



# CITY OF MERCER ISLAND

## CITY COUNCIL MEETING AGENDA

Friday-Sunday  
January 23-25, 2015

**Mayor Bruce Bassett**

**Deputy Mayor Dan Grausz**

**Councilmembers Debbie Bertlin, Jane Brahm,  
Mike Cero, and Benson Wong**

Contact: 206.275.7793, [council@mercergov.org](mailto:council@mercergov.org)

[www.mercergov.org/council](http://www.mercergov.org/council)

All meetings are held in the City Hall Council Chambers at  
9611 SE 36th Street, Mercer Island, WA unless otherwise noticed

"Appearances" is the time set aside for members of the public to speak to the City Council about any issues of concern. If you wish to speak, please consider the following points:

(1) speak audibly into the podium microphone, (2) state your name and address for the record, and (3) limit your comments to three minutes.

*Please note: the Council does not usually respond to comments during the meeting.*

## 2015 CITY COUNCIL PLANNING SESSION

### FRIDAY, JANUARY 23, 2015

- (1) 3:00 pm: Town Center Visioning
- (2) 4:30 pm: Commuter Parking
- (3) 6:00 pm: Metro Bus Service Update  
6:45 pm: Private Dinner
- (4) 7:45 pm: Citizen of the Year Discussion  
8:00 pm: Adjourn

### SATURDAY, JANUARY 24, 2015

- 8:30 am: Review 2014 Work Plan
- (5) 9:00 am: 2015-2016 Budget Process Debrief
- (6) 9:30 am: Projected Fund Deficits  
11:00 am: Break
- (7) 11:45 am: City Compensation Policies & Practices  
12:30 pm: Break (Working Lunch)
- (8) 1:30 pm: Banked Capacity Uses
- (9) 2:30 pm: Police Study Session Topics
- (10) 3:00 pm: Community Solar Update  
3:15 pm: Break
- (11) 3:30 pm: Council Meeting Structure & Process  
4:00 pm: Recap and Finalize 2015 Work Plan  
5:30 pm: Adjourn

### SUNDAY, JANUARY 25, 2015

- 9:30 am: TBD (if needed)
- 11:30 am: Adjourn

# GENERAL INFORMATION

**MEETINGS** ..... Friday, January 23, 2015 - Sunday, January 25, 2015

Calkins Room  
 Mercer Island Community & Event Center  
 8236 SE 24<sup>th</sup> Street  
 Mercer Island, WA 98040

**ATTIRE** ..... Comfortable and casual clothes.

**FOOD** ..... Meals are for Councilmembers and staff only. Dinner will be provided Friday and Saturday. Breakfast and lunch will be provided Saturday only. Non-alcoholic beverages will also be available throughout the retreat weekend. Dinners are private.

# RETREAT SCHEDULE

<b>FRIDAY</b>	6:00 pm – 6:45 pm	Meeting
	6:45 pm – 7:45 pm	Dinner
	7:45 pm – 8:00 pm	Meeting
<b>SATURDAY</b>	8:30 am – 12:30 pm	Meeting
	12:30 pm	Working Lunch
	12:30 pm – 5:30 pm	Meeting
	6:00 pm	Dinner (off-site)
<b>SUNDAY</b>	9:00 am – 11:30 am	Meeting (if needed)

**1**

**TOWN CENTER  
VISIONING**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Scott Greenberg, Development Services Director

**RE:** Town Center Visioning

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

1. Should staff proceed with Phase 2 of the Town Center Code Update?
2. Other than the items identified for review in the consultant's recommendations, are there any additional considerations to include as part of Phase 2?
3. Does Council have other direction to provide as part of this process (i.e. public participation approaches, consideration of interim development moratorium, etc.)?

**BACKGROUND:**

In early 2014, the City Council formed a Town Center Visioning Subcommittee (Subcommittee) to develop a Scope of Work and process to establish a Vision and subsequent implementing actions for the future of the Mercer Island Town Center.

The Subcommittee held a vision conversation with a stakeholder group of 29 community members on May 21, 2014. Following that session, the City Council reviewed the suggestions of the stakeholder group and Subcommittee and agreed on a work plan and priorities related to the Town Center (Exhibit 1). Later in 2014, the City Council authorized the hiring of a consultant to address one of the work plan priorities—to identify possible changes to the Town Center code and design guidelines.

In November, 2014, a consultant team of Seth Harry and Associates, 3MW and KPG was hired for Phase 1 of the work: evaluation of the current Town Center code and design guidelines, and recommendations for possible code changes in Phase 2. The team's work included a three-day workshop in Mercer Island, culminating in a presentation to the May 2014 stakeholder group and other interested persons. Several City Councilmembers also attended the presentation. A draft report summarizing the consultant team's analysis, process and recommendations for Phase 2 is attached (Exhibit 2).

Phase 2 of the work would include preparation and consideration of specific code amendments that are generally described on pages 18-19 on Exhibit 2. A more detailed Phase 2 scope of work is being written and will be ready for discussion at the Planning Session. Phase 2 would:

- Make the Town Center design guidelines more precise and unambiguous
- Provide more predictable form-based design standards rather than incentives to achieve the Town Center vision
- Clearly indicate intent and expectations by adding graphics to the code
- Consider adoption of a “regulating plan” and related development standards to achieve a core retail area anchored by civic plazas (similar to the plan shown and described on pages 12 and 13 of Exhibit 2)
- Consider use of varying building heights to achieve a more diverse building form
- Consider creating new street standards for 77<sup>th</sup> Avenue SE to improve pedestrian and bicycle connectivity between the future Light Rail Station and Mercedale Park

The normal 120-day code amendment process would include the Planning Commission holding a public hearing and making a recommendation to the City Council. A more robust public process may be warranted due to the significance of potential code amendments related to land use and building form, and heightened community interest in Town Center planning, parking and transit-related issues.

Seth Harry will attend the Planning Session to present his work and recommendations, and answer Council questions.

Council may also want to discuss the moratorium concept recently raised by residents.

**SUMMARY:**

Staff is requesting Council discussion and direction following the questions presented above.

**EXHIBITS:**

1. Town Center Work Plan
2. Report: Town Center Code Update Review and Analysis Workshop

**TOWN CENTER WORK PLAN**  
**July 11, 2014**

<b>PRIORITIES</b>		<b>TIMEFRAME</b>	<b>RANGE OF COSTS</b>
<b>Priority 1 Provide Resources to Support Economic Development</b>			
1.	Retain a part time economic development coordinator to help develop a brand for Town Center and undertake other initiatives identified below and in Priorities 2 and 3	6	\$\$
2.	Promote support of local businesses in the Town Center	12	\$
3.	Attract a more diverse mixture of stores and restaurants	12	\$
4.	Encourage Island entrepreneurs to open stores and restaurants on-Island	12	\$
5.	Create a Mercer Island website, Facebook page, other Social Media presence and a Mercer Island app	18	\$
<b>Priority 2 Support Creation of a Magnet Facility and/or Anchor Retailer</b>			
1.	Support the Mercer Island Center for the Arts (MICA)	6	?
2.	Support a year-round Farmers Market	12	?
3.	Attract an anchor merchant	18	?
4.	Explore moving City Hall to the Town Center to provide a civic presence	24+	\$\$\$\$
5.	Explore the potential for a separate movie theatre in Town Center or as part of MICA	12	\$
<b>Priority 3 Improve Identity and Orientation with Wayfinding Signs and Renamed Streets</b>			
1.	Add wayfinding signs to identify parking lots and other civic destinations such as Mercerdale Park, Farmer's Market, Post Office, the future Light Rail Station, etc.	12	\$\$
2.	Install orientation/directory map panels at key spots in Town Center and at the Mercer Island Park and Ride	18	\$\$

**TOWN CENTER WORK PLAN**  
**July 11, 2014**

PRIORITIES	TIMEFRAME	RANGE OF COSTS
3. Build "gateways" or "welcome" signs to Mercer Island Town Center	18	\$\$
4. Rename a Town Center street as Main Street and rename a street perpendicular to Main Street with another place or history specific name	6	\$
<b>Priority 4 Create Vibrant Streetscapes</b>		
1. Make Town Center streets more pedestrian-friendly	24+	?
2. Explore "string of pearls" concept to provide visual and physical interest and dynamics within the Town Center	12	\$-\$
3. Launch a "Greening the Town Center" program with installation of mature plantings and flowers in beds or baskets on key corridors and linking to major green spaces (Aubrey Davis Park (the I-90 Lid and I-90 trail) and Mercerdale Park)	24+	\$\$-\$\$\$
4. Require inside/outside feature of new buildings to encourage street presence	18	\$
5. Review current restrictions on outdoor eating areas	18	\$
<b>Priority 5 Connect Town Center With Nearby Community Assets</b>		
1. Encourage improved visual and physical connections between the Town Center and the future Mercer Island Center for the Arts, Mercerdale Park, future Light Rail Station, Park and Ride, Luther Burbank Park and the Mercer Island Community and Event Center	24+	\$\$\$\$
2. Explore use of pedi-cabs in the summer	24+	\$
<b>Priority 6 Use Zoning to Control Form and Character of Development</b>		
1. Review the effectiveness of the current Town Center subareas as currently described in the Comprehensive Plan	12	\$
2. Explore the advantages of replacing the "incentive zoning" approach with a more	18	\$\$

**TOWN CENTER WORK PLAN**  
**July 11, 2014**

<b>PRIORITIES</b>	<b>TIMEFRAME</b>	<b>RANGE OF COSTS</b>
prescriptive code that would increase city's control over the details of building and site development		
3. Require development of usable mid-block connections	18	\$
<b>Priority 7 Activate the Town Center by Programming Uses</b>		
1. Activate public spaces more frequently (such as Mercerdale Park, 78 <sup>th</sup> Avenue Plaza, Luther Burbank Park and Aubrey Davis Park (I-90 Lid and Trail)) with current and new programs, events and features	12	?
2. Add more art spread out throughout Town Center to encourage walking, tours	24+	?
<b>Priority 8 Improve the Actual and Perceived Parking Supply</b>		
1. Actively pursue dedicated commuter parking in the following possible locations--Sunset Hwy., Mercer Island Community and Event Center, Cohen property, Cassan Hotel property	6	?
2. Consider forming a parking management district and/or business improvement association (BIA) to coordinate parking, events, maintenance, programming, etc.	24+	\$
3. Require better signage for public parking areas in buildings	18	\$
4. Explore the possibilities of down-sized/right-sized parking requirements and property tax exemptions to write-down the cost of development, in exchange for additional public amenities	18	\$



# Code Update Review and Analysis Workshop Mercer Island, WA

January 20, 2015



## Mercer Island Code Review and Analysis

In preparation for a planned update to Mercer Island's existing Town Center Regulations and Design Guidelines, the municipality retained the consultant team of Seth Harry and Associates, Inc., Architects and Planners, assisted by Studio 3MW, LLC and consulting engineers, KPG, Inc., to review and critique the existing code. The five-part process included an on-site workshop to review and present the team's initial findings, and engage the City Council Town Center Visioning Subcommittee in a facilitated discussion of the issues and possible strategies for addressing any perceived shortcomings in the existing code.

The work was undertaken as follows:

**Step One – Base material gathering, research and analysis.** The consultant team, working with City staff, gathered all relevant data, reports, documents, codes, etc., necessary to confirm the existing context and regulatory framework, relative to policy goals and objectives, as well as all known future or proposed developments. A digital model of the Town Center study area was produced to explore and document specific issues with the existing code, and as a tool for later iterative explorations of proposed solutions.

**Step Two – Alternative Development Scenarios.** Based on this review and analysis of the existing code and regulatory framework, the team undertook an illustrative modeling exercise using hypothetical development scenarios, to test the existing code against the intent language in both the existing code, and the more recent City Council Town Center Workplan and priorities.

The results of this effort, locally confirmed during the on-site workshop, were used to identify areas where the existing code was felt to be underperforming, and to explore alternative strategies which might prove more effective in delivering the built outcome described in the original community visioning document.

**Step Three – Overlay of market and design standards.** On the basis of the consultant's extensive retail, economic, and strategic market expertise, the team evaluated the Town Center's strategic positioning in relation to the larger regional market context, and studied a number of comparable downtown commercial districts, based on similar physical and statistical characteristics, to document and assess how other municipalities have dealt with similar issues from a regulatory and market perspective. This information was then used to inform the team's critique of the existing code, and was also used to help illustrate and discuss possible options for improving Town Center outcomes, moving forward.

**Step Four – Initial findings presentation and discussion.** During an initial presentation to the Town Center Visioning Subcommittee, the team outlined a number of issues with the current code, and solicited input and additional observations from the committee. The consultant team then toured the Town Center with City staff to identify and document where the existing code was felt to not be producing results consistent with the code's intent language.

Specific issues and concerns mentioned by the Town Center Subcommittee were carefully analyzed during the Town Center tour, and initial impressions based on the relevant data gathering and review stage of the process were either confirmed or reconsidered based on empirical observation.

**Step Five – Produce illustrative work products to demonstrate recommended code updates and associated benefits.** Following the tour of the study area and input from the Town Center Subcommittee, the team updated their analysis to reflect any additional information or insights gained during the first day of the workshop, and drafted a conceptual

regulating plan to illustrate a range of potential strategies the municipality might consider, to pursue a more directed, proactive approach to achieve many of the City Council's priority goals.

These were presented to the Town Center Subcommittee during a follow-up presentation, and the Subcommittee's comments and suggestions were noted for incorporation into subsequent work (a more detailed account of the three-day workshop in which these meetings took place can be found elsewhere in this report).

Additional refinements were made to the work produced after the completion of the workshop, and the information, findings, and recommendations organized for presentation in this report, including an outline description of suggested improvements and possible next steps.

#### Overview-Scope of Work

In general, zoning codes are used to manage and regulate development in a predictable consistent manner, based on a larger set of policy goals and objectives, as defined by the comprehensive plan.

Zoning codes use a variety of tools to fulfill those goals, generally comprising four principal components. These include a zoning map which divides the community into individual zoning districts; a set of land-use regulations describing permitted and excluded uses in each district, a set of standards and (bulk) regulations which dictate where and how development can happen on any particular parcel, in each district; and rules for administering the code, including who will be responsible for interpreting the code and how it will be enforced

This report, and its associated scope of work for Phase I, is primarily concerned with the zoning districts and bulk regulations, and their

effectiveness in meeting the policy goals outlined in the comprehensive plan, as well as strategic, civic, and aesthetic objectives outlined in the code's intent language. The existing code envisions the eventual build-out of the Town Center as a walkable, mixed-use downtown, with an average building height in the 3-5 story range, depending upon whether or not property owners and developers choose to take advantage of incentives within the code that offer density/height bonuses in exchange for certain civic amenities, and a range of cultural, civic, and recreational amenities.

The consultant team also met with various city staff including the sustainability coordinator, the city engineer, principal planner and staff from the City's parks and recreation department, to explore opportunities for improving linkages between the Town Center and the island's natural assets and other recreational amenities.

In addition to the code update, the consultant team was asked to consider a broader range of issues in keeping with the Town Center's role as the island's primary commercial district, including ways to enhance the quality and diversity of the district's retail offerings.

To that end, the consultant team looked at the retail offerings in other communities around the region, as well as comparable cities elsewhere in the US to provide aspirational benchmarks for Mercer Island, which will be used during the code update process to help ensure realistic and market feasible planning assumptions.

### 3-Day Workshop

As the first step in a process to revisit Mercer Island's existing City Code and associated Town Center Development and Design Standards, a 3-day workshop was held in early December, 2014, at the Mercer Island City Hall, to review and discuss the consultant team's preliminary assessment of the current Code. The purpose of this exercise was to identify specific aspects of the Code which could be updated or improved to better reflect the goals and objectives the Code was originally intended to address.

In undertaking this work, the consultant team referenced both the intent language in the current Code, as well as a separate Town Center Work Plan produced by a City Council Subcommittee with input from a Town Center stakeholder group, outlining a comprehensive set of priority goals to help the Town Center achieve the kind of unique character and commercial vibrancy originally envisioned by the community.

The workshop itself was broken down into three main parts. The first consisted of a briefing session with the City Counsel's Town Center subcommittee to present the consultant team's initial findings, based on a detailed review of the current Code and related documentation, which took place prior to the workshop.

Following discussion of those findings, including initial feedback and a clarification of project focus and scope from the subcommittee, the second part of the workshop included an interim pin-up to review and present the consultant team's preliminary response to the subcommittee's input of the previous day, at which time a conceptual masterplan strategy was presented to the subcommittee for review and comment.

The third and final part of the workshop, incorporated input from the subcommittee interim pin-up, and included briefing the Town Center



*An example of the type of mixed-use development envisioned by the City Code, with active ground floor uses and mix of large and small, well-used wwovic spaces*

stakeholder group on the process to date, to keep them informed of progress, solicit additional input regarding the general approach and the initial observations of both the consultant team and Town Center subcommittee.

The following report documents and describes the work product that was produced as a result of this workshop, and summarizes the general input and discussion associated with the effort. The feedback garnered through this opening workshop will be incorporated into the team's overall considerations, and presented to the Town Center Subcommittee and City Counsel in the form of a final report and recommendations, to be presented at the conclusion of this effort.

## DAY ONE: Opening Presentation and Site Tour:

The opening presentation to the Town Center subcommittee focused on a number of key objectives suggested by the existing code's intent language, and more explicitly defined in the policy goals outlined in the City Council's Town Center Work Plan. In reviewing the Town Center Development and Design Standards -- the relevant part of the City Code (Sections 19.11.010 through 19.11.130) -- it seems clear that the Code's intention was to create an attractive, vibrant, mixed-use commercial district of a scale, quality and style consistent with the community's general values and lifestyle. Specific reference made to "site features," and other public amenities, in the form of places for gathering and lingering, including landscaped seating areas, outdoor cafes, etc., and public art, support this conclusion.

The code and associated exhibits further reinforce this intent by identifying individual parcels eligible for "significant" public plazas and pedestrian connections, while leaving the specifics of the qualifying criteria somewhat open to interpretation as to location, size, and purpose (as well as implementation), by relying on density bonuses, and other incentives as the means for their provision, rather than as an obligatory mandate.

The City Council's Town Center Work Plan, drafted as a result of a May, 2014 Town Center stakeholder workshop, reflects a similar agenda, but is more explicit in terms of its priorities and what it asks for. Broadly interpreted, however, the Town Center Development and Design Standards and stakeholder Town Center Work Plan share many goals, consistent with the original community visioning effort, which a more explicitly deliberate City Code could help to achieve.

### Community Values

- Residential Community
- Quality Municipal Services
- Education is the Key
- Livability is Paramount
- Cherish the Environment
- Sustainable Community

### How are the values manifested in the Town Center?

- Businesses should continue to develop at a scale compatible with other community values & provide a mix of uses
- Community-scaled business will primarily cater to the needs and desires of Island residents & employees
- Ongoing attention to urban design principles, pedestrian needs, traffic considerations & green spaces is essential

*Above: the presentation opened with a summary of the existing code's relevant assumptions. Below: The consultant team modeled the existing development envelope, based on the current map (see following pages.)*

### Illustrative Massing Study



Mercer Island  
City Code Map

Taken together, the City Code and the Town Center Workplan contain several areas appropriate for greater clarification or reconsideration, including:

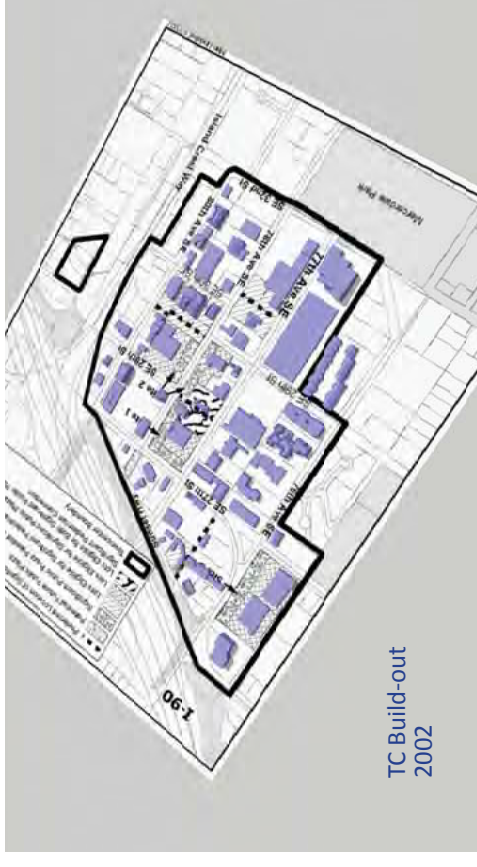
- **Focus Areas:** As a practical matter, there has been little discernible difference between recent projects that were built in the different Focus Areas, in terms of use or form, suggesting that -- for whatever reason -- either the code is incapable of generating those distinctions, as intended, and/or the discretionary aspects of the code as interpreted by staff have rendered them irrelevant.

- **Site Features and Amenities:** The definition and interpretation of “site features and amenities” is either too ambiguous in purpose, or conflicting in application, to consistently deliver the kind of meaningful public space described by the intent language of the Code. Though to some extent a matter of subjective opinion, the specific references to opportunity sites, and “significant” public plazas and pedestrian connections, seem to suggest that the code, as written, was intended to yield a more diverse range of public amenities, in terms of both scale and intensity of use, than what the Code is actually producing, suggesting a disconnect between what is being asked for in the Code, and what is actually being delivered.

There also seems to be an over-reliance on public-art, as an incentive for securing bonuses, to the extent that they may actually be counter-productive to policy goals in instances where their scale or abundance has effectively negated the usefulness of some of the plazas into which it’s been placed.

- **Scale and Form (contextually determined):** The Code, again as written, repeatedly states that building scale, form, and modulation should reflect or refer to its surrounding context without

### Illustrative Massing Study



TC Build-out  
2002

*Above: the presentation opened with a summary of the existing code’s relevant assumptions. Below: The consultant team modeled the existing development envelope, based on the current zoning map (see following pages.)*

### Illustrative Massing Study



TC Build-out 2014  
based on City Code

clarifying in practical terms what that means, either with regard to existing or proposed developments, or to which specific features or attributes are worthy of recognition, acknowledgement, or emulation.

There also appears to be no reference to how building mass, form or detail expression, might be better articulated to break down the larger developments into more discreet components, suggestive of a more incremental, organic build out.

• **Use Designations:** The permitted, restricted, or conditional uses in the Code are more-or-less consistent with conventional zoning practice for mixed-use districts. However, the flexibility and proportional allocation of those uses, relative to the above referenced “Focus Areas,” is such that there has been little practical distinction in application from one district to another. Given that, perhaps a more relevant form-based subdistrict designation approach might be appropriate to this purpose.

Also, while there are specific proportional allocations for various permitted uses at the ground floor, depending on focus area, there is no restriction or mandate with regard to individual tenancies, allowing certain large space users to dominate ground floor frontages, inconsistent with the policy goals of a vibrant streetscape.

• **Height Restrictions/Zoning Incentives:** In general, it would appear that most, if not all, applicants have been able to readily meet the qualifications for incentive bonuses, suggesting that perhaps a more rigorous standard might yield a more satisfying outcome. At the same time, the relatively uniform building mass the current code is generating, relative to the more organic modulation implied by the Code, suggest that staggering the building

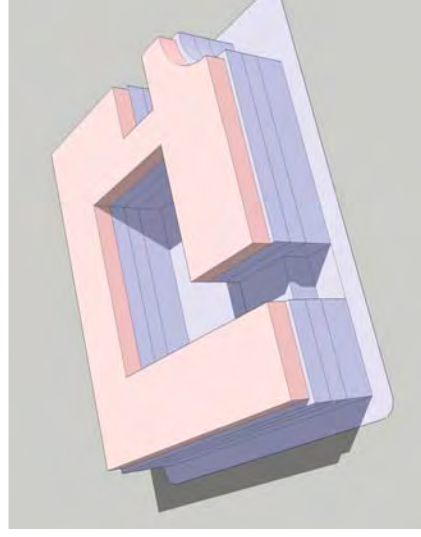
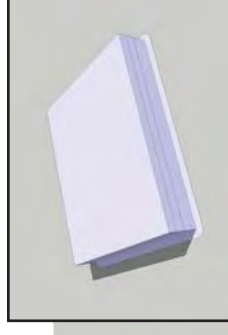
## Illustrative Massing Study



Actual Zoning Envelope  
TC Development and Design  
Standards (No Incentives)



*Above: the development envelope defined by the current code, in theory, allows for the full buildout of the entire site, which may have unintended consequences (right). It is a combination of building codes and use (below) that largely determines the Town Center's built form.*



height, and possibly adding additional height in limited applications) in exchange for the kind of “significant” public plazas referenced in the Code’s intent language, might be one option for addressing both issues.

● **Bulk Regulations:** Perhaps one of the more unusual features of the Town Center Development and Design Standards is the fact that it contains no explicit bulk zoning regulations (i.e., quantitative or dimensional standards which address building placement on the site, including minimum/maximum setbacks, lot coverage, build-to lines, etc.). Aspects of the Code do infer certain constraints or parameters, but with the exception of the clearly defined height limitations, the primary factors dictating building form are either market or building code-driven, not zoning related, and/or subject to staff interpretation and negotiation.

This is not unusual in and of itself, as many urban places use the property boundaries as the setback line, but in the transition from what had been a primarily suburban context, the long-term implications of this approach on such a comprehensive redevelopment may not be immediately obvious to either the applicant or the community.

● **Ambiguity, or General Lack of Clarity:** Many of the above issues and concerns are exacerbated by the perceived lack of clarity or general ambiguity in the Code. Because the Code uses narrative descriptions to define and articulate most aspects of the code, and refrains from being overly specific in terms of “asks,” (the terms by which incentive bonuses are granted), it is difficult to ascertain where and how, and to what extent, the Code intended to allocate the negotiated features and amenities intended for public benefit.



*Seattle was an early adopter of what is now a widely embraced contemporary architectural style which uses a highly articulated material and color palette to evoke a regional aesthetic. Though visually interesting, it can become somewhat repetitive on larger structures, unless a strategy for breaking down larger masses into more discreet forms and details is applied.*

*These images show a computer rendering of a proposed West Seattle infill project (above), an image of the built project (below, left), and on the same block, a completely different project of a similar scale and stylistic approach. Based on these images, it’s not difficult to imagine how an entire downtown commercial district, similarly built out, could quickly become monotonous without some type of mitigating strategy.*



As a consequence, many applicants are choosing to define that intent based on what is most convenient for them, and/or in a way that achieves the maximum economic benefit for their purposes, even if doing so diminishes the potential value impact of the public benefit in question. In general, this puts a tremendous burden on both staff and the Design Review Committee, to interpret and implement the code as intended.

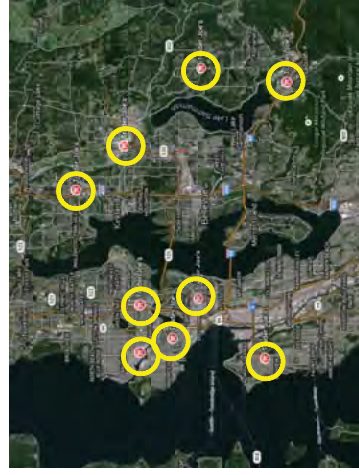
The initial findings outlined above were presented to the subcommittee for review and comment during the opening presentation, and stimulated much discussion. In general, most subcommittee members were in agreement with the findings and open to exploring ways to bring more clarity and definition to the Code, particularly in revisiting its associated assumptions. There also appeared to be general agreement regarding the implied definition of the term “significant” as applied to the civic plazas and pedestrian connections.

A related point of discussion focused on the lack of explicit bulk regulations, and the recognition that -- as the Town Center continues to redevelop -- market and building code-related considerations were being more influential in shaping building form than the intent language in the Code itself. This reduces the Code’s ability to shape form on the basis of the intent language articulated in the Town Center zoning map (Exhibit Three, Lots Eligible For Significant Public Plazas/Pedestrian Connections, page 19-125) Mercer Island City Code.

In essence, applicants could be using building code-mandated features to meet discretionary incentive goals for the purpose of securing density bonuses for things they may have been obligated to provide anyway. While there is technically nothing wrong with that, if this approach was competing with, or otherwise diminishing the intended benefits envisioned in the Code, then another means should be considered for evaluating and awarding such bonuses.



*The two examples above, on the other hand, one traditionally styled, the other contemporary, tend to break a large project’s massing down into more recognizable, discreet pieces, more evocative of an organic town center. When coupled with outdoor spaces that relate to the adjoining groundfloor uses, a vibrant, colorful streetscape usually follows.*



*Left: As part of the pre-workshop preparation, the consultant team looked at the local market demographics, and compared them to other Seattle-area communities, as well as other national examples, to benchmark Mercer Island’s ability to support additional retail, including some specialty grocers. As part of that exercise, similar grocers were mapped throughout the Seattle region to better understand the competitive dynamics in area.*

A similar concern was the possible unintended consequences of relying exclusively on building codes to dictate building form, when applied on a “first-come, first served basis,” as illustrated in the opening presentation. As the Town Center continues to build out, the zero-setback condition typical of denser urban settings, when based on suburban models, may inadvertently impose restrictions on subsequent developers at odds with the intent of the Code.

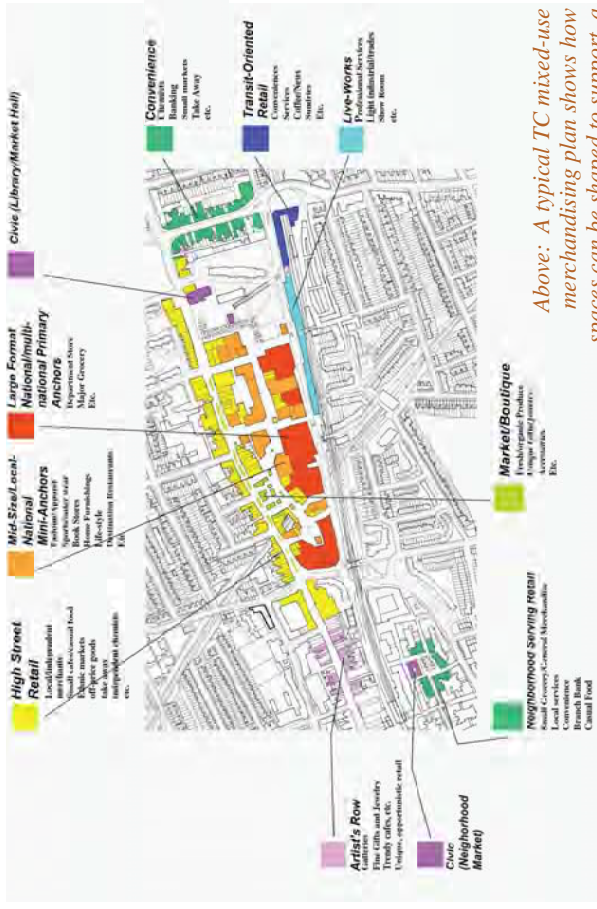
This leads to an obvious question – should the City continue to rely exclusively on market incentives and public-private partnerships to deliver the kind of meaningful civic spaces called for in the original code, or take a more direct, proactive approach to identifying and acquiring property for that purpose?

Day one concluded with an extensive walking tour of the study area, and meetings with various staff representing City departments responsible for either administering the code, or impacted by it, which confirmed or otherwise informed many of the findings.

## **DAY TWO – Interim Pinup with Town Center Subcommittee:**

In reviewing the previous day’s events, the consultant team understood that a fundamental challenge of revisiting and updating any existing code is -- to what end? However, using the Town Center Development and Design Standard’s general intent and vision language and the Stakeholder Town Center Work Plan summary as a basic starting point, the team considered its options.

Typically, the consultant team would have undertaken a public engagement process to facilitate the development of a shared vision for the town center area -- clarified and substantiated through a fairly explicit regulating plan, to summarize and record the community’s input as a



*Above: A typical TC mixed-use merchandising plan shows how spaces can be shaped to support a coordinated retailer mix*

### **Current Town Center Development and Design Standards – Goals and Objectives:**

- Encourage functional integration: i.e., mixed-use, transportation and housing choice
- Manage scale and form to create a “sense of place,” consistent with context and community vision (but no definitive style promoted)
- Support vibrant mix of goods and services
- Deliver high-quality pedestrian environment
- Create “meaningful” public spaces

defensible set of goals and principles, with an associated reference plan. For the most part, that already exists in the current code's intent language, the result of an earlier community visioning exercise, and further refined and updated through the May 2014 stakeholder process. What was lacking, however, was the deliberateness of a detailed plan, specifically tasked with delivering on the promise implicit in that original visioning effort.

Encouraged by the first day's meeting, the consultant team decided to draft a conceptual "what if?" plan, to illustrate and explore what might be possible if the original visioning process was an integral part of this current process -- but with the expectation that the consultant would, at the end of that process, produce a regulating plan that clearly documented the intentions of the community at that time, updated to reflect current market and regulatory expectations. In undertaking such an approach, the team also decided to revisit a basic tenet of the original plan -- the exclusive reliance on market incentives to deliver the kind of significant civic plazas envisioned in the original plan, in favor of a more proactive model.

Given that, the consultant team looked for strategic locations in the Town Center which exhibited the potential to be readily acquired and adapted to that purpose, where either the threshold cost and complication of implementing such a move was low enough to warrant direct public action, or where the public benefit, and/or the catalytic potential of a candidate site more than justified the expense of acquisition, regardless of cost, or ideally, both.

The resultant sketch plan identified three such sites within the Town Center planning area:

*Above, right: Form-based codes are often associated with most of the physical attributes described by the intent language in the current City Code. Below, right: Though the consultant team is not recommending the use of a FBC for Mercer Island's town center, many of its tools could be adapted to work with the City's current code and legal regulatory framework.*

### Form-based Codes:

- Promote Mixed-Use, Compact, Walkable Development
- Based on spatially defined, hierarchical organizing principles
- Emphasize form and character, with use as a secondary consideration
- Includes the use of a formal regulating plan, generated through a community visioning process, to guide investment toward specific outcomes
- Regulates with the specific goal of creating places, and not just projects

### Form-based Codes:

Use a combination of tools:

- Regulating Plan
- Open Space Standards: Defining the public realm
- Building Form Standards: Lot disposition, functional intent, and massing
- Building Type Standards: Use and configuration
- Architectural Standards: Composition, proportion, and detailing
- Frontage Types: Relationship between building and street
- Street Types: Detailed design, intended use, and configuration

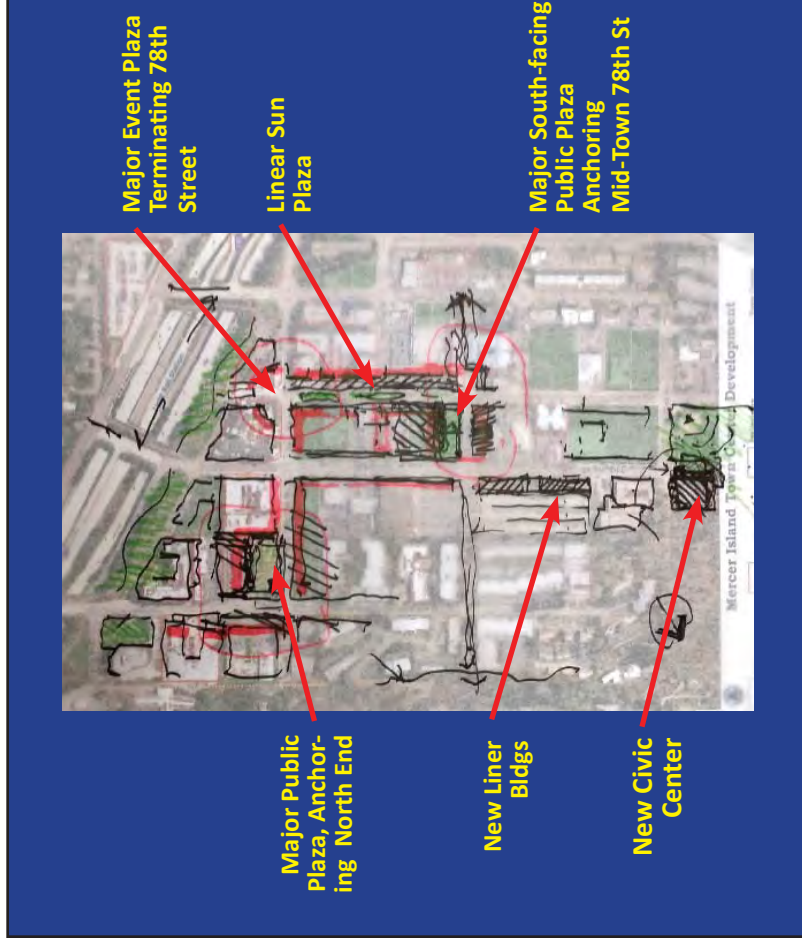
The first site identified is the northernmost block of 78th Avenue SE, a street that has already been designed to accommodate street festivals and temporary events. The block-long street connects perpendicularly to SE 27th Street, the Town Center's primary east-west commercial street on the south end, and to the north, the street "T"s into a dead-end stub of Sunset Highway.

The street has been successfully closed previously for two public events, but could likely be closed permanently (or at the very least, on week-ends and holidays) to create a dedicated civic plaza, with minimal impact to the local street network. This would allow, the site to host a more vigorous calendar of ongoing events, or to function as a de facto town square. Creating a major civic plaza in this location may encourage more pedestrian-oriented uses in this strategic, central location, where the relative lack of vehicular exposure has otherwise failed to sustain more conventional retail uses.

The second candidate site identified is the south end of the block bounded by 78th and 77th Avenues, SE, to the east and west, and 27th and 29th Streets, SE, to the north and south. As with the 78th Avenue site referenced above, a major part of the appeal of this site is its southerly aspect, which tends to attract restaurants and cafes with outdoor dining, and in this case, could be augmented by the small parcel directly across 78th street to the east, where the Baskin-Robbins currently sits, since it would be hard to otherwise maximize the commercial value of this site base on the current zoning provisions.

A major civic plaza in this location would help to anchor the southern end of the Town Center, and could help serve as a bridge between 78th and lower 77th street, which will be further enhanced by the proposed performing arts center, MICA (Mercer Island Center for the Arts).

The third and last site identified as a potential major civic plaza candi-



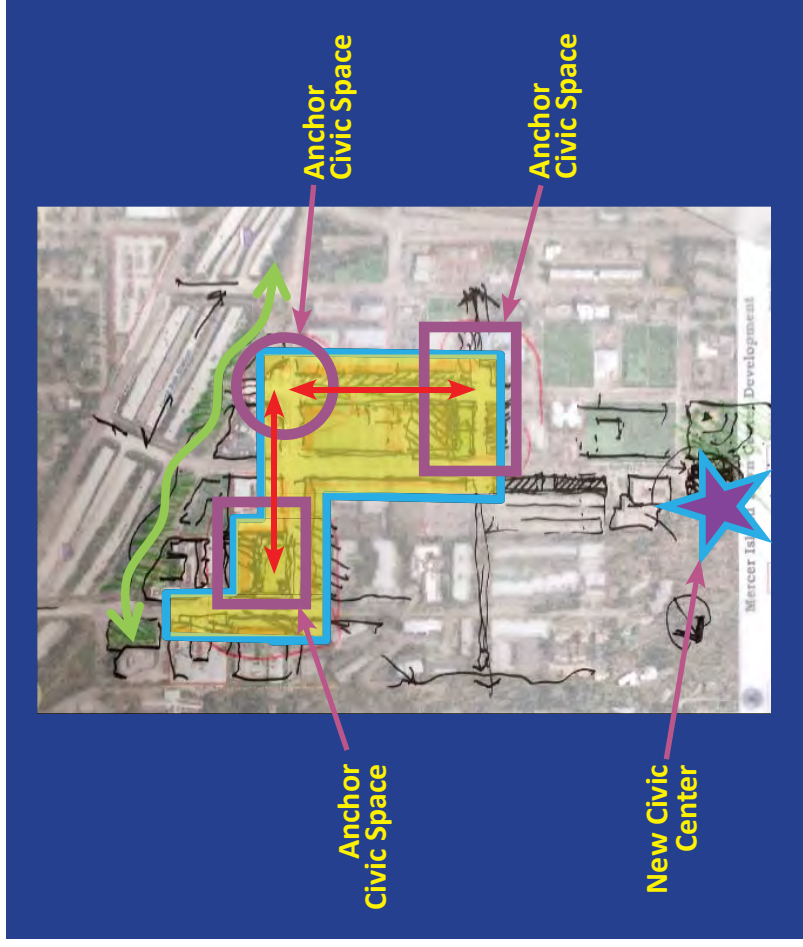
Above: This sketch diagram outlines a couple of key locations that could readily support larger, more meaningfully-sized civic plazas, to support more frequent programmed activities for the entire community, as well as to complement the cluster of more intimately sized plazas the existing code has already produced. Right: Restaurants and cafes with outdoor seating tend to be drawn to, and/or frequently take advantage of, orientations that provide consistent access to sunlight during normal hours of operations. In the Seattle area, that usually means southerly or west-facing locations.



date is in many ways, the most compelling – it is the combination of properties to the immediate north and east of the intersection of 76th Avenue and 27th Street, SE, which includes a very popular Starbucks. This site is an attractive candidate for several reasons – it is fairly large and mostly unimproved, and/or with nominal improvements, and it is strategically located near one of the Town Center’s primary entrances and in an area with recent major investment. And possibly even more significant – the City probably already owns most of it, in the form of a public ROW, which essentially duplicates a nearby ROW, albeit in a more problematic form (a high-speed geometric curve -- out of place in a vibrant, walkable, mixed-use Town Center).

This is a site which could be retrofitted in relatively short order as a demonstration site (even the existing Starbucks could remain), and could feasibly, if so desired, accommodate future commuter parking, a use that as a long-term implementation strategy might help to pay for the acquisition and redesign of the property as a civic plaza, as well as drive foot-traffic to support downtown commercial uses. This illustrative “what if?” sketch plan was well received as a conceptual regulating plan, and included a number of other ideas consistent with a comprehensive strategic vision for Mercer Island’s Town Center supportive of the many priority aspirations outlined in the Town Center Work Plan.

The specificity of this plan prompted additional discussion regarding the kinds of regulatory tools that could provide greater precision in guiding new development in support of the plan. One of the tools introduced in the opening session, form-based codes (FBCs), place greater emphasis of form, verses use, were discussed, but the consultant team felt that the wholesale adoption of such a code was not necessary, as the intent language in the existing code was already very similar to that of a form-based code. However, some of the tools often used in form-based codes could be incorporated in the existing code, to better support a more explicit regulating plan, if adopted.



*Above: Creating a network of anchoring civic spaces, around which a range of activities and related commercial uses can be organized, provides an effective framework for encouraging pedestrian activity and supporting retail leasing goals, as diagrammatically illustrated in the regional mall example shown at left.*

*In addition to the proposed MICA, another possible anchor for Town Center is commuter parking, which could be used to help strengthen and enhance downtown retail, if thoughtfully located as part of an overall strategic plan, with minimal impact to nearby neighborhoods.*



### **DAY THREE – Presentation Update to Stakeholder Group:**

The final day of the workshop, day three, focused on detail aspects of the plan that related more specifically to the priority goals identified in the Town Center Work Plan. These included items aimed at improving the quality of the pedestrian environment as well as various programmatic/marketing initiatives to improve and diversify the retail offerings in the Town Center. In general, there were no priorities listed in the Work Plan that were not directly or indirectly discussed or addressed in some way during the three-day workshop, or otherwise represented or referenced either through the team's initial findings or the conceptual sketch plan that followed.

To that end, one aspect of the concept plan looked at the southern end of 77th Avenue, anticipating and reinforcing the transformative effects of the performing arts center proposed for Mercedale Park. This part of 77th Avenue, from 29th the 32nd Street SE is particularly challenging from a pedestrian point of view, as the east side of the street is essentially the back end of a suburban strip shopping center, and the west side is a surface parking lot in front of a structured parking deck, neither ideal as a pedestrian environment.

The concept plan considered ways in which this issue could be incrementally addressed through the use of shallow lot building types -- in this case, live-works, that could actually be built on the surface parking lot on the west side of 77th, as well as the possible long-term redevelopment of the shopping center. Both options could easily be justified or facilitated by development of the proposed arts center.

Several possible street section options for 77th Avenue were presented, all working within the exiting curb-to-curb boundaries that would im-



*Above, and right: incentives in the current Code award bonuses for the creation of civic spaces (plazas) above and beyond what might otherwise simply be required to enable access to buildings or garages.*

*Additional bonuses for public art, also allowed by the Code, however, can work at cross-purpose to the Code's presumed intention of creating useable public spaces, by occupying a good deal of that space, itself, thereby negating a good deal of the intended benefit. Careful consideration to the scale and nature of these embellishments, relative to the size of the plaza, could help to minimize these conflicts, or perhaps they should only be allowed on plazas of sufficient size to warrant their inclusion as a basis for density and height bonuses.*





but not as well represented in the final presentation as they could have been. This workshop report should help to clarify the team's preliminary response to some of those concerns, and the team's work between the workshop and submission of the final report, including this workshop summary report, will seek to address those questions and issues in a more definitive way.

### Workshop Summary

One aspect of the assignment that was not explicitly code related, was the question of the market with regard to attracting certain retailers to the Town Center. As part of a cursory comparative analysis, using City Data, an online demographic service, the consultant team compared Mercer Island to other municipalities in the Seattle area, as well as other consumer markets, nationally, which were thought to share similar attributes.

Mercer Island's median household income (estimated), is significantly higher than that of most other Seattle-area communities, however, the relatively small population (approximately 23,000), in comparison to other nearby communities, like Bellevue, means that the overall size of the consumer market, in terms of gross spending potential, is actually smaller. Furthermore, Mercer Island's proximity to Bellevue, where many of the retailers Mercer Island might want to attract are already located, means they likely consider Mercer Island to already be within their catchment area, and that opening an additional branch on the island would only serve to cannibalize sales for those existing stores.

Therefore, the two most effective short-term strategies available for enhancing Mercer Island's retail offerings are, one -- increasing the size of the town center consumer market, in a compact, walkable form (which helps to increase the percentage of local capture), and/or two -- pursue retailers from outside the immediate area, who would not consider a

## Comparable Communities (Demographics)

DEMOGRAPHICS – SEATTLE AREA					
	POPULATION	HH INCOME/COMPS.	MEDIAN AGE/STATE/SEA	SF HOME VALUE (in \$100,000)/STATE/SEATTLE	
MERCER IS.	24,000 (up 7% since 2000)	\$123,552/\$57,000 (WA state)	46/32/35	800/243/565	
BELLEVUE	126,000 (up 15% since 2000)	\$91,000/\$57,000 (WA state)	37/32/35	500/243/565	
MADISON PARK	4,500	\$123,000/\$61,000 (Seattle)	44/32/35	720/243/565	
QUEEN ANNE	37,800	\$74,000/\$61,000 (Seattle)	35/32/35	1,100/243/565	
BALLARD	40,000	\$78,500/\$61,000 (Seattle)	37/32/35	509/243/565	

DEMOGRAPHICS – OTHER STATES					
	POPULATION	HH INCOME/COMPS.	MEDIAN AGE/STATE	SF HOME VALUE (in \$100,000)/STATE	
MERCER IS.	24,000 (up 7% since 2000)	\$123,552/\$57,000 (WA state)	46/32	800/243	
NAPLES, FL	20,000 (-4.1% since 2000)	\$75,000/\$45,000 (FL state)	64/40	615/148	
PALM BEACH, FL	8,500 (-18.5% since 2000)	\$103,000/\$45,000 (FL state)	67/40	732/148	
MILL VALLEY, CA	14,000	\$116,000/\$58,000 (CA state)	46/32	928/349	
SCARSDALE, NY	17,400	\$221,500/\$56,000 (NY state)	42/40	946/280	
WILMETTE, IL	23,000	\$124,000/\$55,000 (IL state)	45/40	550/170	
DARIEN, CT	20,700	\$194,000/\$67,000 (CT state)	39/39	901/267	



location on Mercer Island competitive with other nearby stores representing the same chain or company.

A further step that Town Center might want to consider is forming a BID (Business Improvement District), or similar self-funded entity dedicated to promoting and supporting downtown business. This could be an effective tool for coordinating and managing downtown leasing and marketing, including parking and event promotion.

Two other key issues for further discussion is whether or not to continue to pursue an exclusively incentive-based strategy for the creation of a single, large, centrally located civic space, as the current zoning map appears to call for. Or, to supplement that with a more proactive, town-led initiative aimed at creating multiple such plazas at key strategic locations throughout the downtown, to help anchor and drive pedestrian activity throughout the Town Center commercial district.

Regardless of which approach the community ultimately chooses to pursue, the quality of newly created project-specific gathering places can continue to improve, as City staff become increasingly adept at managing the current code to better balance public and private interests, and developers begin to understand and appreciate the value of creating spaces that enhance revenue potential by including shared outdoor spaces that also contributes to the quality of the pedestrian realm.

The consultant team will also look at how other municipalities and managed this public/private interface to the maximum benefit of all concern.

### **Recommendations**

The next step in the process focused on identifying specific sections of the code for improvement. The consultant team assessed the effectiveness of the current code relative to what it was felt the code should be



*Above, applicants and City staff are becoming more adept at creating useable outdoor plazas that add the kind of pedestrian vibrancy envisioned in the original City Code, beyond the minimal incentive-based examples that are currently called for. When paired with a well coordinated City-wide parking program, this approach can produce significant economic opportunities for the property owner, and a great amenity for residents.*

producing, based on the criteria laid out in the Town Center Workplan (similar to a performance specification), and offered alternative strategies for achieving those goals, as documented in the charts which follow.

During the workshop, special attention was paid to gathering input from those with direct experience working with the code, including City staff's experience in administering it, as well as the consensus opinion of what is and isn't working, based on a sampling of projects built under the code. Additional consideration was given to how changing market conditions were being accommodated by the code, and whether or not those accommodations were consistent with the code's intent, and the community's expressed preferences. A comprehensive photo survey of existing conditions and recently built projects should be undertaken to facilitate a more formal documentation and analysis of specific outcomes relating to the existing code.

*The matrices below and on the following page, document the code's intended objectives in the first column, based on the intent language and regulating ordinances in the existing downtown standards and regulations, and the regulatory tools in the existing code designed to accomplish those goals in the second column. The last column describes in general terms a recommended alternative regulatory approach.*

**City Code Alternative Approach Recommendations**

<b>CODE OBJECTIVE AND INTENT LANGUAGE</b>	<b>EXISTING CODE APPROACH</b>	<b>ALTERNATIVE APPROACH</b>
Create distinctive areas within the Town Center, relating to their location and context	Zoning districts were proportional allocations of permitted uses is the primary organizing principle.	Create a Form-Based regulating plan which uses Form as its primary organizing principle, with use as a secondary consideration
Access: Provide alternative transportation modes	Minimum standards for Transit and Bicycle Facilities -- include bicycle facilities all major new construction, and coordination transit providers.	Create a more comprehensive street network classification system specifically designed to accommodate a variety of transportation modes (complete streets)
Access: Facilitate vehicular and pedestrian circulation/minimize conflict between the two	Parking standards based on Use Group and Square Footage or Number of Units, and minimum sidewalk standards	Coordinate parking management strategies, including signage, cross-easements, shared parking strategies, pay-in-lieu-of, etc., integrated with local and regional transit. Minimize/consolidate curb cuts
Supporting economic diversity: Affordable Housing	Development height bonus: Meeting prescribed ratios of affordable housing in exchange for additional market-rate building area or units	Implement mandatory requirement thresholds based on project size, and pay-in-lieu-of policies. Consider reduced requirements based on fulfillment of other policy objectives, or innovative market-rate unit types
Creating Pedestrian-friendly Environment: Ground Floor Use Requirements	Mandating specific ground-floor use percentage requirements based on designated street classifications in the Town Center- Type 1 Street and Type 2 Street.	Limit maximum frontage on a per tenant basis, not simply by use. Mandate maximum elevation differences between finished sidewalk and interior floor elevations
Scale: Provide pedestrian-scale building heights, that relate to local context	Chart indicating prescribed height and story limit by Focus Area, with height bonuses based on 1) if there is a Major Site Feature, or 2) if there is a significant public amenity	Consider options for varying roof heights within single project, and distinguishing districts. Confirm form-compatibility with adjoining land-uses
Improve pedestrian circulation: Provide mid-block connections	Development height bonus: Allow one additional story of building height based on the provision of prescribed public amenities	Coordinate with bulk regulations/building code requirements. Consider mandatory public amenity requirements based on lot size

**City Code Alternative Approach Recommendations**

<b>CODE OBJECTIVE AND INTENT LANGUAGE</b>	<b>EXISTING CODE APPROACH</b>	<b>ALTERNATIVE APPROACH</b>
Aesthetically attractive features: Public Amenities (general)	Sites have been identified as eligible for height bonuses in exchange for Public Plazas, Pedestrian Connections, and/or other features	Consider limiting options for combining incentives, and/or mandating more diversity in plaza size and function based on lot size, or pay-in-lieu-of
Aesthetically attractive features: Public Amenities - Minor Site Features	Prescribed development and design standards require at least three minor site features; major new construction should have canopies or all-weather features as described in the regulations	Consider limiting options for combining incentives, use form-based standards to provide greater specificity in ground level pedestrian amenities, and/or weather protection
Aesthetically attractive features: Public Amenities - Major Site Features	New major new construction which exceeds the 2-story base height shall include at least one major site feature as described in the regulations	Use form-based standards to better define and distinguish major/minor site features. Consider mandating requirements features based on parcel size/location, and/or providing additional height incentive bonuses
Visual Interest: Building Facades	Prescribed street-facing façade elements - all new construction shall include at least seven façade elements	Use more precise design standards, consider more variation in height/massing standards
Visual Interest: Ground Floor Windows and Doors	Windows and Doors prescribed proportionally based on the length of the ground floor façade	Use more precise design standards for commercial frontages/signage and lighting
Visual Interest and Form: Building Facades	Relief for long buildings; articulated, transparent facades; contiguous building facades	Use more precise design standards, consider more variation in height/massing standards
Aesthetically attractive/Style: High Quality Materials and Color	Specifying high quality, listing prohibitive materials, and some direction for color ranges	Consider limiting material palette and/or specifying vertical/horizontal application orientation standards

# THE URBAN CODE



BUILDING PLACEMENT AND HEIGHT	BUILDING FRONTAGE AND PROFILE	PARKING AND VEHICULAR ACCESS
<p><b>Plan Diagram</b></p> <p><b>1. BUILDING PLACEMENT</b> Principle building shall be placed within the shaded area as shown in the above Plan Diagram. Lot area: no minimum Lot Coverage: 100% max</p> <p><b>Principle Building Setbacks:</b> A: Front: 0' min-5' max B: Side: 0' min-5' max C: Rear: 0' min D: Frontage of setback: 70% min from N/A E: Side: N/A F: Rear: N/A</p> <p><b>2. HEIGHT</b> Building height shall be measured in number of stories. Inhabited attics or basements shall not be counted as a story.</p> <p>Principle building: 4 stories max, 2 stories max Outbuilding: N/A</p>	<p><b>Plan Diagram</b></p> <p><b>1. ENCROACHMENTS ALLOWED</b> Stoops, balconies, bay windows, and open porches may encroach into the setback as shown in the shaded area in the above Plan Diagram.</p> <p>A: Al Bldg. Frontage: 12' max (only in the form of a pedestrian arcade or cantilevered upper story gallery) B: Al Bldg. Side: 0' max or 3' max C: Al Bldg. Rear: 3' max</p> <p><b>2. FRONTAGE TYPES ALLOWED:</b> A. Facade B. Store C. Shopfront &amp; Awning D. Gallery E. Arcade</p>	<p><b>Plan Diagram</b></p> <p><b>1. PARKING REQUIREMENTS:</b> On-street parking is allowed only in the shaded area as shown.</p> <p>A: Front setback: 20% of lot depth min B: Side street setback: 10' min C: Side setback: 0' min D: Rear setback: 5' min</p> <p>Vehicular access is permitted only from an alley or side street. On-street parking where street key dictates (see pp. 63-66)</p>

Left, an example of a graphic (form-based) code, showing building disposition on lot, frontage condition, height limits, etc., in very precise form. This particular example is for the mixed-use town center of a new community, but the elements are similar to what might be used, along with a regulating plan, to code Mercer Island's Town Center to a much higher degree of precision.

code will need to be more specific in terms of detailing street sections and building frontages and street sections to meet that need.

In general, the code needs to be more precise and unambiguous in its language and make greater use of graphic representation. It also needs to be more user-friendly in terms of its interpretation and administration. It should be organized such that the structure and application of the code is rational and clear, both in terms of how its various parts relate to each other, and from a practical and policy point of view. Appropriate use of cross-references, headers and footers, and an explicit table of contents should be considered.

The code language should be simplified and more direct in what it asks for or requires. Extensive use of illustrations, in a consistent graphic format, which clearly indicate its intentions and expectations in terms of form, should also be used. Tables to indicate dimensional or regulatory relationships between individual component pieces should be similarly clear and

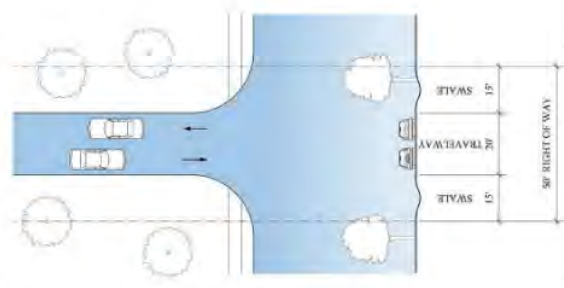
Regarding building form, there are currently no bulk standards beyond height limitations. Even though that is not that unusual in many urban areas, it may be helpful to introduce some form-based standards to help ease the transition from a more suburban context to a higher-density urban form, and also to provide greater compatibility with adjoining residential neighborhoods. Also, a commercial district the size of Mercer Island's Town Center needs more than just two street types to fully address all of the conditions the Town Center requires. The

precise, and wherever possible, accompanied by graphic representations of their application.

These updates should allow for a simpler and more straightforward zoning permit process. Articulating the development and performance standards in a clear and concise manner, limiting the need for discretionary consideration.

The next phase of the code update process, therefore, should focus on making sure that what is being asked for or required more precisely reflects the goals and objectives described in the code, and a deliberate regulating plan should be the first step in providing that clarity.

CAROTHERS CROSSING, TN  
STREET TYPES



ROAD - 20' TRAVELWAY (A. RD 50-20)

MOVEMENT.....	free
ROW WIDTH.....	50'
TRAVEL LANES.....	2 in 20'
PARKING.....	none
CURB TYPE.....	none
CURB RADIUS.....	20'
SIDEWALK WIDTH.....	none
PLANTER WIDTH.....	15'
PLANTER TYPE.....	continuous



MAIN STREET (B.M.S 60-36)

MOVEMENT.....	free/slow
ROW WIDTH.....	60'
TRAVEL LANES.....	2 in 20'
PARKING.....	both sides striped
CURB TYPE.....	vertical
CURB RADIUS.....	10'
SIDEWALK WIDTH.....	12'
PLANTER WIDTH.....	5'x5'
PLANTER TYPE.....	grates



TOWN SQUARE (C. IS 52-28)

MOVEMENT.....	free
ROW WIDTH.....	52'
TRAVEL LANES.....	2 in 20'
PARKING.....	one side, striped
CURB TYPE.....	vertical
CURB RADIUS.....	15'
SIDEWALK WIDTH.....	12'
PLANTER WIDTH.....	5'x5'
PLANTER TYPE.....	grates

*Above, typical street sections and plan diagrams showing street dimensions, relationship between back-of-curb and face of building, street tree and planter strip locations, etc. These would be produced for each street type in the Town Center.*

**2**

**COMMUTER  
PARKING**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Kirsten Taylor, Assistant City Manager

**RE:** Commuter Parking

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

1. What questions does Council have regarding the commuter parking study?
2. What questions does Council want the public to respond to regarding commuter parking options at the January 29 Open House and via other outreach formats?

**BACKGROUND:**

At the December 1, 2014 Council meeting, staff was directed to look again at commuter parking options in or near the Town Center with proximity to the existing Park & Ride and future light rail locations. Council named several specific locations and asked staff to research potential sites that could provide reasonable access for Mercer Island commuters.

The City retained the services of BP Squared to survey 15 potential locations and to rate them against a list of criteria established by Council and staff. Consultant Ben Pariser will present his findings and be available for Council questions regarding the properties and their potential for Mercer Island commuter parking.

**NEXT STEPS:**

A Community Open House regarding Commuter Parking is scheduled for Thursday, January 29, from 5:30-7pm at the Mercer Island Community and Event Center. Ben Pariser will present his survey findings to the community, and staff will be present to answer questions, take public comment, and solicit further feedback regarding the questions that Council drafts at the Planning Session. Staff is also planning other outreach, including a community survey and is creating a commuter parking email address for streamlined comment.

**EXHIBITS:**

1. BP Squared City of Mercer Island Park and Ride Survey Report



DEVELOPMENT & CONSTRUCTION CONSULTANTS

## **The City of Mercer Island Park and Ride Survey**

Prepared For:

**The City of Mercer Island  
9611 SE 36<sup>th</sup> Street  
Mercer Island, WA 98040**

**January 12, 2015**

Prepared By:

BP Squared, LLC  
7525 SE 24<sup>th</sup> Street, Suite 315  
Mercer Island, WA 98040

A handwritten signature in black ink, appearing to read 'Benjamin S. Pariser'.

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Benjamin S. Pariser  
Principal



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## **FIGURES**

FIGURE 1 – WALKING PATH TO PARK AND RIDE STATION

FIGURE 1A – WALKING PATH TO LIGHT RAIL STATION

FIGURE 2 – REHABILITATION CENTER

FIGURE 3 – FRESHY'S

FIGURE 4 – DOLLAR DEVELOPMENT CO

FIGURE 5 – WALGREENS

FIGURE 6 – ALBERTSONS

FIGURE 7 – KING PROPERTY

FIGURE 8 – CHASE BANK PARKING

FIGURE 9 – SUNSET SCULPTURE PARK

FIGURE 10 – MICEC

FIGURE 11 – MERCER ISLE CONDO

FIGURE 12 – LUTHER BURBANK SOUTH PARKING LOT

FIGURE 13 – AUTO SPA

FIGURE 14 – BANK OF AMERICA

FIGURE 15 – I-90 BOAT LAUNCH

## 1.0 INTRODUCTION

As part of Sound Transit's East Link Extension, construction design and planning has begun for the redevelopment of the Bellevue Way park and ride. Construction activities are scheduled to commence in the second half of 2015 and will last up to five years. The redevelopment and expansion of the existing Bellevue Way park and ride will: 1) Act as a staging area for the East Link Extension 2) Develop the infrastructure for future light rail and 3) Build a 1,500 stall structured park and ride.

During the redevelopment it is expected that in addition to the traffic impacts along Bellevue Way, the existing 519 parking stalls will be closed to the public. In 2014, Sound Transit approached the City of Mercer Island (CMI) to identify potential sites to help mitigate this loss of commuter parking during construction. Sound Transit provided eight parking concepts to CMI on September 24, 2014.

From this initial exercise, Sound Transit identified their preferred alternative and focused their attention on the Mercer Island Community & Event Center (MICEC). This resulted in the conceptual design of structured and surface parking by Huitt-Zollars on November 25, 2014. Sound Transit presented their conceptual plans to the CMI at an open forum on December 2, 2014.

The closure of the Bellevue Way park and ride will increase the existing demand of parking on Mercer Island, from off island commuters. The introduction of light rail, in the next 8 years, will further exacerbate the parking needs of Mercer Island residents and commuters.

The CMI is interested in exploring Mercer Island commuter parking sites that are owned by the City as well as properties that may need to be acquired from a private land owner. The parking facility needs to be operational by 2017.

The CMI has engaged BP Squared, LLC (BP Squared) to prepare this Park and Ride Survey for the purpose of quantifying the feasibility of developing a commuter parking facility within the greater Town Center of the city of Mercer Island.

In creating this report, BP Squared has revisited properties originally surveyed in 2011, 2012 and 2013 as well as new properties. BP Squared did not interview the property owners at the request of the CMI.

**2.0 PROPERTIES:**

The following 15 properties (See Figure 1) have been identified by the CMI as potential locations for park and ride facilities:

	Property Owner	Common Name
1	Second Generation Partners, LLC	Rehabilitation Center
2	Twenty-Four Eleven, LLC	Freshy's
3	Dollar Development Company	Dollar Development
4	Mercer Island Shopping Center	Walgreens
5	The Fab Five, LLC	Albertsons
6	King/Bitney/2800	King Property
7	Mercer Island Court	Chase Bank Parking
8	WSDOT	Sunset Sculpture Park
9	Mercer Island Community & Events Center	MICEC
10	Mercer Isle Condo	Mercer Isle Condo
11	City of Mercer Island	Luther Burbank Lower
12	Person & Skone	Auto Spa
13	WSDOT	Overlook Park
14	Bank of America	Bank of America
15	WSDOT	I-90 Boat Launch

**2.1 EVALUATION CRITERIA:**

BP Squared evaluated each property utilizing the same criteria wherever possible. The process and assumptions for each category are as follows:

1. LOCATION The distance to the Mercer Island park and ride and the Light Rail Station were calculated for distance and walking time.
2. QUANTITY OF NEW PARKING The typical parking stall dimension is 9' wide x 18'6" deep (167sf). Handicap stalls, driving aisles, walking paths, bumpers, columns, guard-rails, ramps and appurtenances will take up additional area.

Parking efficiencies will typically range from 300sf/stall (efficient) to 450sf/stall (inefficient). The efficiency of a parking facility is dependent upon the physical characteristics of the subject property and the overall design of the structure.

The gross area of each property was divided by the parking efficiency metric to determine the net stalls per floor, numbers were rounded down. Structured parking heights were limited to five stories above grade.

3. COSTS This report concentrated on the development of two types of parking facilities 1) Above ground structured parking and 2) Surface parking. Most properties were evaluated with an above ground structured parking proposed but several parcels had dimension and/or site constraints that dictated a surface parking lot.

<u>Structured Parking</u>	<b><u>\$65/sf</u></b> labor and material construction costs
Assumptions:	Above ground Open air ventilation Minimal exterior cladding Balanced site Utilities readily available Suitable soils (no contamination)

<u>Surface Parking</u>	<b><u>\$3,500/stall</u></b> labor and material construction costs
Assumptions:	Balanced site Utilities readily available Suitable soils (no contamination)

Construction Costs do not include:

Sales Tax	Engineering & Design Fee
Permitting Fees	Soft Costs
Off-site mitigation and improvements	Securing easements
Storm water improvements	Legal Fees

Land Costs were estimated whenever applicable

4. TIMING The developed parking facility needs to be operational by 2017. Engineering, design and permitting were estimated to take 12 months for above grade structured parking and 6 months for surface parking. Construction and delivery was estimated on a site specific basis taking into account the difficulty and size of the parking facility.
5. AVAILABILITY The majority of sites surveyed for this report are privately owned and as such would need to be acquired by the CMI. Several of the properties, identified within this survey, are home to Mercer Island businesses that may not be able to be relocated to meet the CMI goals. Each site will be evaluated based upon the ability to facilitate an operational park and ride facility by 2017.

### 3.0 POTENTIAL PARK AND RIDE SITES:

#### 3.1 SECOND GENERATION PARTNERS | REHABILITATION CENTER

On June 4, 2014, the Washington State Department of Social and Health Services revoked the nursing license of the Mercer Island Care & Rehabilitation Center. The facility was vacated in the fall of 2014 and by November the property was listed for sale.

Unfortunately, the property is being marketed in an aggressive real estate market and will likely be under contract in the first quarter of 2015. On December 27, 2014 and January 8, 2015 BP Squared spoke with the listing broker who confirmed that the owners are in negotiation with a qualified Buyer. The property (See Figure 2) is being marketed for redevelopment of 48 townhomes and 3 single family residences. The sale price will likely be greater than \$8 million.

- |                                    |  |
|------------------------------------|--|
| 1. <u>LOCATION</u>                 | The Mercer Island Care & Rehabilitation Center is an eight and a half minute walk (0.44 miles) to the existing park and ride and a five minute (0.27 mile) walk to the future light rail station. Pedestrians would cross 76 <sup>th</sup> Ave SE and proceed to future and existing walking paths along Sunset Highway and 80 <sup>th</sup> Ave SE. |
| 2. <u>QUANTITY OF NEW PARKING</u>  | N/A  |
| 3. <u>COSTS</u><br>the land value. | The site is considered cost prohibitive based upon   |
| 4. <u>TIMING</u>                   | N/A  |
| 5. <u>AVAILABILITY</u>             | N/A  |

#### 3.2 TWENTY-FOUR ELEVEN, LLC | FRESHY'S

This property is an irregularly shaped triangle with an area of approximately 13,000sf. The CMI owns the adjacent pie shaped property to the north. This CMI owned parcel is part of the street Right of Way (ROW) and currently acts as a landscaped space. The two properties combined would create a site with approximately 19,700sf of usable space for a park and ride facility (See Figure 3).

- |                    |  |
|--------------------|--|
| 1. <u>LOCATION</u> | Freshy's is an eight minute walk (0.4 miles) to the existing park and ride and a four minute (0.24 mile) walk to the future light rail station. Pedestrians would cross 76 <sup>th</sup> Ave SE and proceed to future and existing walking paths along Sunset Highway and 80 <sup>th</sup> Ave SE. |
|--------------------|--|

2. QUANTITY OF NEW PARKING                      The subject property is irregularly shaped and constrained which will lead to an inefficiently designed parking facility. Using a parking ratio of 450sf/stall the site would yield approximately 43 parking stalls per floor. A four story above ground parking facility would contain **172 parking stalls**.
3. COSTS    A four story above ground parking facility would cost approximately **\$5,122,000** to construct or **\$29,780 per parking stall**.

Additionally, the site would need to be purchased from the owner, Leon Cohen. BP Squared met with Mr. Cohen on January 5<sup>th</sup> and 12<sup>th</sup> to discuss the value of the property. Mr. Cohen provided BP Squared with an appraisal of his property dated January 9, 2015.

According to Wick and Associates, the present land value of the subject property is \$2,430,000. Assuming the CMI and Mr. Cohen agree on the land value, the combined cost to develop 172 parking stalls on the subject property would be approximately **\$7,5520,000** or **\$43,900 per parking stall**.

4. TIMING    The parking facility could be developed in approximately 22 months (12 months for engineering, design and permits).
5. AVAILABILITY                                      This site is readily available, Mr. Cohen stated his lease with the current business owner permits early termination in the event of redevelopment.

### **3.2.1 RECOMMENDATIONS & LIMITATIONS**

The CMI may face opposition to the redevelopment of the subject property due to the inclusion of the right-of-way as well as traffic concurrency. The redevelopment of the right-of-way will require rezoning the parcel, which could be a sensitive subject for Mercer Island residents. For this reason it would be recommended to make any potential purchase of Mr. Cohen's property contingent upon the rezoning of the right-of-way.

The proximity of the intersection coupled with the steep slope of SE 24<sup>th</sup> Street should be studied in further depth for safety regarding site lines and braking distances.

The subject property is impacted by some contamination. Mr. Cohen has an indemnity agreement from the Potentially Responsible Party (PRP). If the CMI chooses to purchase Mr. Cohen's property this document should be reviewed by an attorney to ensure that it may be assigned.







### 3.5 THE FAB FIVE | ALBERTSONS

Albertsons is the single tenant occupying a 37,076sf structure located at the northwest corner of SE 29<sup>th</sup> St and 78<sup>th</sup> Ave SE. The property is a rectangular shaped parcel with an area of approximately 119,350sf (See Figure 6). The site is the largest parcel within this report.

1. LOCATION The subject property is a 9 minute walk (0.42 miles) to the existing park and ride and a 6 minute walk (0.26 mile) to the future light rail station. Pedestrians would walk along 77<sup>th</sup> Ave SE to both facilities.
2. QUANTITY OF NEW PARKING The subject property is large and uniform in shape. Using a parking ratio of 310sf/stall the site would yield approximately 385 parking stalls per floor. Commuter parking on the subject property would likely only be offered as part of a new building. One story of above ground parking incorporated in a new building would yield **385 parking stalls**.
3. COSTS The cost to develop a single story of above ground parking within a new building would be approximately **\$7,757,750** or **\$20,150 per stall** (not including land costs).

BP Squared did not interview the owner for this report. The value of the subject property is greater than \$12million.

4. TIMING The new building and incorporated parking could be developed in approximately 30 months (12 months for engineering, design and permits).
5. AVAILABILITY This site is not readily available.

#### 3.5.1 RECOMMENDATIONS & LIMITATIONS

The redevelopment of the subject property within the next two years is unlikely. The owners should be approached to determine if there may be any interest to include commuter parking with the future redevelopment of the site.

### 3.6 KING/BITNEY/2800 | KING PROPERTY

The subject property (King Property) consists of three parcels with four commercial/retail structures. The King Property is currently under contract with Hines Development (Hines). The site is rectangular with an area of approximately 76,555sf (See Figure 7). Hines is currently developing their design of a five story mixed use structure.

1. LOCATION The subject property is a 9 minute walk (0.43 miles) to the existing park and ride and a 6 minute walk (0.26 mile) to the future light rail station. Pedestrians would walk along 77<sup>th</sup> Ave SE to both facilities.
2. QUANTITY OF NEW PARKING The subject property is large and uniform in shape. Using a parking ratio of 318sf/stall the site would yield approximately 240 parking stalls per floor. Hines has approached the CMI with an offer to provide one floor of above grade commuter parking in their new building in exchange for permitting an additional floor of residential units. One story of above ground parking incorporated in a new building would yield **240 parking stalls**.
3. COSTS The cost to develop a single story of above ground parking within a new building would be approximately **\$4,975,200** or **\$20,730 per stall** (not including land costs).  
  
The purchase price for the subject property has been undisclosed at the time of writing this report.
4. TIMING The new building and incorporated parking could be developed in approximately 28 months (12 months for engineering, design and permits).
5. AVAILABILITY This site is readily available.

### 3.6.1 RECOMMENDATIONS & LIMITATIONS

The subject property is centrally located, in the permitting stage and is controlled by a party willing to negotiate with the CMI for commuter parking. The City should continue discussions with Hines to determine if a collaborative effort is in the best interest of Mercer Island residents and if construction costs are financially prohibitive.

While the property represents a spectacular opportunity for the City to provide commuter parking prior to the closure of the Bellevue Way park and ride, there may be opposition to the proposed height increase.

### 3.7 MERCER ISLAND COURT | CHASE BANK PARKING

The focus of analysis for the Chase Bank property is the above grade parking structure located north of the office building. The parking structure is a slightly irregular trapezoid with entrances on both levels. The parking portion of the site is approximately 22,000sf (See Figure 8).

1. LOCATION The subject property is a 4 minute walk (0.15 miles) to the existing park and ride and a 2 minute walk (0.09 mile) to the future light rail station. Pedestrians would walk along 80<sup>th</sup> Ave SE to both facilities.

2. QUANTITY OF NEW PARKING The subject property is mostly uniform in shape but is narrow. Using a parking ratio of 375sf/stall the site would yield approximately 58 parking stalls per floor. Currently, the parking facility provides 62 parking stalls per floor (124 total stalls), but efficiency would decrease due to the inclusion of ramping in the new structure.

Five stories of above ground parking would provide 290 gross parking stalls. Once the existing 124 stalls have been backed out of the new structure, there would be **166 new parking stalls**.

3. COSTS The cost to develop five stories of above ground parking would be approximately **\$6,820,000** or **\$41,084 per stall** (not including land costs). The gross construction cost would be divided by the new stalls (166) which increases the per stall construction costs.

The existing parking would need to be replaced to accommodate the Chase Bank building tenants. For this reason it is unlikely the owners would want to sell the property to the City but they may entertain a long term lease or air rights ownership. BP Squared has not spoken with the property owners.

There will also be the added expense of removing the existing reinforced concrete structure. This will add approximately \$100,000 to the construction costs above.

4. TIMING The new parking structure could be developed in approximately 22 months (12 months for engineering, design and permits).

5. AVAILABILITY Availability is unknown.

### 3.7.1 RECOMMENDATIONS & LIMITATIONS

The Chase Bank parking is in a desirable location and could be developed within the next two years. The largest barriers to redeveloping this site would be the increased cost of replacing the existing parking, as well as the additional cost to tear down the reinforced concrete structure.

During the course of construction, temporary parking would have to be identified for the employees and retail/business customers of the Chase Building during construction of the new parking facility.

### 3.8 WSDOT | SUNSET SCULPTURE PARK

The Sunset Sculpture Park is located between I-90 and Sunset Hwy and occupies an area of approximately 54,000sf (See Figure 9).

1. LOCATION The subject property is a 4 minute walk (0.20 miles) to the existing park and ride and a 1 minute walk (0.04 mile) to the future light rail station. Pedestrians would walk along 77<sup>th</sup> Ave SE to both facilities.
2. QUANTITY OF NEW PARKING The subject property is mostly uniform in shape but is narrow. Using a parking ratio of 300sf/stall the site would yield approximately **180 surface parking stalls**.

The site could also be developed with a structured parking facility on a portion of the site. Using a parking ratio of 375sf/stall over the western half of the site, comprising approximately 28,000sf the site would yield 74 parking stalls per floor. A four story above ground parking facility would create **296 parking stalls**.

3. COSTS The cost to develop 180 surface parking stalls would be approximately **\$630,000** or **\$3,500 per stall**.

The cost to develop four stories of above ground parking would be approximately **\$7,280,000** or **\$24,600 per stall**.

No land acquisition costs are assumed.

4. TIMING The surface parking could be developed in 12 months (6 months for engineering, design and permits)

The new parking structure could be developed in approximately 22 months (12 months for engineering, design and permits).

5. AVAILABILITY This site is readily available.\*

#### 3.8.1 RECOMMENDATIONS & LIMITATIONS

The Sunset Sculpture Park is as close to the park and ride and light rail station as possible. The property could provide a large number of surface parking with a reasonably low financial burden. There are safety and logistical considerations regarding the proximity of an above grade structure to I-90 that would need to be addressed.

The largest barriers to the creation of parking on this property would be the public resistance to transform a highly trafficked park within the Town Center.

\*The subject property is owned by the Washington State Department of Transportation (WSDOT) which receives funding from the Federal Highway Administration (FHWA). There are many restrictions at the federal and state level regarding the use of these type of properties.

The Department of Transportation Act (DOT Act) of 1966 contains a special provision – Section 4(f) – which restrict the FHWA and DOT agencies from permitting the use of land from publicly owned parks unless there is no feasible alternative, among other stipulations.

Further inquiry with WSDOT would be needed to determine if the subject property could be redeveloped for commuter parking.

### 3.9 CITY OF MERCER ISLAND | MERCER ISLAND COMMUNITY & EVENTS CENTER

The grassy hill to the north of the existing MICEC surface parking is located between a residential community and Luther Burbank Park (See Figure 10). This hill was recently studied by Sound Transit and the engineering firm Huitt-Zollars as presented to the CMI on December 2, 2014. This section of the study will deviate from the other analysis and will utilize the information that was prepared and identified in the Huitt-Zollars study dated November 25, 2014.

1. LOCATION The subject property is a 4 minute walk (0.20 miles) to the existing park and ride and a 5 minute walk (0.26 mile) to the future light rail station. Pedestrians would walk along SE 24<sup>th</sup> St and 80<sup>th</sup> Ave SE to both facilities.
2. QUANTITY OF NEW PARKING The surface parking option would yield approximately **203 surface parking stalls**.

The structured parking option would yield approximately **229 structured parking stalls**.

3. COSTS The cost to develop 203 surface parking stalls would be approximately **\$1,015,000** or **\$5,000 per stall**.

The cost to develop the three story structure of daylight basement structured parking would be approximately **\$6,870,000** or **\$30,000 per stall**.

No land acquisition costs are assumed. Increased prices reflect the design drawings which reformat the existing parking and provide for a recessed structured parking facility.

4. TIMING The surface parking could be developed in 12 months (6 months for engineering, design and permits)

The new parking structure could be developed in approximately 22 months (12 months for engineering, design and permits).

5. AVAILABILITY This site is readily available.

### 3.9.1 RECOMMENDATIONS & LIMITATIONS

Numerous Mercer Island residents have expressed opposition to seeing the MICEC property impacted by additional parking. Concerns ranged from increased traffic and congestion to inadequate infrastructure and the potential degradation of Luther Burbank Park.

The CMI would benefit from investigating these concerns. Additionally, the CMI should conduct additional public outreach to determine if the current opposition is representative of the majority of Mercer Island residents.

### 3.10 MERCER ISLE CONDO

The Mercer Isle Condo property is located east of the park and ride and contains an existing surface parking lot with approximately 36 parking stalls. The subject parking area occupies approximately 9,000sf (See Figure 11).

1. LOCATION The subject property is a 3 minute walk (0.13 miles) to the existing park and ride and a 4 minute walk (0.20 mile) to the future light rail station. Pedestrians would walk along SE 24<sup>th</sup> St and 80<sup>th</sup> Ave SE to both facilities.
2. QUANTITY OF NEW PARKING The subject property is extremely small and narrow. The only use of the site would be for surface parking. Currently, there exist 36 stalls. It is unlikely that re-striping the parking lot would yield additional stalls since the driving aisle would need to be maintained. The site would yield **0 new surface parking stalls**.
3. COSTS N/A
4. TIMING N/A
5. AVAILABILITY N/A

### 3.11 CITY OF MERCER ISLAND | LUTHER BURBANK SOUTH PARKING LOT

The Luther Burbank South Parking lot is approximately 29,900 sf, containing 60 surface parking stalls and is primarily used by park visitors (See Figure 12).





### 3.12 PERSON & SKONE | AUTO SPA

These two separate (but adjoining) properties are home to the Auto Spa and Mercer Island Service Center, located on 80<sup>th</sup> Ave SE at the northeast corner of the Mercer Island TC. The properties form an irregular polygon with a combined area of approximately 24,475sf (See Figure 13).

1. LOCATION The subject property is a 4 minute walk (0.17 miles) to the existing park and ride and a 3 minute walk (0.11 mile) to the future light rail station. Pedestrians would walk along 80<sup>th</sup> Ave SE and to both facilities.
2. QUANTITY OF NEW PARKING The subject property is long and narrow and would be inefficient for parking purposes. The site geometry would demand a higher percentage of area for circulation and ramping. Using a parking ratio of 450sf/stall the site would yield approximately 54 parking stalls per floor.

A four story above ground parking structure would yield approximately **216 new parking stalls**.

3. COSTS The cost to develop four stories of above ground parking on the subject property would be **\$6,363,500** or **\$29,460 per stall** (not including land costs).
4. TIMING The new parking structure could be developed in approximately 22 months (12 months for engineering, design and permits).
5. AVAILABILITY This site is not readily available. From prior conversations with the owners, BP Squared believes that these properties would not be offered for sale. The CMI could develop parking on the subject properties but this would likely require a long term land lease.

#### 3.12.1 RECOMMENDATIONS & LIMITATIONS

The subject property will have significant design issues regarding circulation and access to the public right-of-way. While 450sf/stall was used in this analysis, it may be possible that the inefficiency of the site would require more area per stall and lower the total yield.

### 3.13 WSDOT | OVERLOOK PARK

Overlook Park is situated with significant engineered structures impacting the periphery. The western portion of Overlook Park, adjacent to Island Crest Way, spans the westbound express



### 3.14 BANK OF AMERICA

Bank of America is the anchor tenant and corporate owner of this 6,900sf commercial building. The property is mostly rectangular with a portion of the site extending east over the hillside which separates the structure from Island Crest Way. Bank of America owns two parcels which have a combined area of approximately 51,150sf (See Figure 15). The net usable area of the two parcels is approximately 41,000sf.

1. LOCATION The subject property is a 5 minute walk (0.27 miles) to the existing park and ride and a 4 minute walk (0.20 mile) to the future light rail station. Pedestrians would walk along 80<sup>th</sup> Ave SE to both facilities.
2. QUANTITY OF NEW PARKING The subject property is mostly uniform in shape. Using a parking ratio of 350sf/stall the site would yield approximately 117 parking stalls per floor. Commuter parking on the subject property would likely only be offered as part of a new building. Two stories of above ground parking incorporated in a new building would yield **234 parking stalls**.
3. COSTS The cost to develop two stories of above ground parking within a new building would be **\$5,330,000** or **\$22,780 per stall** (not including land costs).
4. TIMING The new parking structure could be developed in approximately 26 months (12 months for engineering, design and permits).
5. AVAILABILITY The site is not readily available.

#### 3.14.1 RECOMMENDATIONS & LIMITATIONS

The Bank of America property is unlikely to be redeveloped in the near future. The property is corporately owned by a fortune 50 company. There is little to no incentive for Bank of America to provide commuter parking on this site.

### 3.15 CITY OF MERCER ISLAND | BOAT LAUNCH

The Mercer Island Boat Launch is located underneath the East Channel Bridge which carries I-90 over Lake Washington. The subject property is approximately 108,900sf, and contains 58 elongated parking stalls that accommodate boat trailers (See Figure 16).

1. LOCATION The subject property is 2.1 miles from the existing park and ride and future light rail station.

2. QUANTITY OF NEW PARKING                      The subject property is a free form oblong shape. If the site were to be redeveloped as a commuter parking facility, a portion would need to remain accessible for boat enthusiast to enter Lake Washington. Using a parking ratio of 350sf/stall over 60,000sf of the site would yield approximately **171 surface parking stalls**.
  
3. COSTS    The Boat Launch pavement is in good shape and appears to have been engineered and constructed to a road specification, most likely to accommodate heavier loads of trucks trailing boats. The improvements to facilitate additional surface parking would be less expensive than the other existing surface parking lots examined in this survey.  
  
The cost to develop 171 surface parking stalls the subject property would be **\$256,500** or **\$1,500 per stall** (not including land costs).
  
4. TIMING    The new parking structure could be developed in approximately 8 months (6 months for engineering, design and permits).
  
5. AVAILABILITY                                      This site is readily available.\*

### **3.15.1 RECOMMENDATIONS & LIMITATIONS**

The Mercer Island Boat Launch is separated from the Town Center by more than 2 miles. This parking facility would require shuttle bus service to the park and ride throughout the day. The ongoing financial obligation of providing the shuttle would have to be considered by the CMI when evaluating the subject property.

The Boat Launch is an amenity to residents throughout the Puget Sound, not just on Mercer Island. Placing commuter parking on the subject property may face oppositions from the boating community. With good design and an open public forum to address potential problems, this site could work as a commuter parking facility.

The CMI should determine if the peak uses of the boat launch are compatible with commuter parking throughout the year prior to continuing any evaluation of the subject property.

\*The subject property is owned by the Washington State Department of Transportation (WSDOT) which receives funding from the Federal Highway Administration (FHWA). While there are many restrictions on the subject property, the current use is a recreational parking lot.

Further inquiry with WSDOT would be needed to determine if the subject property could be reconfigured for the inclusion of commuter parking.

4.0 Survey

The City of Mercer Island Park and Ride Survey

	Subject Property	Park & Ride Distance/Time	Light Rail Distance/Time	Parking Stall Quantity	Parking Cost per Stall	Land Cost	Total Cost Parking + Land	Time to Develop	Available
1	Rehabilitation Center	.44 mile/8.5 min	.27 mile/5 min	200+	NA	\$8,000,0000+	NA	NA	No
2	Freshy's	.4 mile/8 min	.24 mile/4 min	172	\$29,780	\$2,430,000	\$7,552,160	22 months	Yes
3	Dollar Development	.28 mile/4 min	.11 mile/ 2 min	146	\$24,619	NA	\$3,595,000	26 months	No
4	Walgreens	.25 mile/5 min	.18 mile/4 min	216	\$22,810	NA	\$4,927,000	26 months	No
5	Albertsons	.42 mile/9 min	.26 mile/6 min	385	\$20,150	NA	\$7,757,750	30 months	No
6	King Property	.43 mile/9 min	.26 mile/6 min	240	\$20,730	NA	\$4,975,200	28 months	Yes
7	Chase Bank Parking	.15 mile/4 min	.09 mile/2 min	166	\$41,804	NA	\$6,820,000	22 months	Unknown
8	Sunset Sculpture Park	.20 mile/4 min	.04 mile/1 min	180	\$3,500	WSDOT	\$630,000	12 months	Yes*
8a	Sunset Sculpture Park (surface)	.20 mile/4 min	.04 mile/1 min	296	\$24,600	WSDOT	\$7,280,000	22 months	Yes*
9	MICEC	.26 mile/5 min	.34 mile/6 min	229	\$30,000	City Owned	\$6,870,000	22 months	Yes
9a	MICEC (surface)	.26 mile/5 min	.34 mile/6 min	203	\$5,000	City Owned	\$1,015,000	12 months	Yes
10	Mercer Isle Condo	.13 mile/3 min	.20 mile/4 min	0	\$0	NA	\$0	NA	NA
11	Luther Burbank South Parking Lot	.33 mile/10 min+	.40 mile/10 min+	228	\$25,570	City Owned	\$5,830,500	24 months	Yes
12	Auto Spa	.17 mile/4 min	.11 mile/3 min	216	\$29,460	NA	\$6,363,500	22 months	No
13	Overlook Park	.23 mile/5 min	.17 mile/4 min	54	\$3,500	WSDOT	\$189,000	12 months	Yes*
14	Bank of America	.27 mile/ 5 min	.20 mile/4 min	234	\$22,780	NA	\$5,330,000	26 months	No
15	I-90 Boat Launch	2+ miles	2+ miles	171	\$1,500	WSDOT	\$256,000	8 months	Yes*

\*Sites owned by WSDOT will require further inquiry and may not be viable

## 5.0 CONCLUSION

The evaluation criteria outlined in section 2.1 was applied to each of the 15 properties identified by the CMI as potential locations for the park and ride facilities. A recap of the criteria is as follows:

1. Location – Distance to and from the existing park and ride and future Light Rail Station.
2. Quantity – Number of new parking stalls.
3. Costs – Materials & Labor.
4. Timing – Length of time for design, permits, construction and operation.
5. Availability – Completion of the facility and operational by 2017.

Several sites were ideally located, would yield a substantial quantity of parking and were financially feasible. Unfortunately, these sites are unlikely to be operational by 2017:

1. Dollar Development
2. Walgreens
3. Albertsons

The following sites met one or two criteria but overall are not good candidates for continued consideration:

1. Rehabilitation Center
2. Chase Bank Parking
3. Luther Burbank South Parking Lot
4. Mercer Isle Condo
5. Auto Spa
6. Bank of America

Three of the properties surveyed met each of the evaluation criteria.

1. Freshy's
2. King Property
3. MICEC

While these properties are the most likely sites for an operational park and ride facility in 2017, each has their own unique challenges such as acquisition, zoning, traffic and/or public opposition to name a few.

## **6.0 LIMITATIONS**

In preparing this report, BP Squared has relied upon oral statements made by certain individuals and documents prepared by others. Great care has been taken to conduct an independent investigation of the facts contained in the referenced materials and/or statements. BP Squared shall not be responsible for conditions or consequences arising from this report including but not limited to relevant facts that may have been concealed, withheld or not fully disclosed at the time this report was prepared.

This analysis may change as new data become available, either from individuals familiar with the project or during additional due diligence. This report is intended for the exclusive use of The City of Mercer Island and their designated assignees for specific application to the referenced property.

The information provided in this report is not legal advice. BP Squared is not a law firm and is not a substitute for an attorney or law firm. BP Squared cannot provide legal advice.

Figure 1



 Park & Ride  
 Properties

 Walking Path




## Walking Path, Distance & Time to Park & Ride Station





Figure 1A

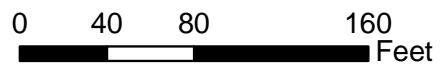


 Light Rail Station  
 Properties  
 Walking Path

# Walking Path, Distance & Time to Light Rail Station



Figure 2



**7445 SE 24th St  
(Old rehabilitation center)**



Figure 4



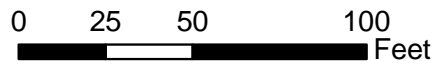
0 25 50 100 Feet

**Dollar Development**

Figure 5



erline



**Walgreens**

Figure 6



0 25 50 100 Feet

**Albertsons**

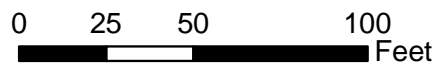
Figure 7



0 25 50 100 Feet

**King Property**

Figure 8



**Chase Bank**



Figure 9



0 25 50 100  
Feet

## Sunset Sculpture Park

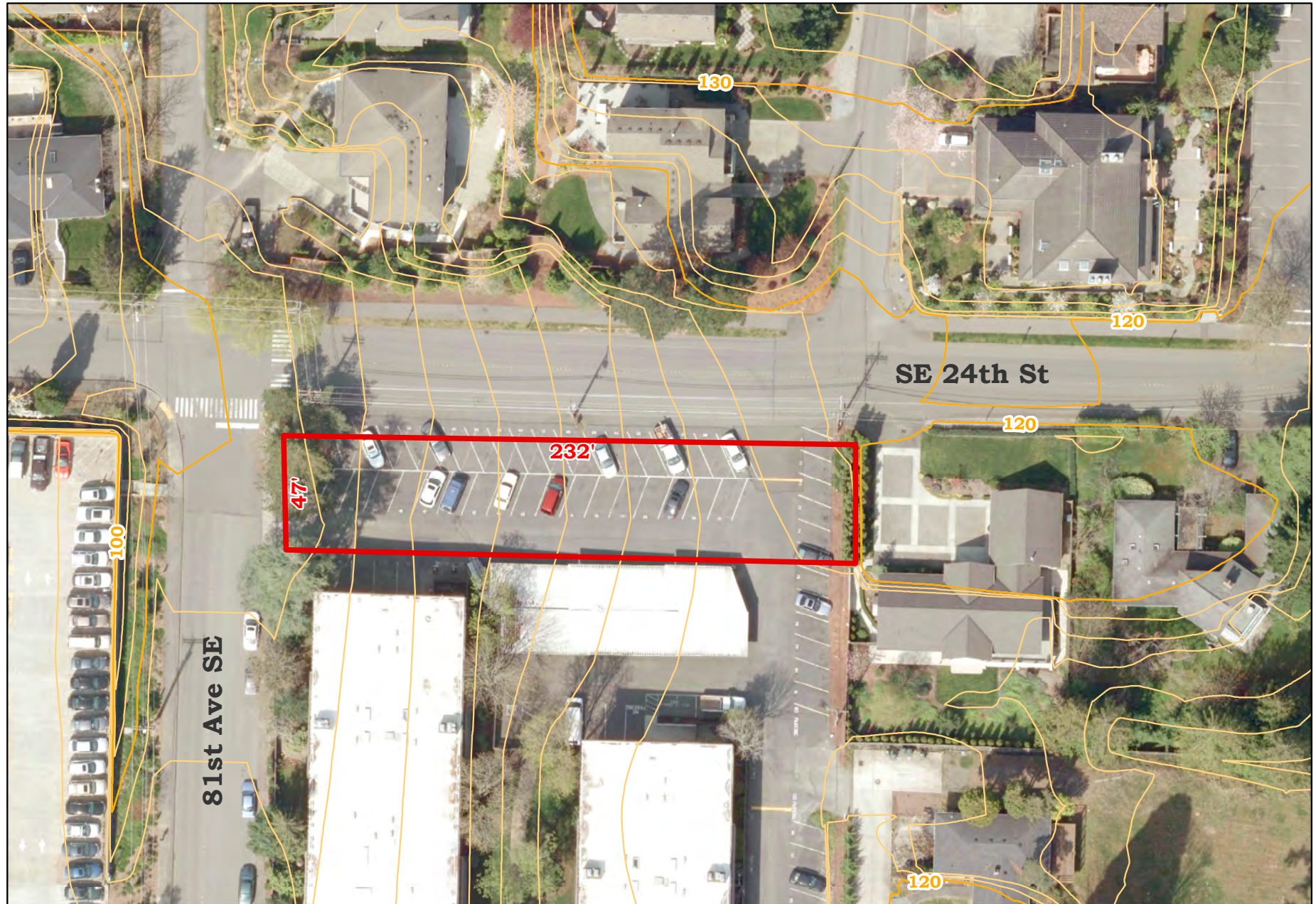
Figure 10



0 25 50 100  
Feet

### Mercer Island Community & Events Center

Figure 11



81st Ave SE

SE 24th St

### Mercer Island Condo Parking Lot

Figure 12



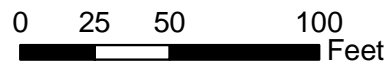
0 25 50 100 Feet

### Luther Burbank Park South Parking Lot



11-LutherBurbankParkParkingLot.mxd  
1/6/2015

Figure 13



**Auto Spa**

Figure 14



0 25 50 100 Feet

**Overlook Park**

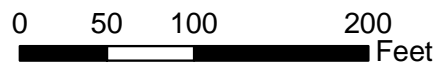
Figure 15



0 25 50 100  
Feet

**Bank of America**

Figure 16



## Boat Launch Site



**3**

**METRO BUS  
SERVICE**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Kirsten Taylor, Assistant City Manager

**RE:** Metro Bus Service

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

Does Council wish to continue pursuing alternative transit service and/or consider funding Metro/Mercer Island commuter service between Mercer Island and Seattle?

**BACKGROUND:**

Following the September 2014 Metro bus service cuts, a Council subcommittee, staff and citizen volunteers began immediate work with Metro to pursue alternate commuter services. In the weeks prior to the service reductions, the City and Metro surveyed Mercer Island bus riders to learn more about the riders, their understanding of the pending bus service cuts, and their plans for alternate methods to replace their use of the bus service.

Using the contacts gathered through the survey, the City held a public meeting with interested Mercer Island bus commuters. These citizens were invited to have conversations with the Council subcommittee to identify their commuting needs and to brainstorm options and ideas to help meet the needs from lost service. Many needs were identified by the nearly 100 Mercer Island residents at the meeting and via the 500+ responses to the survey. Metro used ridership data to assist in identifying the route(s) with the highest ridership.

Metro has been developing new bus alternative service models for communities that wish to partner with Metro. Two new models have strong potential to provide service to Mercer Island residents. One is the "Trip Pool" model of service and the second is a new "Commuter" small bus service that could provide a cost effective way to add additional commute hour trips from Mercer Island to First Hill and Downtown in Seattle. The City has also pursued potential partnerships with the City of Seattle, the Mercer Island School District, Covenant Shores and Shorewood Apartments in addition to Metro.

Metro staff will present the results from a second survey that was taken by Mercer Island residents mid-January 2015 regarding preferences for potential commuter routes and times

between Mercer Island and Seattle. Metro will also present cost estimates for Council discussion.

**EXHIBITS:**

1. Metro Survey Results “Mercer Island Commuter Transportation Concepts”

# Mercer Island Commuter Transportation Concepts

Friday, January 16, 2015

© 2015 King County

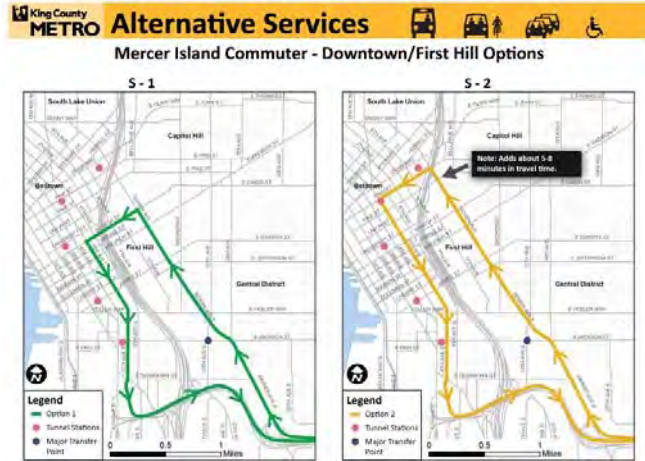
In the first part of January we asked people to give us feedback on a new commuter shuttle that would connect Mercer Island and Seattle's First Hill and Downtown neighborhoods. Within a week, more than 240 people responded to the survey with feedback about their preferred routing, trip times, and stop locations. This information will be used to design the final shuttle concept.

**More than 90% of respondents said they would be interested in using the new shuttle!**

## Downtown/First Hill Routing Options

The two Seattle routing concepts would operate as a one-way loop via First Hill and downtown Seattle. For both concepts the morning riders headed to First Hill would have a faster trip and the afternoon riders heading home from downtown would have a faster trip.

The longer routing in S-2 would get some riders closer to their destination, but would add 5-8 minutes of travel time for other riders. The shorter routing in S-1 would cost less to operate and may free up funds for additional trips.



## Q1: Which routing option do you prefer?

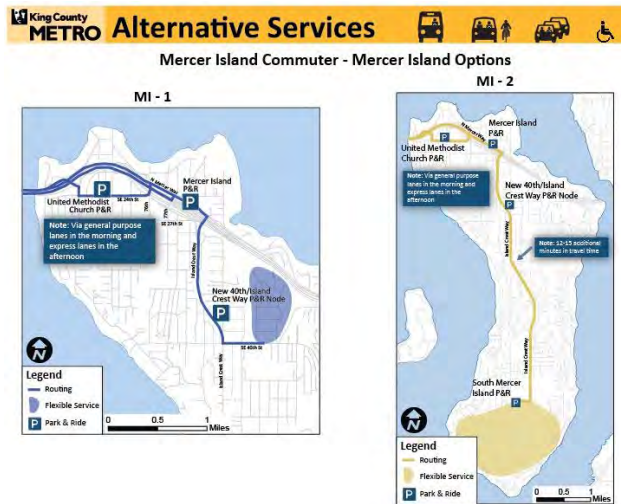
Answered: 219 Skipped: 28



## Mercer Island Routing Options

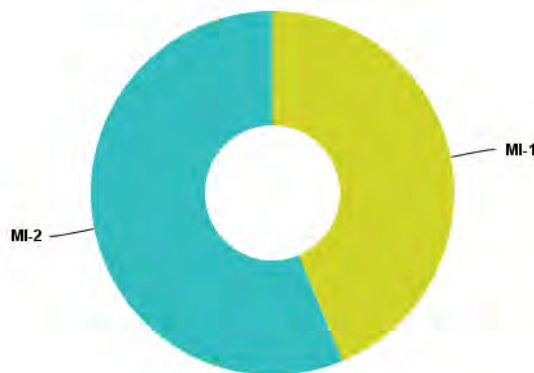
The Mercer Island routing concepts would both serve Mercer Island's First Hill neighborhood, as well as an expanded park-and-ride area located at 40th/Island Crest Way.

The longer routing in MI-2 would serve some riders closer to their home, but would add 12-15 minutes of travel time for each trip. The shorter routing in MI-1 would cost less to operate and may free up funds for additional trips.



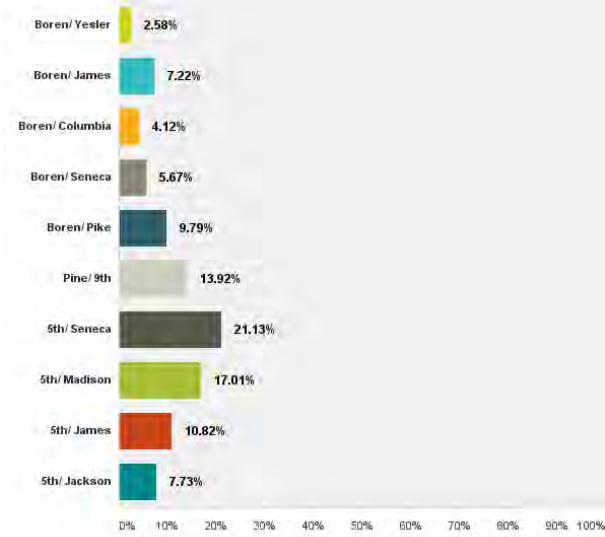
## Q2: Which routing option do you prefer?

Answered: 222 Skipped: 25



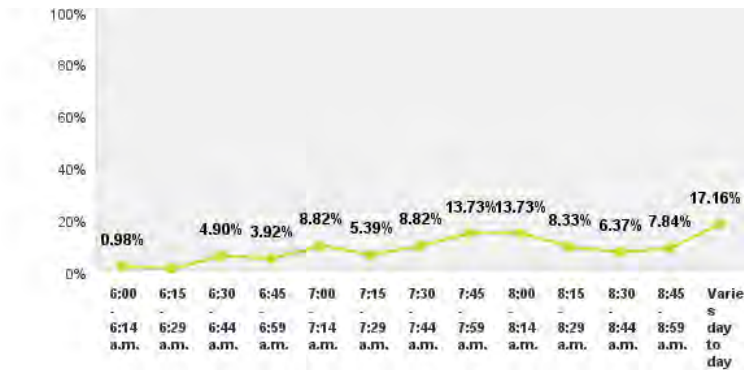
### Q3: What cross-street in First Hill or Downtown is closest to your destination?

Answered: 194 Skipped: 53



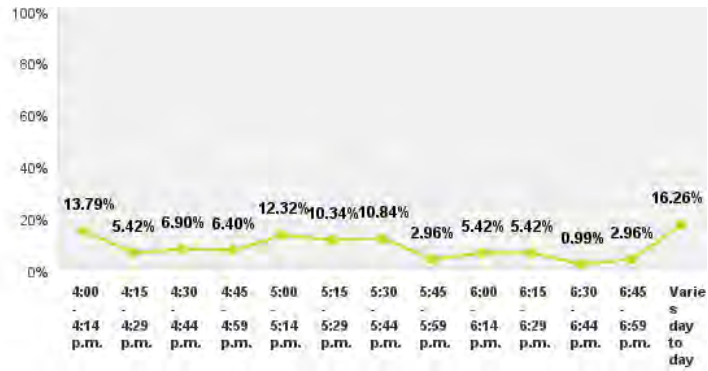
### Q4: At what time do you usually need to reach this cross street in the morning?

Answered: 204 Skipped: 43



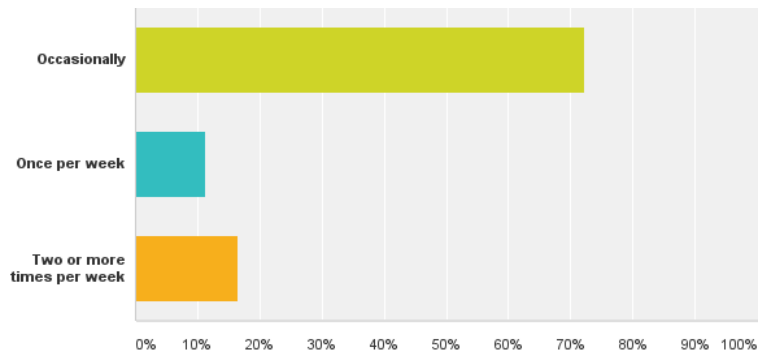
### Q5: At what time do you usually need a return trip in the afternoon?

Answered: 203 Skipped: 44



### Q6: How often would you return home after 7:00 p.m.?

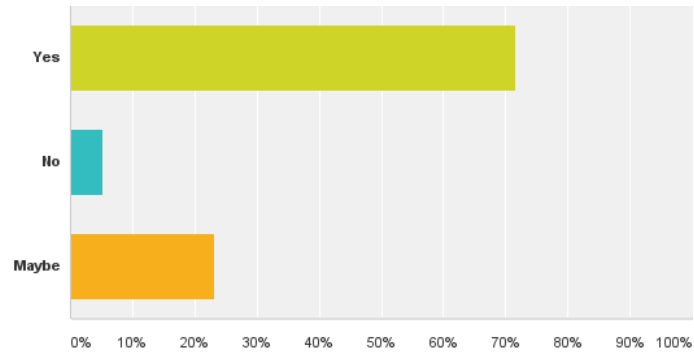
Answered: 187 Skipped: 60





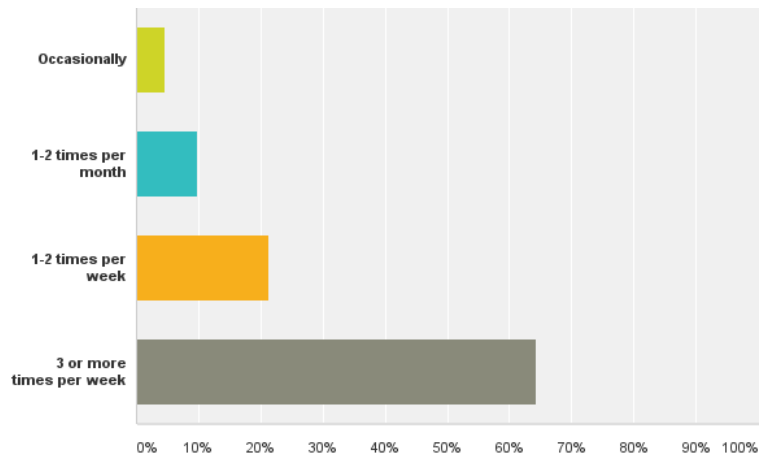
### Q7: Based on the information shared here, would you consider using this new commuter shuttle?

Answered: 247 Skipped: 0



### Q8: How often would you use this commuter shuttle?

Answered: 174 Skipped: 73



**4**

**CITIZEN OF THE  
YEAR**

# CITIZEN OF THE YEAR

*The City Council began recognizing outstanding efforts of citizens in 1990.*

## CRITERIA FOR SELECTION

- Honoree should be someone who is unrecognized for his/her contributions but is obvious to everyone as a good choice.
- Should be someone who has given service to the community either on Mercer Island or in the broader community in such a way as to reflect on Mercer Island.
- Every attempt to de-politicize the nominee and their efforts in the community should be taken, but politics should not exclude a good candidate.
- The nominations are taken at the annual Council retreat. If no one person is an obvious choice, it is better to have no choice than a wrong choice.
- An attempt is made to recognize someone who has given a broad base of community service but has not been recognized in a lot of ways.
- No elected official in office or known to be candidate for elective office may receive the award. [Added 3/2001]
- Honoree should be someone who has had a significant impact on the community in the past year. [Added 1/2009]

## PAST RECIPIENTS

- |      |                                   |
|------|-----------------------------------|
| 1990 | Barbara Sweir & Phil Flash        |
| 1991 | John Nelson                       |
| 1992 | Dr. Floyd Short                   |
| 1993 | Anna Matheson & Delores Erchinger |
| 1994 | Pam Eakes                         |
| 1995 | John Steding                      |

1996 Fay Whitney

1997 Pat Braman

1998 MI Clergy Association: Bill Clements, Woody Carlson, Paul Fauske, Wynton Dunford, David Rose, Lisa Gelber, Richard Johnson, John Bowman, Carla Berkedal, Randal Gardner, Jack Olive, Eric Newberg, Jeff Holland, Michael Bush, Frederic Harder, Susan Price, Dale Sewall, Jean Davis, John Fellows, Kimbrough Besheer, and Marlow Schoop.

1999 ANAC - Steering Committee: Ira Appelman, Charlie Barb, Jim Gilchrist, Carol Heltzel, Tom Heltzel, Lorelei Herres, Tom Hildebrandt, Elizabeth Huber, Francoise Martin , Maxine Misselwitz, Ted Misselwitz, Phil Ohringer, Fran Ohringer, Kevin Peck, Sue Stewart, Nick Vedder

2000 Don Cohen

2001 Eugene Ferguson

2002 Jan Deveny

2003 Myra Lupton

2004 Aubrey Davis

2005 Ben Wolfe (given posthumously)

2006 Kenneth & Margaret Quarles

2007 Jim Trombold

2008 MI Farmers Market Committee

2009 Blair Rasmussen

2010 Susan Kaplan and Terry Pottmeyer

2011 Michael K. Copass, M.D.

2012 Fran Call

2013 Mercer Island Preschool Association

## Mercer Island Citizens of the Year

*Next time you visit a City Council meeting or come to City Hall on other business, you can view a gallery of Citizen of the Year photographs in the lobby immediately adjacent to the City Council Chambers.*

### 1990

The first citizen of the year was **Barbara Swier**. She was thanked by the Council for organizing daffodil bulb planting in Mercer Island's Central Business District. She had single-handedly organized volunteers to plant the Town Center with bulbs to make a great splash of color in the spring. Her work was done with little help from the City and was much appreciated. Since the Council did not have a citizen of the year award at that time, the Council recognized her at a regular meeting.

That same the Council also thanked **Phil Flash** for organizing a volunteer litter patrol along the sides of roads. He demonstrated his further commitment to Mercer Island as Santa at the Merchant's Munch, as member of the Historical Society and participant on many community occasions.

### 1991

The second year, the Council decided to pick a member of the community who had been active in many different ways. They chose **John Nelson** because he had served as founding member and president of the Arts Council, was a member at large for the Youth and Family Services Board, was active starting and running the Rotary Marathon, volunteered to be a starter at the annual all school track meet, was on the Community Fund board and as such had acted as auctioneer at various auctions. He also was very active in Mercersversery, the occasion of the 25th year since the City of Mercer Island incorporated. Whenever there was a task for volunteers, John was there helping. John ran for City Council in 1994 and won. He served four years before stepping down to become a Regional Governor for Rotary.

### 1992

The third year the Fire Department brought the Council the name of an unsung hero that they wished to see honored – **Dr. Floyd Short**. He was the trainer for all the firefighters to become emergency medical technicians (EMT). He created the first trained EMTs who were able to provide first response before the Medic One arrived. When Hunter Simpson, then president of Physio-Control donated a defibrillator to the Mercer Island Fire Department, Dr. Short began training fire fighters in its use. His experiment got him a 20 year volunteer position as trainer.

### 1993

By 1993, the Council felt that rules of how and why we chose a Citizen of the Year would be helpful. At that time we felt that we wished to make the award fun and meaningful to us all. We agreed to a set of [criteria](#) that would guide the Council in its selection of its Citizen of the Year.

That year there were two nominations of people who had similar activities and were of similar advanced age. Instead of waiting for another year, we agreed to honor them both. **Anna Matheson** was very active in starting and maintaining the Council on Aging. This group had advocated for seniors and had been instrumental in starting Meals on Wheels, transportation for seniors by volunteers, and many other senior support activities. **Delores Erchinger** was volunteer extraordinaire for the Chamber of Commerce. She often called every business member to remind them of the monthly Chamber Meetings and worked countless hours answering the phones there. She further volunteered at the Council on Aging, and helped start the Historical Society.

### 1994

**Pam Eakes** was chosen this year because of her national activities for Mothers Against Violence in America (MAVIA). In the year that she started this organization, it had grown to 30 chapters across the state. This organization has grown nationally and has also created a school based group called Students Against Violence Everywhere (SAVE).

### 1995

The year that **John Steding** died, we realized that he had given many years of service to our community and that the Council had not yet recognized someone who was active in the schools. With this in mind, the Council posthumously awarded John Steding its Citizen of the Year. John was the keeper of the statistics for most sports at Mercer Island High School.

### 1996

**Faye Whitney** was honored for her 20 years of service to seniors and youth on Mercer Island. She had just completed Blossoms and Burgers, an event that partners the seniors at the Parks and Recreation Department with the Crest Learning Center. She helped start and run this event for many years. She also is active in the Council on Aging and Meals on Wheels program. She volunteered at the Mercer Island Thrift shop since 1978, raising funds for

Youth and Family Services.

#### 1997

**Pat Braman** was active for many years as a teacher and union activist. But her nomination came from a year of devoting personal time to bring the Youth Asset training to Mercer Island Schools. This program was part of another position she held as the City's only representative on the Community Network of Mid-East King County. These Networks were formed by the legislature to meet the challenge of increasing youth violence and teen pregnancy. Pat's work on both these projects took time and energy to find funds from the private sector and to advocate for people in the community to get trained to be more supportive of kids.

#### 1998

**The Clergy Association** was chosen because the Council was so appreciative of their overwhelming support and advocacy for affordable housing. This group was not used to taking political or public stands and yet became a moving force in our community. Their support culminated in the purchase of Ellsworth House in 1999. They also had developed a chaplain support group for the Public Safety Department.

#### 1999

For the second year in a row, the Citizen of the Year award went to a large group -- the **Aircraft Noise Abatement Committee**. This group of over 260 citizens vigilantly opposed operational and policy changes proposed by the Federal Aviation Administration that would cause increased aircraft noise over Mercer Island.

#### 2000

Don Cohen received the 2000 Citizen of the Year award for his decade of service on the Mercer Island Planning Commission. Having served as its Chairman for four years, Don contributed to the development of many important pieces of land use legislation including the Mercer Island Comprehensive Plan, Critical Lands Ordinance, Mega-House Ordinance and the Unified Land Development Code. Don garnered respect for his experience, sense of fairness, environmental advocacy, leadership and legal knowledge.

#### 2001

The 2001 Citizen of the Year was **Eugene Ferguson**. Eugene "Gene" Ferguson received the Council's appreciation for his 25 years of service to the children and families of Mercer Island. As Band Director and long-time music educator, Eugene worked tirelessly to introduce music into the lives of thousands of Mercer Island students. He made great contributions to the success of the music program in the Mercer Island School District bringing it national, state and local acclaim.

#### 2002

Jan Deveny was chosen as Citizen of the Year for 2002 in recognition of his 28 years of service as Mercer Island's Public Safety Director. His law enforcement career spanned almost 40 years, during which he was President of the Washington Association of Sheriffs and Police Chiefs and active in the International Association of Chief of Police. He was a tireless supporter of Special Olympics, and co-founded the Washington Law Enforcement Torch Run.

#### 2003

City Council members honored **Myra Lupton** for being an involved citizen in every sense of the word. She was complimented for being an independent thinker. Mayor Alan Merkle said, "She is one person who has been able to praise and criticize in one breath, and we feel good about both." Ms. Lupton retired from teaching English in January 1992 after 31 years with the Bellevue School District. She has been active in numerous civic committees on Mercer Island, including the local chapter of the League of Women Voters.

#### 2004

He's been called the godfather of Puget Sound transportation and credited with coining the phrase "we don't want to hear it, see it or smell it" as a condition of Interstate 90's expansion across the Island. His colleagues have said that, "He's flunked retirement several times", with a career in public service that has spanned six decades **Aubrey Davis** is honored with the 2004 Citizen of the Year Award.

Aubrey first moved to Mercer Island in 1960 and was elected to the Mercer Island City Council in 1968, remaining on the Council until 1978. He served as mayor for two terms from 1970 to 1973. Throughout the years since leaving the Mercer Island City Council, he has headed the regional office of the U.S. Department of Transportation and has led the federal Urban Mass Transit Administration.

He served 32 years on the Group Health Board of Trustees, including eight terms as chair and in 1988, was named president and CEO of Group Health a position he held for four years. Aubrey recently retired after serving more than 12 years on the Washington State Transportation Commission.

He'll remain active on the transportation committee at the Puget Sound Regional Council and on the committee reviewing the options for replacement of the Highway 520 Bridge. He also currently serves on the Citizens'

Oversight Panel monitoring Sound Transit.

## 2005

The City Council chose **Ben Wolfe** as the 2005 Citizen of the Year. Ben was hired by the Mercer Island School District in 1963. For his first two years he taught French. In 1965 he was appointed as the Vice Principal of North Mercer Junior High. He worked in that position until 1980.

During his time at North Mercer Junior High, Ben was in charge of much of the disciplinary process, as the Vice Principal. He was a very stern administrator as far as following the rules and the law. Ben developed a very close working relationship with the police and fire departments during this time. His quick wit and outstanding personality were always a hit.

Ben used to refer to himself as the "Captain of the North Precinct" because he felt as if he was the cop in the school for us at the Junior High School. Soon this nickname spread and Ben was proud of this nickname. Ben would call the department and say this is Captain Wolfe from the North Precinct and I have one in custody for you.

In 1980 Ben was appointed as the Director of Maintenance Operations for the Mercer Island School District. He worked in this capacity until he retired in June of 1992. Ben had 36 total years of working in the field of education, 29 of which were with Mercer Island. Ben made several trips to Europe and enjoyed talking about his experiences there.

A good joke or war story usually started the meetings he attended serving as a citizen volunteer on the City's Police and Fire Disability Board. Ben served 15 years, and was the Board Chairman for many years.

## 2006

Longtime Mercer Island residents, **Margaret and Kenneth Quarles** were chosen as the 2006 Citizen of the Year for their generous and selfless contribution to the City's park and open space system this year. The Quarles' were the owners of pristine open space located west of East Mercer Way and adjacent to Pioneer Park. In 2006, the Quarles agreed to transfer this rare open space property consisting of nearly 7 acres to the City of Mercer Island in order to preserve this property for park and recreation purposes.

This significant gift to the City will serve as a lasting legacy to the family's strong ties to the Mercer Island community and represents their strong desire to preserve the property from potential future development while providing recreational trail opportunities for future generations.

## 2007

"Tonight we honor a fixture in our community who has been involved in almost everything for decades," said Mayor Jim Pearman in naming **Jim Trombold** the 2007 Citizen of the Year on June 16, 2008. In addition to being a respected physician and Rotarian, Trombold was a community activist, environmentalist and defender of Mercer Island parks.

Jim was a Rotarian who served as president from 2005 to 2006, the chair of the Planet Earth committee, an avid lover and defender of the Mercer Island parks system. He fought to preserve and improve Mercerdale Park, including the establishment of a group native garden. He helped set up the display of crosses at Mercerdale Field by Vietnam Veterans against the war in Iraq. In 2005-06, when he was president of MI Rotary, he helped expand support for the Half-Marathon to raise money for colon cancer awareness.

## 2008

The 2008 Citizen of the Year Award honors not one, but dozens of Island residents. On Monday, July 6, 2009 the Mercer Island City Council announced "**the organizers and volunteers of the inaugural 2008 Mercer Island Farmers Market**" as the much anticipated Citizen of the Year.

This group was recognized for their contributions to providing a vibrant community setting that offers fresh, locally grown foods, promotes and supports sustainable agriculture, and connects residents to each other and to local farmers. The Mercer Island Farmers Market enables residents to purchase local food from local farmers and in doing so, contribute to the local economy.

## 2009

The City Council presented the 2009 Citizen of the Year award to **Blair Rasmussen**, executive director of the Mercer Island Boys & Girls Club and former NBA player, in honor of his service to the community's children and families. The award recognizes Rasmussen's leadership as executive director of the Mercer Island Boys & Girls Club, where he spearheaded the development and construction of the PEAK youth facility. The 41,300-square-foot PEAK facility will house the new Mercer Island Boys Girls Club, a teen center, infant and child care centers, and a multi-sport field house. The \$15 million facility opened in August 2010. Prior to heading the PEAK project, Rasmussen helped lead the remodel of St. Monica's, sat on the board of the Boys and Girls Club, and coached a number of

Island youth sports teams. A 15-year resident of the Island, Rasmussen and his wife, Sarah, have five children, Christine, Sam, Sabrina, Joe and Jack.

## 2010

The City Council chose **Susan Kaplan and Terry Pottmeyer** as the 2009 Citizens of the Year for their decades of selfless service to the Mercer Island community. Susan and Terry chaired the Mercerversary 50 Committee in 2010 and helped provide a wonderful celebration that acknowledged the past and welcomed the future. Months of preparation, planning, and effort went into creating the anniversary event. A website was created to post stories and lists of longtime residents, a brief history of the Island, and celebration events. A hugely successful birthday party was planned with special recognitions of 80+ year residents and welcomes extended to those who had just arrived. Cakes were cut, candles blown out, and many recognitions were given to those instrumental in the development of Mercer Island as a City.

Susan and Terry have both been active in PTA at every level, from the Preschool Association to the Mercer Island High School and received recognition and numerous awards for their work. They have both been board members and the President of Mercer Island Schools Foundation, the Mercer Island School Board and the Mercer Island Community Fund. They have been members of the Committee for Mercer Island Public Schools (CIMPS) and the committee to raise money for the new Mercer Island High School Band uniforms. Susan and Terry have both been involved in the MIYFS Foundation and the Mercer Island Youth & Family Services Giving from the Heart Breakfast steering committee. Both Susan and Terry work to build a strong community. They make community connections, start and follow through with new initiatives, and have given countless hours and selfless acts to the betterment of our community.

## 2011

The City Council presented the 2009 Citizen of the Year award to **Dr. Michael Copass**. He is one of the founding fathers of the Medic One Program – a medical system that Medical Professionals worldwide continue to study and emulate. For thirty-five years, he was the Director of Emergency Services for Harborview Medical Center – the only Level 1 Trauma Center in a five state region. He continues to be the Medical Director of Medic One for the Seattle Fire Dept, and the UW Paramedic Training program which trains ALL of the paramedics in Seattle and King County. Dr. Copass founded Airlift Northwest in 1982, a nonprofit air ambulance service that is unrivaled anywhere in the United States and is responsible for saving thousands of lives. Dr. Michael Copass is a legend in the Fire and EMS community. He has demanded excellence from those that have worked for him or in his programs. His work ethic and devotion to patients is legendary. No single person has done more for the health of this community than Dr. Copass.

## 2012

The City Council selected **Fran Call** as 2012 Citizen of the Year in honor of her extensive service to the community. For 26 years Ms. Call taught English, history and outdoor fitness at the Junior High and Middle Schools on the Island and is known for her motivational talents and no-nonsense but caring nature. Always an outdoor enthusiast, she developed a legendary outdoor fitness program, a "*P.E. Plus*" class, that had kids running, bicycling, hiking, canoeing and learning survival skills. Motivated students could even join an annual self-supported bike ride led by Ms. Call to various destinations across the country. Since her retirement 20 years ago, Fran hasn't even considered slowing down, instead starting a walking group for people over 55, offered through the Mercer Island Parks and Recreation Department.

## 2013

This year, the Council selected **Mercer Island Preschool Association** ([MIPA](#)) as 2013 Citizen of the Year. Founded in the 1920's, MIPA was one of the first community groups to organize on the Island and has maintained an enduring focus on education and advocacy, community building and parks. As a group of volunteers, its guiding principle is an unwavering commitment to the education and well-being of children from birth through Kindergarten, often working in conjunction with the City. For example, in partnership with the City's Youth and Family Services Department, MIPA provides funding for pre-school scholarships for families in need; and with the City's assistance, MIPA supports emergency preparedness in the preschools. And annually MIPA recognizes an outstanding preschool teacher via its Exceptional Educator award. In October 2013, the City opened a very special, ADA-accessible, remodeled playground at Luther Burbank Park which celebrates the importance of play for children of all physical abilities: MIPA provided design assistance and almost \$100,000 in donations toward the project. In its 80+ years of existence, MIPA has been a tremendous contributor to the sense of community all Islanders enjoy, and fully deserves this honor.

PRINT

CLOSE



**5**

**2015-2016  
BUDGET PROCESS  
DEBRIEF**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Chip Corder, Assistant City Manager/Finance Director

**RE:** 2015-2016 Budget Process De-brief

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**COUNCIL DISCUSSION/QUESTIONS PRESENTED:**

1. How did the new, higher level, approach to reviewing the biennial budget work for the Council?
2. What would have made the biennial budget review process more useful for the Council?

**BACKGROUND:**

At its January 2014 Planning Session, the Council decided to change its approach to reviewing the biennial budget. Instead of reviewing the 2015-2016 Operating Budget by department, the Council decided to review it by selected funds (i.e. General Fund, Criminal Justice Fund, Beautification Fund, YFS Fund, Water Fund, Sewer Fund, and Storm Water Fund), focusing on the following for each selected fund: 1) major revenue estimates, 2) summary level of expenditures, 3) fund balance, 4) operating budget analysis, 5) service enhancement requests, and 6) significant budget policy issues/changes. There was only one change to how the Capital Improvement Program (CIP) was reviewed by the Council. In the past, the Council focused on the CIP Project Summary, which is organized by plan (i.e. Capital Reinvestment Plan vs. Capital Facilities Plan) and then by project category. This time the Council focused on the six-year fund statements (i.e. Street Fund, Capital Improvement Fund, Technology & Equipment Fund, Water Fund, Sewer Fund, and Storm Water Fund), which show the revenue estimates, project costs, reserves, and fund balances for the coming six-year period. The 2015-2016 Budget Calendar is attached as Exhibit 1 for reference purposes.

**EXHIBITS:**

1. 2015-2016 Budget Calendar

## Exhibit 1

### 2015-2016 Budget Calendar

Date	Agenda Item / Council Action
Mar 17	<b>2015-2020 Capital Improvement Program (CIP) Kick-off</b>
Jun 14	<b>2015-2016 Operating Budget Kick-off</b>
Jun 16	<b>2015-2020 CIP "Preview"</b>
Oct 6	<b>Budget Overview</b> <ul style="list-style-type: none"> <li>▪ Review Budget Message</li> <li>▪ Distribute budget document to Council</li> </ul>
Oct 20	<b>Operating Budget Review</b> <ul style="list-style-type: none"> <li>▪ Review selected funds: <b>General Fund, Criminal Justice Fund, Beautification Fund, YFS Fund, Water Fund, Sewer Fund, and Storm Water Fund</b></li> <li>▪ Focus on following for each fund: <ul style="list-style-type: none"> <li>▫ Major revenue estimates</li> <li>▫ Expenditure summary</li> <li>▫ Fund balance</li> <li>▫ Operating budget analysis (1-2 page expenditure summary)</li> <li>▫ Service enhancement requests</li> <li>▫ Significant budget policy changes/issues</li> </ul> </li> </ul>
Nov 3	<b>CIP Review</b> <ul style="list-style-type: none"> <li>▪ Updated 2015-2020 REET forecast</li> <li>▪ Changes to CIP "Preview" by Council &amp; staff</li> <li>▪ Partially funded &amp; unfunded projects</li> <li>▪ Significant budget policy changes/issues</li> <li>▪ Project review by exception (using six-year fund statements)</li> </ul>
Nov 17	<b>Council Action Required</b> <ul style="list-style-type: none"> <li>▪ Finalize changes to operating budget and CIP</li> <li>▪ Adopt 2015 utility rates (water, sewer, storm water, and EMS)</li> <li>▪ Adopt 2015 property tax levy</li> </ul>
Dec 1	<b>Council Action Required</b> <ul style="list-style-type: none"> <li>▪ Adopt 2015-2016 Final Budget ordinance</li> </ul>

**6**

**PROJECTED FUND  
DEFICITS**



# MEMORANDUM

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## *2015 City Council Planning Session*

**TO:** City Council

**FROM:** Chip Corder, Assistant City Manager/Finance Director

**RE:** Projected Deficits in YFS Fund, General Fund, and Capital Improvement Fund

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### **COUNCIL DISCUSSION/QUESTIONS PRESENTED:**

What steps does the Council want to take in 2015-2016 to address the projected deficits in the:

- a. YFS Fund?
- b. General Fund?
- c. Capital Improvement Fund?

### **BACKGROUND:**

The following deficits are projected in three major funds:

- The **Youth & Family Services (YFS) Fund** has a projected deficit of \$192,000 at the end of 2016, \$320,000 at the end of 2017, and \$392,000 at the end of 2018 (see Exhibit 1).
  - These deficits include a 4<sup>th</sup> elementary school counselor beginning in September 2016.
  - The projected deficit at the end of 2017 increases to \$320,000, because: 1) 2017 represents the first full year of having the 4<sup>th</sup> elementary school counselor; and 2) the remaining fund balance was used up in 2016.
  - The projected deficit at the end of 2018 increases to \$392,000, because federal funding for the CTC program will cease at the end of 2017.
- The **General Fund** has a projected deficit of \$950,000 at the end of 2017 and \$1,503,000 at the end of 2018 (see Exhibit 2).
  - Simply put, revenues are not growing as fast as expenditures. This is evident in the adopted 2015-2016 General Fund Budget, with total revenues projected to grow 4.7% in 2015 and 2.0% in 2016 and total expenditures projected to grow 4.9% in 2015 and 3.8% in 2016. At the root of the problem is property tax, which makes up 42% of total budgeted revenues in 2015-2016. By comparison, property tax makes up only 19-23% of total budgeted revenues in the cities of Bellevue, Bothell, Issaquah, Kirkland, and Redmond. Per state law, the Council

can increase the regular levy by only 1% per year, excluding the use of banked capacity. In addition, the City is provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed and improved residential and commercial properties. On average, new construction generates another 1% per year in property tax revenue. Taken together, the effective cap is 2% per year for Mercer Island. This limitation on the General Fund's largest revenue source puts an unrealistic burden for growth on sales tax, utility tax, development fees, and recreation fees.

- How has the City managed to balance the budget over the past 10+ years?
  - High level of development activity in the Town Center in 2004-2007 and 2013-2016, resulting in spikes in construction-related sales tax and development fees;
  - Low inflation in 2009-2014, which has kept cost growth down (especially employee wages);
  - Parks M&O levy lid lift approved by Island voters in November 2008;
  - Significant budget cuts in 2009-2012 due to the Great Recession; and
  - New utility tax on the City's water, sewer, and storm water utilities beginning in 2013.
- The **Capital Improvement Fund** has a projected deficit of \$279,000 at the end of 2017 and \$483,000 at the end of 2018 (see Exhibit 3).
  - These are the projected deficits after staff cut or pushed out \$830,000 in projects beyond 2020:
    - Pushed out City Hall Carpet & Council Chambers Remodel projects (\$260,000);
    - Pushed out MICEC Emergency Lockdown project (\$95,000);
    - Cut Open Space Vegetation Management project (\$300,000), with the Council restoring \$50,000 in 2015-2016 (\$250,000 net reduction); and
    - Pushed out Luther Burbank Park Shoreline Phase IV project (\$225,000).
  - The projected deficits in 2017 and 2018 (and beyond) can be attributed mostly to the following two projects in 2015:
    - Groveland Beach Dock Repair & Shoreline Improvements project (\$935,000); and
    - Island Crest Park Ballfield Lights Replacement project (\$500,000).
  - REET has fully recovered from the Great Recession. As a result, staff believes it would be unwise to push the 2015-2020 REET forecast any further.
  - The annual, ongoing funding need is estimated to be at least \$250,000 per year.

## RECOMMENDATION:

The staff recommends taking the following steps to address these projected deficits:

- **YFS Fund**

- Complete the public process in the first quarter of 2015 on how to address the YFS Fund's projected deficits at the end of 2016 and beyond.
- Use \$48,370 in remaining banked capacity to reduce the YFS Fund's projected deficit at the end of 2016 from \$192,000 to \$95,000. The remaining \$95,000 deficit could be addressed using 2014 General Fund surplus revenues and/or expenditure savings. Doing these things would reduce the projected deficit at the end of 2017 from \$320,000 to \$272,000, which could be addressed in one of three ways:
  1. Increase the General Fund support of the YFS Fund from \$350,000 to \$450,000 per year and reduce current YFS service levels by \$172,000 beginning in 2017. The \$100,000 increase in General Fund support would trigger the need for a service level reduction in 2017 in the General Fund.
  2. Amend the interlocal agreement with the School District to have them pay for 50% of the cost of the existing 6.5 school counselors ( $\$552,000 \times 50\% = \$276,000$ ) and 100% of the cost of the 4<sup>th</sup> elementary school counselor (\$80,000). This totals \$356,000, which is \$296,000 more than what the School District is currently paying the City (\$60,000) for school counseling services.
  3. Submit a levy lid lift to Island voters in November 2016 to fund the annual, ongoing deficit beginning in 2017.

- **General Fund**

- First, given that salaries and benefits comprise 73% of the 2015-2016 General Fund budget, the Council will be briefed on the City's compensation policy and practices at the January 2015 Planning Session, identifying where the Council has discretion. If additional information is needed, a Council study session could be held in the first quarter of 2015.
- Second, if deemed useful, the Council could conduct a detailed service level review of selected departments during the second quarter of 2015. Note that the following positions, which were cut or reduced in 2009-2014, have not been restored:
  - Right-of-Way Maintenance Team Member (2.0 FTEs)
  - Parks Manager (1.0 FTE)
  - Transportation Manager (1.0 FTE; this position was split 70/30 between the General Fund and the Street Fund)
  - Police Records Clerk (0.5 FTE)

- Legal Assistant (0.5 FTE)
  - Right-of-Way Arborist (0.5 FTE)
  - Court Administrator (0.25 FTE)
  - Assistant City Attorney (0.25 FTE)
  - Third, if the Council determines that a material reduction to either the City's compensation policy or to current service levels would be unwarranted or unwise, then staff would recommend engaging the community in the first half of 2016 about the need for a levy lid lift, ultimately going to Island voters in November 2016.
- **Capital Improvement Fund**
    - If the Council decides to put a levy lid lift on the November 2016 ballot to address the YFS Fund and/or General Fund projected deficits, then staff recommends adding \$250,000 for parks, open space, and facilities projects, which are accounted for in the Capital Improvement Fund.
    - If the Council decides to not put a levy lid lift on the November 2016 ballot, then significant reductions to parks, open space, and facilities projects will be required when the 2017-2018 CIP is developed in 2016, absent higher than projected REET receipts in 2015-2016.

**EXHIBITS:**

1. YFS Fund Financial Forecast (2015-2020)
2. General Fund Financial Forecast (2015-2020)
3. Capital Improvement Fund Financial Forecast (2015-2020)



## Exhibit I: YFS Fund Financial Forecast (2015-2020)

Description	2015 Budget	2016 Budget	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast
<b>RESOURCES</b>						
<b>Budgeted</b>						
Beginning Fund Balance	\$ 210,908	\$ 32,938	\$ -	\$ -	\$ -	\$ -
KC Grant Revenue	36,000	36,000	36,000	36,000	36,000	36,000
School Counselor Program Support	60,000	60,000	60,000	60,000	60,000	60,000
Thrift Shop	1,359,280	1,413,651	1,470,197	1,529,005	1,590,165	1,653,772
Program Fees & Donations	190,500	190,500	192,405	194,329	196,272	198,235
CTC Grant Funding	125,000	125,000	125,000	-	-	-
MIYFS Foundation Support	155,000	155,000	155,000	155,000	155,000	155,000
Interfund Transfer - YFS Endowment	500	500	500	500	500	500
Interfund Transfer - General Fund	350,000	350,000	350,000	350,000	350,000	350,000
<b>Total Budgeted Resources</b>	<b>\$ 2,487,188</b>	<b>\$ 2,363,589</b>	<b>\$ 2,389,102</b>	<b>\$ 2,324,834</b>	<b>\$ 2,387,937</b>	<b>\$ 2,453,507</b>
<b>Not Budgeted</b>						
Beginning Fund Balance (Reserved)	32,938	0	(191,756)	(511,640)	(903,630)	(1,329,614)
<b>TOTAL RESOURCES</b>	<b>\$ 2,520,126</b>	<b>\$ 2,363,589</b>	<b>\$ 2,197,346</b>	<b>\$ 1,813,194</b>	<b>\$ 1,484,308</b>	<b>\$ 1,123,893</b>
<b>USES</b>						
<b>Budgeted</b>						
Salaries and Wages	\$ 1,442,551	\$ 1,465,851	\$ 1,535,586	\$ 1,546,788	\$ 1,585,458	\$ 1,625,094
Benefits	579,511	635,724	693,786	\$ 724,996	\$ 772,121	\$ 822,309
Supplies	61,700	62,700	63,954	65,233	66,538	67,868
Contractual Services	113,928	115,622	117,934	79,493	81,083	82,705
Equipment Rental	108,128	109,818	115,309	115,309	121,074	121,074
Utilities & Insurance	10,589	11,127	11,350	11,577	11,808	12,044
Other Services and Charges	101,625	102,101	104,143	106,226	108,350	110,517
Intergovernmental	6,156	6,402	6,925	7,202	7,490	7,789
Interfund Transfers	63,000	46,000	60,000	60,000	60,000	60,000
<b>Total Budgeted Expenditures</b>	<b>\$ 2,487,188</b>	<b>\$ 2,555,345</b>	<b>\$ 2,708,987</b>	<b>\$ 2,716,823</b>	<b>\$ 2,813,922</b>	<b>\$ 2,909,401</b>
<b>Not Budgeted</b>						
Program Changes / New Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	32,938	(191,756)	(511,640)	(903,630)	(1,329,614)	(1,785,509)
<b>TOTAL USES</b>	<b>\$ 2,520,126</b>	<b>\$ 2,363,589</b>	<b>\$ 2,197,346</b>	<b>\$ 1,813,194</b>	<b>\$ 1,484,308</b>	<b>\$ 1,123,893</b>

**Annual deficit:** \$ (191,756) \$ (319,885) \$ (391,989) \$ (425,984) \$ (455,895)

Expenditure Inflationary Factors	
Salaries	2.5%
Benefits	6.5%
Other	2.0%

**Back out CTC program costs in 2018:**

0.5 CTC Coordinator salary	26,525
0.5 CTC Coordinator benefits	13,038
Other CTC costs	40,000
	79,563

School Counselors (YF2100)	2015	2016	2017	2018	2019	2020
Salary	359,442	391,430	434,305	445,162	456,291	467,699
Benefit	147,443	168,225	195,899	208,633	222,194	236,636
Other	2,200	2,200	2,244	2,289	2,335	2,381
<b>TOTAL YF2100</b>	<b>509,085</b>	<b>561,855</b>	<b>632,448</b>	<b>656,084</b>	<b>680,820</b>	<b>706,717</b>

4th Elementary School Counselor:	Sep-Dec	Jan-Jun
Salary	21,522	32,282
Benefits	10,478	15,718
	32,000	48,000

## Exhibit 2: General Fund Financial Forecast (2015-2020)

Description	2015 Budget	2016 Budget	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast
<b>RESOURCES</b>						
Beginning Fund Balance	-	440,675	-	-	-	-
Property Tax	11,309,460	11,585,339	11,817,046	12,053,387	12,294,454	12,540,344
Sales Tax	3,487,000	3,731,000	3,917,550	4,113,428	4,319,099	4,535,054
Utility Taxes	4,461,100	4,632,350	4,817,644	5,010,350	5,210,764	5,419,194
Shared Revenues	511,500	449,600	449,600	449,600	449,600	449,600
EMS Revenues	1,231,735	1,262,507	1,287,757	1,313,512	1,339,783	1,366,578
Recreation Programs & Rentals	1,632,331	1,644,095	1,693,418	1,744,220	1,796,547	1,850,443
Licenses & Permits	3,003,500	2,836,500	2,949,960	3,067,958	3,190,677	3,318,304
Court Fines	400,000	400,000	400,000	400,000	400,000	400,000
General Government	230,360	237,960	237,960	237,960	237,960	237,960
Utility Overhead	424,977	440,193	457,801	476,113	495,157	514,964
CIP Overhead	227,787	237,595	247,099	256,983	267,262	277,953
Interest	3,100	3,100	3,410	3,751	4,126	4,539
<b>Total Resources</b>	<b>26,922,850</b>	<b>27,900,914</b>	<b>28,279,244</b>	<b>29,127,262</b>	<b>30,005,429</b>	<b>30,914,932</b>
<b>% Change</b>	<b>N/A</b>	<b>3.6%</b>	<b>1.4%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>EXPENDITURES</b>						
Salaries & Wages	14,475,403	15,083,617	15,837,798	16,629,688	17,461,172	18,334,231
Benefits	5,051,200	5,385,015	5,708,116	6,050,603	6,413,639	6,798,457
Supplies	699,539	718,464	740,018	762,218	785,085	808,638
Contractual Services	1,777,923	1,700,681	1,751,701	1,804,252	1,858,380	1,914,131
Communications	122,285	121,625	121,625	121,625	121,625	121,625
Internal Service Charges	1,391,612	1,402,573	1,472,702	1,546,337	1,623,654	1,704,836
Insurance	446,020	467,433	490,805	515,345	541,112	568,168
Utilities	562,624	586,699	610,167	634,574	659,957	686,355
Other Services & Charges	323,402	357,688	368,419	379,471	390,855	402,581
Jail Costs	90,850	90,850	95,393	100,162	105,170	110,429
Intergovernmental	835,062	869,186	912,645	958,278	1,006,191	1,056,501
Interfund Transfers:						
To Water Fund	100,100	113,350	120,151	127,360	135,002	143,102
To Equipment Rental Fund	80,000	80,000	80,000	80,000	80,000	80,000
To Bond Fund (Non-Voted)	95,637	93,911	93,911	93,911	93,911	93,911
To Technology & Equipment Fund	302,000	302,000	302,000	302,000	302,000	302,000
To YFS Fund	350,000	350,000	350,000	350,000	350,000	350,000
<b>Total Expenditures</b>	<b>26,703,657</b>	<b>27,723,092</b>	<b>29,055,450</b>	<b>30,455,824</b>	<b>31,927,753</b>	<b>33,474,964</b>
<b>% Change</b>	<b>N/A</b>	<b>3.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>
<b>RESERVED RESOURCES</b>						
Banked Capacity Uses	144,960	144,960	144,960	144,960	144,960	144,960
LEOFF I Long-Term Care	28,910	28,910	29,220	29,561	29,936	30,349
<b>Total Reserved Resources</b>	<b>173,870</b>	<b>173,870</b>	<b>174,180</b>	<b>174,521</b>	<b>174,896</b>	<b>175,309</b>
<b>Surplus (Deficit)</b>	<b>45,323</b>	<b>3,952</b>	<b>(950,386)</b>	<b>(1,503,083)</b>	<b>(2,097,221)</b>	<b>(2,735,341)</b>

## Exhibit 2: General Fund Financial Forecast (2015-2020)

<b>GROWTH ASSUMPTIONS</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues:</b>				
Property Tax	1.02	1.02	1.02	1.02
<b>Sales Tax</b>	<b>1.05</b>	<b>1.05</b>	<b>1.05</b>	<b>1.05</b>
<b>Utility Taxes</b>	<b>1.04</b>	<b>1.04</b>	<b>1.04</b>	<b>1.04</b>
Shared Revenues	1.00	1.00	1.00	1.00
EMS Revenues	1.02	1.02	1.02	1.02
Recreation Programs & Rentals	1.03	1.03	1.03	1.03
<b>Licenses &amp; Permits</b>	<b>1.04</b>	<b>1.04</b>	<b>1.04</b>	<b>1.04</b>
Court Fines	1.00	1.00	1.00	1.00
General Government	1.00	1.00	1.00	1.00
Utility Overhead	1.04	1.04	1.04	1.04
CIP Overhead	1.04	1.04	1.04	1.04
Interest	1.10	1.10	1.10	1.10
<b>Expenditures:</b>				
<b>Salaries &amp; Wages</b>	<b>1.05</b>	<b>1.05</b>	<b>1.05</b>	<b>1.05</b>
<b>Benefits</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>
Supplies	1.03	1.03	1.03	1.03
Contractual Services	1.03	1.03	1.03	1.03
Communications	1.00	1.00	1.00	1.00
Internal Service Charges	1.05	1.05	1.05	1.05
Insurance	1.05	1.05	1.05	1.05
Utilities	1.04	1.04	1.04	1.04
Other Services & Charges	1.03	1.03	1.03	1.03
Jail Costs	1.05	1.05	1.05	1.05
Intergovernmental	1.05	1.05	1.05	1.05
Interfund Transfers:				
To Water Fund	1.06	1.06	1.06	1.06
To Equipment Rental Fund	1.00	1.00	1.00	1.00
To Bond Fund (Non-Voted)	1.00	1.00	1.00	1.00
To Technology & Equipment Fund	1.00	1.00	1.00	1.00
To YFS Fund	1.00	1.00	1.00	1.00

### Exhibit 3: Capital Improvement Fund Financial Forecast (2015-2020)

Description	2015 Budget	2016 Budget	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast
<b>Revenues</b>						
Property Tax - LID Lift for Luther BB and Vege Mgmt	\$ 252,000	\$ 252,000	\$ 252,000	\$ 252,000	\$ 252,000	\$ 252,000
King County Parks Levy	89,000	90,000	91,000	93,000	95,000	-
Real Estate Excise Tax - 1st Quarter Cent	1,502,000	1,573,500	1,648,500	1,727,000	1,809,500	1,896,500
Ballfield User Fees (added SM Field in 2010)	92,810	94,666	96,559	98,491	100,460	102,470
Private Contributions (ICP - Syn Turf, Susp. Bridge)	-	-	400,000	-	-	100,000
Grant - Youth Facil (SM Nets), Street Ends 50%	72,500	-	-	75,000	-	-
Grant - PSE / RCO - ICP Improvements	45,000	-	-	-	-	-
Grant - RCO / LBP Shoreline Phase II	-	-	200,000	-	-	-
Interfund Trsf from 1% for Art (Sculpture Park/ LB Amp)	-	-	150,000	-	151,602	-
Interfund Trsf from Beautification Fund (Sustainability)	16,276	-	-	-	-	-
Interfund Trsf from Beautification Fund (MICEC Landsca	-	45,000	-	-	300,000	-
Interfund Trsf from Tech and Equip (EOC Space)	61,000	-	-	-	-	-
Interfund Trsf from Utilities (for Maint Building)	38,000	48,000	71,000	81,000	153,000	54,000
Interfund Trsf from YFS Fund (for Thrift Shop Repairs)	63,000	46,000	49,000	32,000	37,000	35,000
<b>Total Revenues</b>	<b>\$ 2,231,586</b>	<b>\$ 2,149,166</b>	<b>\$ 2,958,059</b>	<b>\$ 2,358,491</b>	<b>\$ 2,898,562</b>	<b>\$ 2,439,970</b>
<b>Expenditures</b>						
Capital Replacement - Buildings	\$ 763,000	\$ 570,000	\$ 919,000	\$ 702,000	\$ 902,000	\$ 846,000
Capital Replacement - Open Space Vegetation Mgmt	428,000	456,000	444,000	458,000	473,000	488,000
Capital Replacement - Parks	1,800,000	370,000	1,637,000	1,485,000	921,000	617,000
Capital Facilities - General Government	25,000	-	-	-	-	-
Capital Facilities - Parks	89,000	90,000	91,000	93,000	95,000	-
Project Management Expenses	140,076	146,072	153,376	161,044	169,097	177,551
Interfund Transfer - CCMV Debt Service	296,700	296,400	296,000	135,500	138,100	135,600
<b>Total CIP Fund Expenditures</b>	<b>\$ 3,541,776</b>	<b>\$ 1,928,472</b>	<b>\$ 3,540,376</b>	<b>\$ 3,034,544</b>	<b>\$ 2,698,197</b>	<b>\$ 2,264,151</b>
<b>Fund Balance</b>						
Beginning Fund Balance	\$ 2,345,219	\$ 1,035,029	\$ 1,255,723	\$ 673,407	\$ (2,647)	\$ 197,718
Change in Fund Balance	(1,310,190)	220,694	(582,316)	(676,054)	200,366	175,818
<b>Ending Fund Balance *</b>	<b>\$ 1,035,029</b>	<b>\$ 1,255,723</b>	<b>\$ 673,407</b>	<b>\$ (2,647)</b>	<b>\$ 197,718</b>	<b>\$ 373,536</b>
Less: Working Capital Reserve	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Less: Designated KC PR Expansion Levy	(91,630)	-	-	-	-	-
Less: Reserved for All Weather Field Replacement	(510,890)	(605,556)	(702,115)	(800,606)	(331,066)	(433,535)
Use: Reserved for All Weather Field Replacement	-	-	-	570,000	-	-
<b>Working Capital Available</b>	<b>\$ 182,509</b>	<b>\$ 400,167</b>	<b>\$ (278,709)</b>	<b>\$ (483,253)</b>	<b>\$ (383,348)</b>	<b>\$ (309,999)</b>

\* Ending Fund Balance includes Working Capital and All Weather Field Replacement Reserves

**7**

**CITY  
COMPENSATION  
POLICIES &  
PRACTICES**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Kryss Segle, Human Resources Director

**RE:** City Compensation Policy & Practices

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

Does Council wish to schedule a study session to explore this topic further? If so, what specific compensation issues would Council like to discuss?

**BACKGROUND:**

Compensation Policy & Practices for Unrepresented Employees

The unrepresented employee group is primarily made up of the City's management and professional level employees. There are a total of 95 employees, including regular part-time employees, within the unrepresented employee group (2014 annual salary of \$6,985,234).

The City has a long established policy of paying the unrepresented positions at the mid-point (average) of the established comparable market in an attempt to attract and retain qualified and experienced employees.

Unlike the majority of the City's ten comparable cities, unrepresented employees receive a flat rate, benchmarked to the midpoint of the comparable market as opposed to a step system where employees progress through a series of pay steps each year (generally over a 5 year period of time). In order to remain competitive and ensure salaries aren't falling behind, market studies are conducted on each unrepresented position every three years.

Additionally, the unrepresented positions receive a cost of living adjustment (COLA) on an annual basis, provided the budget allows for such an adjustment. The annual unrepresented employee COLA is most often based on 90% of the semi-annual consumer price index for Western Washington (CPI-W) percentage. This amounted to a 1.8% COLA effective January 1, 2015. The City also monitors the COLAs received by our comparable cities, as well as the COLAs received by our internal union groups to ensure the City's unrepresented employee salaries remain fair and competitive.

Finally, unrepresented employees are eligible for annual lump sum performance awards between 1% - 5% (Directors' maximum award is 4%). The 2014 annual budget for

unrepresented employee performance pay was approximately \$85,000. Performance awards take into consideration the employee's years of service, as well as the results of the employee's annual Performance Evaluation (see Exhibit 2 & Exhibit 3). The purpose of these awards is to recognize and reward the City's top performers and help motivate all unrepresented employees to do their best work.

The City's Compensation Policy is attached as Exhibit 1.

### Compensation for Represented Employees

There are four separate unions within the City. The AFSCME Union represents the City's maintenance, technical, and some administrative employees. There are 42 employees in the AFSCME Bargaining Group (2014 Annual Salaries - \$2,597,347). The Police Guild represents the City's commissioned Police Officers. There are 29 employees in Police Bargaining Group (2014 Annual Salaries - \$2,828,634). The Police Guild also represents the City's Police Non-Commissioned employees in the Police Support Bargaining Unit. There are 5 employees in the Police Support Bargaining Unit (2014 Annual Salaries - \$260,957). The IAFF Union represents the City's professional Firefighters. There are 28 employees in the Fire Bargaining Group (2014 Annual Salaries - \$2,691,786).

The City is obligated to bargain hours, wages, and working conditions, and/or any changes to such, with each bargaining unit. Bargaining unit employee salaries are also benchmarked to the midpoint of the comparable market. Typically, the City enters into collective bargaining every three years, however shorter contract periods may be in the City's best interest at various times for various reasons.

In addition to annual cost of living wage increases, most government pay plans compensate employees using a step system. Typically, pay steps are calculated on the basis of skill attainment, tenure, or a combination of these factors. By virtue of their collectively bargained agreements, all the represented employees working for the City have a "step" compensation system in place.

Uniformed employees (Police and Fire), including those working for the City, usually have a longevity system that attaches a fixed percentage to the employee's base pay. The longevity percentage increases during the period of employment based on the employee's years of service, ranging from 2% - 12%.

A differential based on rank is also universal within the uniformed services. This is not unlike different pay for a different classification (skill and responsibility levels) within the unrepresented workforce. However, a rank differential is usually an amount fixed by contract between 7.5% and 15%.

Specialty pay for public safety is also an industry standard, along with education pay, uniform cleaning allowance, and retirement health savings accounts.

## Bargaining Obligations and their Impact on Overall Compensation

Due to Washington State Collective Bargaining laws, rules, and regulations, unilateral changes to compensation practices are prohibited. As stated previously, the City is obligated to bargain any change to a bargaining unit's wages, hours, and/or working conditions.

*Interest Arbitration in Washington State.* Members of the Police and Fire Bargaining Units are subject to interest arbitration in the event that collective bargaining efforts reach an impasse. Interest arbitration authorizes either party to a collective bargaining agreement to submit disputed issues regarding wages, hours, and working conditions to an arbitrator for final determination during collective bargaining. The stated legislative purpose of creating this system of interest arbitration is to avoid "strikes by uniformed personnel as a means of settling their labor disputes." RCW 41.56.430.

Until or unless state law is changed, the City has limited control regarding the issue of wages that are subject to interest arbitration. Many cities have petitioned the legislature to change the state statutes to require that the arbitration panel consider a city's ability to pay the proposed wage package and the city's ability to provide the proposed hours and working conditions as opposed to simply considering comparable wages, hours, and working conditions of other jurisdictions. These legislative efforts have been unsuccessful to date. The only management tool available to unilaterally contain labor costs of uniformed personnel is to reduce the staffing levels which effects the level of services received by the jurisdiction's residents. Nevertheless, the "impacts" of such a decision must be bargained with the effected bargaining unit.

For those bargaining units not subjected to Interest Arbitration (AFSCME and Police Support employees), other bargaining rules and regulations limit the control the City has to change its compensation practices. Specifically, unless the City can demonstrate an inability to pay and/or the absence of past practice, compensation policies and practices are particularly difficult to change.

The unrepresented employee group's compensation policies and practices may be unilaterally changed without consideration of collective bargaining laws, rules, and regulations. However, before such changes are contemplated, the following possible impacts should be considered:

- Retention of top performers, turnover is likely to increase over time
- Attraction of qualified and experienced employees
- Employee morale and production (i.e., employees are expected to perform their best work, but are paid less than average)
- Internal inequity (i.e., bargaining unit employees remain paid at the midpoint of the market but unrepresented employees are paid less, including the City's management and professional employees)
- May encourage unrepresented employees to organize into additional bargaining units

Moreover, the costs associated with the possible impacts must also be considered.



## Comparing Mercer Island's Compensation Policies and Practices with the Market

As previously stated, salaries for unrepresented positions are evaluated every three years, as economic conditions allow. Market adjustments for unrepresented employees were frozen from 2009 – 2011 and again in 2013 due to economic conditions. One third of the unrepresented positions are reviewed each year, which translates into a market analysis for each position every three years. The City evaluates the salaries for each position according to prevailing conditions of the labor market. City Council policy states that salaries for unrepresented employees and proposed compensation for employees represented by unions are benchmarked to the midpoint of the local labor market. Mercer Island compares mostly to Eastside cities (except Bellevue). When identifying appropriate comparable cities for market analysis, organizations are selected based on population (20,000-85,000), Puget Sound location (including King and Snohomish Counties and excluding Pierce, Thurston, and Kitsap Counties), sales tax per capita (\$100-\$400), number of employees (150-600), and number of job matches.

The current list of comparable cities for the unrepresented employee group is below:

- Auburn
- Bothell
- Edmonds
- Issaquah
- Kirkland
- Lynnwood
- Redmond

If at least four job matches are not found within the above list, the comparable list is expanded to include the following cities:

- Sammamish
- SeaTac
- Shoreline

The above-listed comparable market allows the City to attract and retain qualified, experienced, and talented employees. The criteria used to establish the comparable market is equitable as well as defensible.

The following charts illustrate how the City of Mercer Island currently compares to the external market, including compensation, benefits and staffing levels.

### Monthly Salary for Various Positions (2014)

Comparable City	Monthly Salary Based on 5 Years in Position				
	Average Director	Engineer	Planner	Admin. Assistant	Maint. Worker
Auburn	\$12,812	\$7,717	\$7,421	\$5,200	\$5,147
Bothell	\$12,619	\$6,954	\$6,457	\$5,812	\$5,432
Edmonds	\$12,247	\$7,604	\$6,897	\$5,450	\$5,155
Issaquah	\$13,735	\$7,952	\$7,211	\$5,200	\$5,780
Kirkland	\$12,408	\$7,774	\$6,386	\$5,466	\$5,665
Lynnwood	\$11,711	\$7,083	\$5,654	\$4,754	\$4,983
<b>Mercer Island</b>	<b>\$12,160</b>	<b>\$7,575</b>	<b>\$6,045</b>	<b>\$4,877</b>	<b>\$5,479</b>
Redmond	\$13,191	\$7,673	\$6,527	\$5,580	\$5,050
Sammamish	\$12,928	\$7,754	\$6,797	\$5,580	\$5,580
SeaTac	\$12,290	\$7,136	\$5,857	\$5,575	\$5,857
Shoreline	\$11,997	\$7,816	\$6,259	\$5,132	\$5,054
<b>Market Avg</b>	<b>\$12,594</b>	<b>\$7,546</b>	<b>\$6,547</b>	<b>\$5,375</b>	<b>\$5,370</b>
<b>MI vs Mkt Avg</b>	<b>3.45% ↓</b>	<b>0.38% ↑</b>	<b>7.67% ↓</b>	<b>9.27% ↓</b>	<b>2.03% ↑</b>

### Cost of Monthly Medical, Dental and Vision Insurance (2014)

Comparable City	Monthly Insurance Cost to Cover Family of 4			% of Total Cost Paid by Employee
	Total Cost	Employer's Cost	Employee's Cost	
Kirkland	\$2,367	\$2,367	\$0	0.0%
Issaquah <sup>1</sup>	\$2,198	\$2,008	\$190	8.6%
Redmond	\$2,198	\$1,902	\$296	13.5%
Bothell	\$2,113	\$1,837	\$276	13.1%
Lynnwood	\$2,109	\$1,960	\$149	7.1%
Sammamish	\$2,106	\$2,006	\$100	4.7%
Shoreline <sup>1</sup>	\$2,084	\$1,635	\$449	21.5%
SeaTac	\$2,073	\$1,875	\$198	9.6%
Auburn	\$2,072	\$1,947	\$100	4.7%
<b>Mercer Island</b>	<b>\$2,052</b>	<b>\$1,640</b>	<b>\$412</b>	<b>20.1%</b>
Edmonds	\$2,036	\$1,832	\$204	10.0%

<sup>1</sup>The cities of Issaquah and Shoreline also offer high deductible plan alternatives with 100% of the premiums paid by each city.

**Number of employees per 1,000 population (2013)**

Full Service Eastside City	Number of Employees in 2013	
	Per 1,000 Population	Rank
Redmond	12.0	1
Bellevue	9.2	2
Bothell	8.6	3
Issaquah	7.8	4
Renton	7.5	5
<b>Mercer Island</b>	<b>7.4</b>	<b>6</b>
Kirkland	6.6	7

This table illustrates how lean Mercer Island operates compared to the market and other eastside cities. Several things need to be explained regarding these employee ratios. First, Mercer Island has a Youth & Family Services Department consisting of 20.5 employees, which no other Eastside city has. Consequently, these employees have been excluded from Mercer Island’s employee ratio. Second, Issaquah doesn’t have a Fire Department. It contracts with Eastside Fire & Rescue for services. Third, Renton and Kirkland’s employee ratios reflect major annexations and employee layoffs during the Great Recession. Prior to 2010, Mercer Island had the lowest employee ratio among this group of full service cities. At the time this memo was written, the number of employees per 1,000 population had not been fully gathered for the City’s comparable cities. This information shall be available to the Council at the Planning Session.

Cost Controlling Measures

*Concessions and Review of Vacant Positions.* In addition to a lean staff, responsible compensation and benefits packages, and a positive employee culture, the City of Mercer Island employs various additional cost savings measures. In 2009 and 2010, the City approached the Union Groups for wage concessions. Each Union agreed to various concessions, providing the City with much-needed expenditure relief. Additionally, the City froze COLAs, market studies, and performance pay for its unrepresented employees. In 2011 and 2013, market studies and performance pay remained frozen for unrepresented employees. The result was that market analysis did not occur for unrepresented positions for a period of up to six years. The result was that most of our unrepresented positions fell well below the midpoint of the market.

When vacancies occur at the City of Mercer Island, positions are not automatically filled. Instead, a careful analysis commences to determine if the work connected to the position can be done in a more efficient manner. Before a vacancy is filled, the Leadership Team reviews the duties and responsibilities of the position. If a Director determines the vacancy should be filled, he/she must convince the Leadership Team of the recruitment. The Director must answer questions such as:

- Can the work be contracted out at a lower cost?
- Can existing staff absorb the work?
- Can the position be reclassified?

- Can the City do without the work for a period of time or indefinitely?

In addition, the majority of City vacancies are held open for a period of 30 to 60 days, which provides the City with a period of salary savings even if it's determined the vacancy should ultimately be filled.

*Holding Employees Accountable.* The City of Mercer Island sets high performance standards for its employees. Employees are accountable to formal written work expectations. When employees exceed these expectations, they are rewarded. When employees don't meet expectations, they are ultimately moved along. The City utilizes a comprehensive consistent performance management system throughout the organization. Performance expectations are tied to the City's (and each Department's) Mission, Vision, and Values. The City Manager holds each Director accountable for timely performance evaluations of their department's staff. The City's performance management system has been so successful; it has been adopted by other cities throughout the State of Washington.

#### Public Sector Compensation Practices compared to Private Sector Pay Practices

Government employees often have access to comprehensive benefits such as health insurance, life insurance, pensions, and paid time off that is usually more generous than the benefits found in the private sector. Government employees usually face a reduced risk of layoff and firings. However, between the years of 2008 - 2013, layoffs in the public sector were on the rise.

Private sector employees usually have access to perks such as company cars, private vacation facilities, deep discounts, and the ability to buy company stock at a reduced price through stock options. In good times, employees are often rewarded with large bonuses and/or raises in pay. Government employees cannot expect large raises or year-end bonuses, but instead are generally rewarded with stability and good benefits.

Compensation for government employee is public information. Therefore, salaries between comparable cities do not differ significantly. Employees know generally what they can expect for a salary from one organization to the next. Compensation in the private sector is largely confidential. Therefore, salary negotiations for new employees are much different than in the public sector. Additionally, corporations must compete with their business competitors to land the best talent, which has a direct effect on salary negotiations. The public sector does not have competitors, instead, we have comparables. Both the public and private sectors compete for the best talent, however, due to the confidentiality of salaries in the private sector, corporate employers possess a greater level of discretion when determining salaries since candidates often aren't privy to their coworkers' salaries. Since public sector salaries and benefits are subjected to public information, experienced candidates/employees know exactly what to expect for fair compensation.

#### **SUMMARY:**

Provided further discussion is needed, staff is seeking direction related to what specific compensation-related topics the Council is interested in learning more about, as well as how the Council would like the materials presented.

# Mercer Island Compensation Policy

## Compensation Philosophy

The City's philosophy strives to create a balance between fair and equitable pay for employees, enabling management to recognize and reward excellent performance while exercising fiscal prudence by keeping the City's salary budget within its fiscal ability to pay.

As a general rule, the City's policy is to make sure that every job is classified and employees are fairly compensated when compared either internally or externally. It is also the policy of the City to ensure that salaries are benchmarked to the midpoint of the market and in no case exceed an amount equal to the 75<sup>th</sup> percentile of the defined market. An employee's salary may be fixed at up to 10% less than the midpoint of the market to allow for those who may require extensive on-the-job training to be hired at entry level. In extraordinary circumstances, such as to attract or retain valued employees, the City Manager has latitude to set salary outside the range, up to the 75<sup>th</sup> percentile of the defined market.

Salary for unrepresented positions are evaluated every three years. The City evaluates the salaries for each position according to prevailing conditions of the labor market. Pay schedules for people working under a collective bargaining agreement will be bargained and ultimately approved by the City Council. It is the City's policy to benchmark pay at the midpoint (average) of the comparable market.

## Compensation Strategy

- For all employee groups, total compensation includes base pay, performance pay, and other compensation.
- Approved full and part-time positions represent valuable labor potential. Therefore, vacant positions must be carefully reviewed by the Executive Team before they are approved to be filled.
- We generally compare our positions with external public positions within our labor market. However, some position may require comparing to positions within the private employment market (i.e., Family Counselor).
- When identifying appropriate comparable cities for conducting market analysis, we choose organizations based on population, Puget Sound location (including King and Snohomish Counties and excluding Pierce, Thurston, and Kitsap Counties), sales tax per capita, number of employees, and number of job matches.
- When possible, increases in pay will be tied to exceeding defined performance standards.
- Employees must share in the cost of their health care benefits.
- Compensation decisions (including labor negotiations) will be made using the best data available.

## **Competitive Compensation for the Non-Union Workforce**

### **Employee Recognition**

Employee recognition awards and/or increases may occur for one or more of the following reasons:

1. Incentive to recognize work quality and/or quantity, either for exceptional performance, customer service, creating efficiencies, or team performance.
2. The temporary addition of substantial responsibilities (such as temporary assignment or extra duty).
3. Special achievement.

Represented employees may receive employee recognition awards for the above-listed positions up to \$250.00. Various non-monetary awards, such as time off with pay are also available for recognizing employee achievements.

### **Cost of Living Adjustment**

Each year, a cost of living adjustment (COLA) will be considered for unrepresented employees' base pay. The following factors are considered in determining whether or not a COLA will be awarded:

1. Economic conditions and health of the City.
2. The results of the semi-annual Consumer Price Index (CPI) for Seattle/Tacoma/Bremerton.
3. COLAs negotiated for represented employees.
4. COLAs awarded to comparable cities.
5. Approval of biennial budget by the City Council.

### **General Salary Increases**

Salary increases may occur as a condition of satisfactory completion of a probationary period up to the midpoint of the market. Starting salaries are set at an amount that does not exceed the midpoint of the defined market.

### **Market Adjustments**

Unrepresented positions undergo a market analysis every three years (unless economic conditions dictate otherwise). As stated above, the City benchmarks positions at the midpoint (average) of the comparable market. Employees with less than five (5) years in their position are benchmarked at the average of the comparable market's mid step (i.e., if a comparable city has a pay range with 5 steps, the employee would be benchmarked against step 3 of that city's pay scale). Employees with five (5) or more years in their position are benchmarked at the average of the comparable market's top step (i.e., if a comparable city has a pay range with 5 steps, the employee would be benchmarked against step 5 of that city's pay scale.) Employees Salary adjustments resulting from annual compensation guidelines must be approved by the Human Resources Director, Finance Director and City Manager.

### Performance Awards/Merit Pay

Funds are set aside for performance awards for all unrepresented employees. The Human Resources Director, Finance Director and City Manager will approve performance awards to reward behaviors and performance consistent with the mission of the department and the City's vision. Performance awards will follow the guidelines set forth below:

1. The budgeted funding for awards does not exceed 3% of the amount of salaries for all non-represented employees.
2. Performance awards are considered on an annual basis.

### Job Classifications

The following are the guidelines that have been used as a basis for classifying positions:

1. Each employee occupies a position.
2. Positions generally define the duties and responsibilities of employees.
3. Each position has a classification for purposes of fixing level of responsibility, risk and skill.
4. All classifications are ranked relative to each other with respect to:
  - a. Job knowledge
  - b. Skills and abilities
  - c. Responsibility for work
  - d. Responsibility for loss
  - e. Responsibility for risk
  - f. Impact of decision making
  - g. Working conditions
  - h. Physical effort
  - i. Use of tools, machinery, equipment required
  - j. Fair Labor Standards Act (FLSA) rules.

### Unrepresented Classification Descriptions

**Laborer, Temporary, Part-Time or Seasonal** - Performs a variety of clerical, technical, maintenance or specialized job duties for a specified period of time or for a certain number of hours per week. Position may be temporary, seasonal, regular part-time or on an employment contract when the position does not fit into any other classification or job title.

**Administrative Assistants** - Performs a variety of administrative duties requiring knowledge of office procedures and general business practices. Most duties are performed to support a department or a division. Task assignments are varied and require organization and advanced computer skills. May coordinate duties for interns and/or volunteers.

**Administrative Specialists** - Performs diverse administrative duties requiring basic knowledge of a specialty area. Task assignments require a high level of organization and responsibility. Makes decisions

about how job duties and responsibilities get completed. May provide supervision or perform lead duties over temporary or part-time staff, interns and/or volunteers.

**Professional A** - Performs complex and highly responsible tasks or administrative duties requiring full knowledge of a specialized area. Most duties are performed within established guidelines or regulatory requirements, but uses discretion and judgment in completing assignments. Makes decisions in establishing the means or process in how to complete work assignments. May provide supervision or perform lead duties over other regular staff members, interns and/or volunteers.

**Counselors** – Performs counseling services for individuals, families, and/or children requiring specific education, experience, and certifications in a very specialized field.

**Technician A** - Provides technical or specialized services using skills, experience and knowledge which usually requires a degree, license or certification to support a program or service. Decision making is generally limited to area of expertise and is defined by established guidelines or regulatory requirements.

**Professional B** - Working in an administrative, recreational, or social services specialty area, provides professional services to serve the internal and external customers of the City. Provides research and statistics to management; recommends, develops and implements programs, policies, procedures and practices. Exercises discretion and judgment in completing assignments and works with minimal supervision. May provide supervision or perform lead duties over other regular staff members, interns and/or volunteers.

**Technician B** - Working in a technical area, performs senior-level technical services which require an advanced degree or certification. Makes recommendations to senior management and advises internal and external customers of the City in area of expertise. Exercises discretion and judgment in completing highly responsible assignments and projects. May provide supervision or perform lead duties over other regular staff members, interns and/or volunteers.

**Managers A** – First line supervisors who plan, schedule and supervise the work activities of a small full-time staff. Coordinates the efficient use of personnel, equipment, and materials in order to accomplish department goals and objectives. Makes effective recommendations for personnel actions. Also provides professional or technical services to the internal and external customers of the City by completing assignments in specialty area.

**Managers B** – Works directly under the Department Director as a manager of full-time staff. Often manages the work of other Department supervisors in addition to other full-time staff. Works in a highly specialized area, which usually requires an advanced degree, license or certification. Has a high degree of risk and decision-making responsibility with minimal supervision. Makes effective recommendations for personnel actions. Provides services both internal and external to the City.



**Individual Contributor** - Works independently as a specialist in a particular field, which usually requires an advanced degree, license or certification. Advises and makes recommendations directly to the Executive Management Team in relation to specialty area. Has a high degree of risk and decision-making responsibility with minimal supervision and provides services both internal and external to the City.

**Division Commanders** - Plans, organizes, directs and controls all the activities of a Police or Fire division. Exempt from Civil Service rules.

**Directors** - Plans, organizes, directs and controls all the activities of a department or a division. Makes decisions on formulating or adjusting programs for major functions, specifying goals and allocating resources. Reports to the City Manager.

### **Reclassifying a Position**

A position may be reviewed for possible reclassification for one or more of the following reasons:

1. Substantially greater responsibility has been assigned to the position.
2. The incumbent has acquired new skills, knowledge, or competencies that the position requires.
3. At the request of the Department Director.
4. At the discretion of Human Resources.
5. The incumbent requests review believing that significant factors have been overlooked in original allocation of the position to a classification.

The reclassification analysis process is managed by Human Resources.



# CITY OF MERCER ISLAND PERFORMANCE EVALUATION

<p><b>Citywide Mission Vision Values Statement</b></p> <p><b>Our Mission:</b> We provide outstanding municipal services that enhance and protect the environment, the quality of life, and the community health, safety, and welfare on Mercer Island.</p> <p><b>Our Vision:</b> To provide valued and effective municipal services in ways that are efficient, flexible, innovative and creative, with an emphasis on sustainability. We strive to be among the best in all we do.</p> <p><b>Our Values:</b> We value high ethical standards, outstanding customer service, teamwork, and leadership development.</p>	<b>Employee Name:</b> _____ <b>Job Title:</b> _____ <b>Type of Review:</b> _____ <b>Evaluator's Name:</b> _____ <b>Evaluation Period:</b> _____ to _____
	<b>High Ethical Standards</b>  <i>As the City of Mercer Island's most important value:</i> <ul style="list-style-type: none"> <li>We conduct ourselves with honesty and integrity.</li> <li>We do what is best in the public's interest.</li> <li>We conduct ourselves in all matters in a manner that precludes even the perception of impropriety.</li> <li>We do not take advantage of our job for personal gain.</li> <li>We do not accept gifts of value.</li> <li>We immediately disclose any potential ethics violation.</li> </ul>

<b>Definitions for Applying Performance Ratings on Individual Criteria</b>				
<b>Outstanding Performance:</b> <i>Always carries out the examples given under the criterion. Is a solid leader, role model &amp; takes ownership in this area. Actively &amp; continuously seeks opportunities to make improvements &amp; a positive difference. Anticipates needs &amp; seamlessly handles them. No supervision or specific direction in this area is needed.</i>	<b>Exceeds Performance Standards:</b> <i>Often carries out all or most of the examples given under the criterion. Consistently demonstrates enthusiasm, pride &amp; a positive attitude. Is completely reliable in this area. Little supervision or specific direction is necessary in this area.</i>	<b>Meets Performance Standards:</b> <i>Regularly carries out several examples under the criterion. Performance is consistently good. Demonstrates dependability in this area. May look to others for guidance or specific direction in this area.</i>	<b>Improvement Needed:</b> <i>Performance needs to be improved in this area in order to be considered acceptable. May demonstrate a lack of dependability or accountability. Guidance &amp; specific direction are regularly needed from others.</i>	<b>Unacceptable Performance:</b> <i>Performance is at an unacceptable level in this area. Improvement is required or disciplinary action may occur. Supervisory direction is necessary.</i>

## Citywide Values & Performance Criteria

- 1. Professionalism / Work Ethic**
- Conducts self with honesty and integrity
  - Always does what is in the public's best interest
  - Excellent attendance and observance of work hours
  - Consistently dependable and trustworthy
  - Displays pride and the desire to do the best job possible
  - Conscious of public perception regarding decisions/actions
  - Displays self-motivation to do the right thing
  - Shows dedication to the job and the department
  - Politically savvy
  - Projects a professional image in appearance and work area
  - Neatness, accuracy and completeness are consistently shown

<input type="checkbox"/> <b>Outstanding Performance</b>	<input type="checkbox"/> <b>Exceeds Performance Standards</b>	<input type="checkbox"/> <b>Meets Performance Standards</b>	<input type="checkbox"/> <b>Improvement Needed</b>	<input type="checkbox"/> <b>Unacceptable Performance</b>
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**Explanation of Rating:**

## 2. Customer Service

- Treats everyone with dignity, respect, and in an equitable manner
- Communicates in ways that are friendly, honest, open, and candid
- Listens and finds ways to help, rather than excuses to not help
- Uses tact, respect, diplomacy, and courtesy
- Refers and assists customers to contact other staff as appropriate
- Looks at situation through customer's eyes
- Works to anticipate and respond to the needs of our customers/community
- Looks for ways to improve processes and create efficiencies
- Exhibits extra effort to resolve customer's problems
- Actively seeks opportunities to serve and educate the customer
- Consistently maintains cohesive relationship with other departments
- Uses common sense in attempting to meet customer's needs
- Treats his/her customer as he/she wants to be treated

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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Explanation of Rating:

## 3. Teamwork / Interpersonal / Communication Skills

- Collaborates and regularly offers support to others
- Does not allow department lines to become barriers (no silos)
- Contributes to ideas leading us to our vision/goals
- Looks for non-traditional ways to create new & better services
- Does things that need to be done regardless of job description
- Works effectively with a variety of personalities to achieve common goals
- Exercises self-control of emotions
- Is an honest, respectful, and active listener
- Patient and understanding of other viewpoints
- Uses tact, respect, diplomacy and courtesy
- Recognizes and accepts his/her role as equal part of team
- Tactful, patient, compassionate, and understanding under stress
- Displays calm demeanor, self-confidence, and self-composure
- Uses negotiation skills to achieve consensus toward common goals
- Speaks and writes in a legible, logical, succinct, & understandable manner
- Demonstrates and promotes good inter/intra agency relations

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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Explanation of Rating:

## 4. Leadership Attributes & Skills

- Encourages others to become the best they can be
- Motivates and inspires through mentoring and coaching
- Provides inspiration and motivation, and leads by example
- Treats everyone with fairness, understanding, and consistency
- Provides both praise and constructive feedback timely and regularly
- Makes a positive difference in the professional lives of employees/customers
- Demonstrates a "continuous improvement" philosophy
- Is respected as a "Leader" by peers and subordinates
- Displays positive, caring attitude and fair, non-discriminatory treatment
- Actively engages in practices that encourage others to be better
- Demonstrates leadership by being flexible, open and empathetic
- Solicits new ideas/methods, uses empowerment appropriately
- Demonstrates high standards and expects the same from others
- Accepts responsibility and admits mistakes
- Consistently solves, rather than ignores problems
- Has earned respect of supervisors, peers, and subordinates
- Addresses performance issues and/or behavioral issues promptly

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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Explanation of Rating:

## 5. Decision Making / Problem Solving

- Gathers facts and makes decisions that are time and situation appropriate
- Willing to make hard decisions when best for the department or organization
- Uses good judgment and does not jump to conclusions
- Considers all factors using training, experience, and common sense
- Retains composure under stressful situations
- Keeps own emotions under control, even when others do not
- Tactful, patient, compassionate, and understanding under stress
- Timely decisions made with a rational thought-process
- Objectively evaluates information available to make the best decision
- Objectively evaluates other's ideas and opinions before deciding
- Adaptable, flexible, and can adjust to changing situations
- Measures impact of decision and future potential ramifications
- Does not compromise safety, efficiency, or service delivery

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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Explanation of Rating:

## 6. Initiative / Planning / Organization

- Self-starter and solves problems with little direction
- Establishes goals & objectives, prioritizes, & delegates appropriately
- Recognizes needs and finds solutions
- Positive attitude regarding training, new job skills, and new responsibilities
- Practices effective time-management skills
- Delivers quality work, in an appropriate time frame, with little supervision
- Plans ahead to overcome unforeseen occurrences
- Does not procrastinate and meets or beats deadlines/due dates
- Coordinates tasks and schedules to use time effectively
- Continually strives to make improvements to his/her own job
- Neatness, accuracy, and completeness consistently shown
- Uses tools available to increase efficiency whenever possible

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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Explanation of Rating:

## 7. Performance of Goals, Objectives & Job Responsibilities

- Displays positive attitude regarding training & job responsibilities
- Actively works to remain proficient in responsibilities
- Delivers quality work with little supervision
- Completes work projects/tasks in a timely fashion
- Applies a continuous improvement philosophy
- Effectively applies experience and training where and when needed
- Challenges self to find efficiencies within his/her job
- Keeps current in job-related knowledge and/or specialized tools
- Met the goals and objectives set for the review period

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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Explanation of Rating:

### Supervisor Comments for the Evaluation Period in Review

*Specifically describe ways in which the employee can improve his/her rating in a particular area if applicable.*

**Overall Performance Rating**

<input type="checkbox"/> Outstanding Performance	<input type="checkbox"/> Exceeds Performance Standards	<input type="checkbox"/> Meets Performance Standards	<input type="checkbox"/> Improvement Needed	<input type="checkbox"/> Unacceptable Performance
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**Employee Comments**

**Signatures and Checklist**

- Date set for next performance review (usually one year from the date the review is given): \_\_\_\_\_ .
- New/revised performance objectives and/or goals established and communicated to employee for the next review period.
- Any "Needs Improvement" performance issues were discussed with the employee and a mid-review period discussion has been established to review progress in improving performance. The date is \_\_\_\_\_ .
- Employee received an "Unacceptable" rating in one or more key areas, which may require a Performance Improvement Plan (PIP). If applicable, the PIP is attached. The progress review date is set for \_\_\_\_\_ .

**EMPLOYEE:** I CERTIFY THAT MY SUPERVISOR HAS REVIEWED THE INFORMATION CONTAINED IN THIS DOCUMENT WITH ME. I UNDERSTAND MY SIGNATURE DOES NOT NECESSARILY INDICATE AGREEMENT.

<b>Employee's Signature:</b> _____	<b>Date:</b> _____
<b>Supervisor's Signature:</b> _____	<b>Date:</b> _____
<b>Director's Signature:</b> _____	<b>Date:</b> _____

## Unrepresented Employees' Pay-for-Performance Plan

Current Employees' Starting Point: 0 - 2 yrs of Svc    3 - 4 yrs of Svc    5+ yrs of Svc

Option/Rating*	Year 1	Year 2	Year 3	Year 4	Year 5
Exceptional Performance	3.0%	3.5%	4.0%	4.5%	5.0%
Outstanding Performance	2.0%	2.5%	3.0%	3.5%	4.0%
Exceeds Standards Performance	1.0%	1.5%	2.0%	2.5%	3.0%
<b>(Maximum PFP for Directors = 4%)</b>					

\* Employee performance ratings:

**Exceptional Performance Individual PE Ratings:** 6-7 Outstanding & 1 Exceeds; no Meets or lower

**Outstanding Performance Individual PE Ratings:** 4-5 Outstanding & 2-3 Exceeds; no Meets or lower

**Exceeds Standards Performance Individual Ratings:** 4-7 Exceeds & 1-2 Meets

8

**BANKED CAPACITY  
USES**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Chip Corder, Assistant City Manager/Finance Director

**RE:** Banked Capacity Uses

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

Which funding needs does the Council want to address with the \$144,960 in banked capacity that was added to the 2015 property tax levy?

**BACKGROUND:**

Following are the City's most significant, ongoing funding needs, which have been identified by staff and the Council:

- The **Youth & Family Services (YFS) Fund** has a projected deficit of \$192,000 at the end of 2016, \$320,000 at the end of 2017, and \$392,000 at the end of 2018.
  - These deficits include a 4<sup>th</sup> elementary school counselor beginning in September 2016.
  - The projected deficit at the end of 2017 increases to \$320,000, because: 1) 2017 represents the first full year of having the 4<sup>th</sup> elementary school counselor; and 2) the remaining fund balance was used up in 2016.
  - The projected deficit at the end of 2018 increases to \$392,000, because federal funding for the CTC program will cease at the end of 2017.
- The **LEOFF I long-term care liability** is only funded through 2028.
  - \$56,590 in additional, ongoing funding, beginning in 2015, would fund this liability through 2034 (the next 20 years).
- The **replacement of MICEC equipment, technology & furnishings** is only funded through 2015.
  - \$40,000 in additional, ongoing funding, beginning in 2015, would fund the projected replacement costs through 2029 (and possibly longer).



- The **replacement of fire apparatus** is only funded through 2026.
  - \$45,000 in additional, ongoing funding, beginning in 2015, would fund the projected replacement costs through 2034 (the next 20 years).
- The **Contingency Fund** (the City’s “Rainy Day” reserve) is funded at the 2013 target level.
  - The current funding practice, which is based on a one year lag, relies on General Fund surplus revenues from the prior year and investment interest in the current year to reach the prior year’s target level.
  - \$55,000 in one-time funding from 2014 General Fund surplus revenues is needed to reach the 2014 target level in 2015.
  - \$90,000-\$100,000 in additional, ongoing funding, beginning in 2015, would fund this reserve at the appropriate target level each year.
- The **General Fund** has a projected deficit of \$950,000 at the end of 2017 and \$1,503,000 at the end of 2018.
- The **Capital Improvement Fund** has a projected deficit of \$279,000 at the end of 2017 and \$483,000 at the end of 2018.
- The **Street Fund** has a projected deficit of \$90,000 at the end of 2018 and \$752,000 at the end of 2019 primarily due to the Council’s decision to add \$150,000 per year for transit services to the 2015-2020 CIP.
- The Council expressed a desire to fund **public improvements and/or economic development in the Town Center**, though an amount was not identified.

**RECOMMENDATION:**

The staff recommends using the \$144,960 in banked capacity as follows:

- Use \$56,590 to fund the LEOFF I long-term care liability through 2034 (the next 20 years).
- Use \$40,000 to fund the replacement of MICEC equipment, technology & furnishings through 2029.
- Use \$48,370 in remaining banked capacity to reduce the YFS Fund’s projected deficit at the end of 2016 from \$192,000 to \$95,000. The remaining \$95,000 deficit could be addressed using 2014 General Fund surplus revenues and/or expenditure savings. Doing these things would reduce the projected deficit at the end of 2017 from \$320,000 to \$272,000, which could be addressed in one of three ways:
  1. Increase the General Fund support of the YFS Fund from \$350,000 to \$450,000 per year and reduce current YFS service levels by \$172,000 beginning in 2017. The \$100,000 increase in General Fund support would trigger the need for a service level reduction in 2017 in the General Fund.

2. Amend the interlocal agreement with the School District to have them pay for 50% of the cost of the existing 6.5 school counselors ( $\$552,000 \times 50\% = \$276,000$ ) and 100% of the cost of the 4<sup>th</sup> elementary school counselor ( $\$80,000$ ). This totals  $\$356,000$ , which is  $\$296,000$  more than what the School District is currently paying the City ( $\$60,000$ ) for school counseling services.
3. Submit a levy lid lift to Island voters in November 2016 to fund the annual, ongoing deficit beginning in 2017.

The other funding needs noted above under “Background” could be addressed through one or more of the following means beginning in 2017:

- Reduction in current service levels;
- Re-prioritization of capital projects in the Street Fund and Capital Improvement Fund;
- Utility tax rate increase on the City’s water, sewer, and storm water utilities (a 1.0% rate increase in 2017 would generate  $\$165,000$  in additional utility tax revenue); and/or
- Levy lid lift vote in November 2016.

# 9

## **POLICE STUDY SESSION TOPICS**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council  
**FROM:** Ed Holmes  
**RE:** Police Study Session Topics

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

Does Council wish to have any police/police department related issues planned for study session(s) this year? If so, what issues would Council like discussed?

**BACKGROUND:**

The City Council has expressed possible interest in learning more about and discussing police related topics. This Planning Session discussion is not intended to be the forum for the substantive presentations on police issues. Instead, Council is asked to provide direction to help inform possible future study session topics for 2015.

**SUMMARY:**

Staff is seeking direction related to topics the Council is interested in learning more about, as well as how the Council would like the materials presented.

**10**

**COMMUNITY  
SOLAR UPDATE**



# MEMORANDUM

*2015 City Council Planning Session*

**TO:** City Council

**FROM:** Ross Freeman, Sustainability & Communications Manager

**RE:** Update on Proposed 'Community Solar' Installation – City Hall Roof

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

Does Council have any questions regarding the project?

**BACKGROUND:**



In 2012, the City launched a Green Power Challenge sign up campaign in partnership with PSE, in which residents and building owners were invited to voluntarily support clean energy by paying a little more each month on their electricity bill. Due to our great success in attracting new participants, enrollment jumped 55%, and Islanders purchased more than 5.8 million kilowatt-hours (kWh) of green power in 2012 alone, keeping 8.17 million pounds of carbon dioxide from entering the atmosphere. The purchases help support PSE's ongoing development of clean energy alternatives, such as wind, solar, methane capture, etc. Mercer Island now boasts over 850 accounts, which is over 8% of all PSE customers here, and is one of the highest opt-in participation rates in the country.

The campaign earned a challenge grant from PSE that funded our first City-owned solar installation: a ground-mounted, 4.4 kilowatt array at the south side of the Community Center that was activated in July 2013. Later that year, in an effort to find additional ways for residents to participate in generating their own clean energy, we negotiated an arrangement to bring a Solarize campaign to the Island, in partnership with regional non-profit NW SEED. The national Solarize program helps interested homeowners (and small business owners) dramatically expedite the installation of solar on their own rooftop, by offering educational workshops, pre-selecting a qualified installer, and arranging a group discount.



By all accounts, the Solarize campaign also exceeded expectations, and surpassed the goal of 30 new contracts. All program costs, except staff time, were covered with grant money from the WA Department of Commerce and King Conservation District. We



We estimate that over 500 residents were contacted directly via tabling opportunities, or at one of five summer workshops, and almost 150 requested a free site assessment.

At the end of 2014, **47** Solarize contracts had been signed, and installations (which are almost complete) will total 331 kilowatts of clean energy production capacity. Annually, these new arrays will produce about 331,000 kilowatt-hours of electricity, which is equivalent to the combined consumption of Luther Burbank Admin, the Thrift Shop, Fire Station 91, and the old Fire Station 92. Most owners will find that they can produce 50-75% of their own annual electricity requirements and will enjoy a five year payback on their investment; equipment should last for 30 years. Collectively they will prevent PSE from releasing 245,000 pounds/year of Carbon Dioxide into the atmosphere from coal burning. In the 15 years prior to the Solarize campaign, just 32 households had installed solar arrays, based on City permit records.

This background sets the stage for the next step in this clean energy storyline. Many eager residents who wanted to participate in the Solarize campaign just didn't have an appropriate, efficient location. For some, this was clear after the workshop, for others, a site visit confirmed that solar production would not be cost-effective. Therefore, the City has researched yet another way to enhance access to clean energy on the Island: "Community Solar."

Finding ways to further reduce both the City's and the entire community's carbon emissions is of significant importance, especially given the recent joint commitments endorsed by Mercer Island, as part of the K4C greenhouse gas reduction process. The members of the K4C (*aka* King County-Cities Climate Collaboration) now represent 1.5 million individuals –almost 75% of the County's population– and this collective leadership around climate is considered unprecedented in the nation. The low-carbon future envisioned by the K4C aligns exactly with Council's May 2007 Resolution to reduce Mercer Island emissions by **80% from 2007 levels by 2050**.

#### **SUMMARY:**

Community Solar is a specific name for a state-regulated solar production facility, located on public property, and owned jointly by local residents via an LLC or Tenants in Common title structure. Thanks to very compelling state production payments of \$1.08/kilowatt-hour (over 10 times what Islanders spend to buy their own power), investment in the facility can be appealing. State payments are shared annually in proportion to an individual's buy-in

contribution, and while returns are not guaranteed, investors in operational community solar projects around the state are seeing annual returns that are on track to exceed their original buy-in amount. Seattle City Light is also promoting these heavily within its service territory, and has five projects underway. Meanwhile PSE supports our efforts, but is not willing to actively lead, or own, these projects.



The project on City Hall will be entirely funded by investors, not the City, and is expected to be sized at the maximum allowable capacity: 75 kilowatts produced by 273 panels (18 times the size of the installation at the Community Center). Likely investors have been informed of the opportunity to be involved, with a minimum participation level of \$10,000 and a maximum of \$25,000. After assessing an initial bid from a qualified installer, the total cost of the entire project is expected to be approximately \$375,000, the vast majority of which is hardware and labor, but which also includes contingency, legal fees, paperwork, and administration.

The project has been deemed technically feasible after experts assessed roof condition and lifespan, and explored the necessary electrical connections. Upon conclusion of the current state production program in 2020, investors will decide how and whether to sell the installation to the City. In the meantime, they will be renting the necessary roof space on City Hall, and the City will benefit by using 100% of the power produced at no cost, helping offset several months' worth of normal power purchased from PSE, and reducing the carbon emissions associated with City operations. Currently, 40% of all power generated by PSE derives from coal burned out of state, thus any reduction in electricity consumed produces a notable emissions improvement.

Current recruitment efforts have resulted in 75% of the total number of investors needed to reach full project size, and indicate that a project is indeed viable financially. In order to maximize solar production, the project must activate by June 1, and therefore the investment pool must be closed by early February; pre-engineering, design, and installation is expected to take up to two months.



**11**

**COUNCIL MEETING  
STRUCTURE &  
PROCESS**



# MEMORANDUM

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*2015 City Council Planning Session*

**TO:** City Council  
**FROM:** Noel Treat  
**RE:** Council Meetings Structure and Process

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**COUNCIL DISCUSSION/QUESTION PRESENTED:**

Does the Council want to explore changes to its meeting and/or study session structure and process?

**BACKGROUND:**

Councilmembers have expressed an interest in exploring alternative structures and process for ways to make meetings and study sessions more effective and efficient.

**EXHIBITS:**

1. City Council Rules of Procedure, Section 2 – Council Meetings

## **SECTION 2. COUNCIL MEETINGS**

### **2.1 TYPES OF MEETINGS**

- (1) **Regular Meetings.** Council's regular meetings will be held the first and third Mondays of each month in Council Chambers, City Hall.

Regular Council meetings will begin at the hour of 7:00 p.m., and will adjourn no later than 10:00 p.m. The Council may continue past this time of adjournment by a two-thirds (2/3) vote of the Council members in attendance at the meeting.

If any Monday on which a meeting is scheduled falls on a legal holiday, the meeting shall be held at 7:00 p.m. on the first business day following the holiday, or on another day designated by a majority vote of the Council.

- (2) **Special Meetings.** A special meeting is any Council meeting other than a regular council meeting. Notice shall be given at least 24 hours in advance specifying the time and place of the meeting and the business to be transacted. A special council meeting may be scheduled by the Mayor, City Manager or at the request of a majority of the Council members.
- (3) **Study Sessions.** Study sessions will be held at 6:00 p.m., when needed and may be called by the Mayor, City Manager or by a majority of the Council members.

Study sessions will be informal meetings for the purpose of reviewing forthcoming programs, receiving progress reports on current programs or projects, or receiving other similar information.

No final decisions can be made at a study session. Decisions on those issues will be scheduled for a regular or special council meeting.

- (4) **Emergency Meetings.** An emergency meeting is a special council meeting called without 24 hour notice. An emergency meeting may only be called as a result of an emergency involving injury or damage to persons or property or the likelihood of such injury or damage or when time requirements of a 24 hour notice would make notice impractical and increase the likelihood of such injury or damage. Emergency meetings may be called by the City Manager or the Mayor. The minutes will indicate the reason for the emergency.
- (5) **Executive Session Meetings.** An executive session is a Council meeting that is closed except to the Council, City Manager, City Attorney and staff members and/or consultants authorized by the City Manager. The public is restricted from attendance. Executive sessions may be held during regular or special council meetings and will be announced by the Mayor or the Chair of a council committee, respectively. Executive session subjects are limited pursuant to Chapter 42 RCW, including considering real property acquisition and sale, public bid contract performance, complaints against public officers and employees, review of collective

bargaining agreements, public employment applications and evaluations, and certain attorney-client discussions. Before convening an executive session, the Mayor or Chair shall announce the purpose of the meeting.

## 2.2 **ORDER OF REGULAR COUNCIL MEETING AGENDA**

- (1) **Call Meeting to Order & Roll Call.** The Mayor calls the meeting to order. The City Clerk will take roll call. The Mayor will announce the attendance of Council members and indicate any Council Member who is not in attendance and whether or not the Council Member has an excused absence.
- (2) **Agenda Approval/Amendment.** Agenda items may be added to a regular Council meeting agenda after the meeting notice is published, if a Council Member or City Manager explains the necessity and receives a majority vote of the Council. The Mayor may, with the concurrence of the Council members, take agenda items out of order.
- (3) **Proclamations and Presentations.** A Proclamation is defined as an official announcement made by either the City Council or the Mayor.

City Council Proclamations are defined as those non-controversial events which have a major citywide impact. City Council Proclamations shall be publicly read at a City Council meeting and presented to a representative of the event during the Council meeting.

Mayor's Proclamations are defined as those non-controversial events which are requested by and for a special interest group within the City. Mayor's Proclamations are signed by the Mayor and forwarded to a representative of the event.

The Mayor and City Manager shall determine if the Proclamation request is for a City Council Proclamation or a Mayor's Proclamation.

Controversy is defined as a dispute, especially a lengthy and public one, between sides holding opposing views.

- (4) **Citizen Comment/"Appearances".** Members of the audience may comment on any matter. Comments are limited to three (3) minutes, except that for a person speaking on behalf of a group, comments are limited to five (5) minutes. The Mayor will announce these time periods at the commencement of Appearances. No speaker may convey or donate his or her time for speaking to another speaker. The Mayor may grant additional time for citizen comments. Persons addressing the Council will be requested to step up to the podium and give their name and address for the record.

The Mayor may allow citizens to comment on individual agenda items at times during any regularly scheduled City Council meeting other than the regularly scheduled Citizen Comment period.

All remarks will be addressed to the Council as a whole, and not to individual City Council or staff members. Any person making personal, impertinent, or slanderous remarks, or who becomes boisterous, threatening, or personally abusive while addressing the Council, may be requested by the Mayor to leave the meeting.

The City Clerk will record all citizen comments. At the next scheduled regular Council meeting, the City Manager will report on such citizen comments and advise the Council whether the matter was referred to City staff, a Council Committee, placed on a future City Council meeting or other City response. Citizen comments that do not request City staff action but merely are advising the City Council of the citizen's position on a policy matter will not be included in the City Manager's report.

- (5) **Minutes.** The City Clerk will keep an account of all proceedings of the Council in accordance with the statutory requirements, and proceedings will be entered into a minute book constituting the official record of the Council. The City Council will approve minutes from prior Council meetings by majority affirmative vote. Council meeting minutes will not be revised without a majority affirmative vote of the Council.
- (6) **Consent Calendar.** Consent Calendar items have either been fully considered by a City Council Committee or are considered to be routine and non-controversial and may be approved by one motion. Items on the Consent Calendar include without limitation, minutes, resolutions and ordinances discussed at a previous City Council meeting, bid awards and previously authorized agreements. A Council member may remove a consent agenda item from the consent calendar for separate discussion and action. If removed, that item will become the first item of business under Regular Business of the same meeting.
- (7) **Public Hearings.** There are two types of public hearings: legislative and quasi-judicial. The Mayor will state the public hearing procedures before each public hearing. Citizens may comment on public hearing items.
  - (i) **Legislative Public Hearings.** The purpose of a legislative public hearing is to obtain public input on legislative or policy decisions, including without limitation, review by the City Council of its comprehensive land use plan or biennial budget.
  - (ii) **Quasi-Judicial Public Hearings.** The purpose of a quasi-judicial public hearing is to decide issues involving the rights of specific parties including without limitation, certain land use matters such as site specific rezones, preliminary plats, and variances.

The City Council's decision on a quasi-judicial matter must be based upon and supported by the "record" in the matter. The "record" consists of all testimony or comment presented at the hearing and all documents and exhibits that have been submitted.

In quasi-judicial hearings, Council members shall comply with all applicable laws including without limitation the appearance of fairness doctrine (Chapter 42.36 RCW). The appearance of fairness doctrine prohibits ex parte (outside the hearing) communications; prohibits a Council members from making a determination on the matter in advance of the hearing; requires the hearing to be fair and impartial; and prohibits the participation of any Council member who has a conflict of interest or financial interest in the outcome of the hearing.

A Council member shall consult with the City Attorney to determine whether or not he or she should recuse themselves from the quasi judicial hearing discussion and decision.

- (8) **Regular Business.** Regular Business items are all other regular Council business, including resolutions and ordinances requiring Council action.
- (9) **Other Business.** The Council will discuss the Planning Schedule, Board and/or Commission appointments and Council reports. During Council reports, Council members may report on significant activities since the last meeting; provided, however, that Council members may not enter into debate or discussion on any item raised during a Council report.
- (10) **Adjournment.** With no further business to come before the Council, the Mayor adjourns the meeting.

### 2.3 **COUNCIL MEMBER SEATING**

A Council member's seat at the dais will be determined as follows:

- (1) The Mayor shall sit in Chair #4, the center seat at the dais, the Deputy Mayor shall sit to the Mayor's right, in Chair #3 and the City Manager shall sit to the Mayor's left, in Chair #5.
- (2) The Mayor will determine the seats of the remaining Council members.

(Section 2.1(1) Updated June 19, 2006)