in July.

PLANNING COMMISSION REVIEW SCHEDULE

June 28	Staff provided a briefing on the draft Economic Development Element and Implementation Plan. The Planning Commission can submit questions and comments July 12 and the group can consider them at the next meeting.
July 12	Comments on the initial draft Economic Development Element and Implementation Plan are due. Individual Planning Commission members can submit comments proposing amendments to the drafts. The Planning Commission will consider proposed amendments at the next meeting.
July 26	Review of initial Planning Commission comments received during the comment period. The Planning Commission can address specific wording changes proposed in the written comments. Changes made during this meeting will result in the second draft of the Economic Development Element and Implementation Plan.
August 23	Comments on the second drafts are due. These comments will be the basis of the final discussion of the Economic Development Element and Implementation Plan at the September meeting. To the extent possible, please make sure to provide all questions and comments by August 23 so the whole Planning Commission will have the opportunity to consider each comment in advance of the September meeting. Submitting all comments by the August 23 rd deadline will ensure that the Planning Commission can complete its final round of review in September.
September 27	The Planning Commission considers the comments submitted during the comment period. After resolving the comments, the Planning Commission can complete this round of review and the draft Economic Development Element and Implementation Plan will be considered the public hearing draft.
Remaining Review	Once the Planning Commission has arrived at a public hearing draft of the Economic Development Element and Implementation Plan, there will be more rounds of review: <ul style="list-style-type: none"> • The City will hold a Comprehensive Plan update open house to gather public input.

- After the open house, the Planning Commission will have a Comprehensive Plan update “tune up” meeting to respond to public input gathered.
- The Planning Commission will hold a public hearing on the Comprehensive Plan update to gather additional public input.
- The Planning Commission can respond to input from the public hearing by amending the drafts prior to making a recommendation to the City Council.