**Mayor Bruce Bassett
Deputy Mayor Dan Grausz
Councilmembers Debbie Bertlin, Jane Brahm,
Mike Cero, Tana Senn and Benson Wong**

Contact: 206.275.7793, council@mercergov.org
www.mercergov.org/council

The Mini-Planning Session will be held in
the Groveland room at the
Mercer Island Community & Event Center at
8236 SE 24th Street, Mercer Island, WA

2014 CITY COUNCIL MINI-PLANNING SESSION

CALL TO ORDER & ROLL CALL   8:30 AM

SPECIAL BUSINESS

Times are approximate

Review 2014 Work Plan and Recap Work to Date	8:35 am
2015-2016 Budget	8:45 am
Break	10:45 am
Town Center Vision Report and Discussion	11:00 am
Lunch	12:00 pm
Town Center Vision Report and Discussion (continued)	12:15 pm
Town Center Booster Committee	1:15 pm
Transportation Issues Status Report (bus intercept, R8A, etc.)	1:30 pm
Regional Issue Check-In	2:30 pm
Break	3:00 pm
MICA Update	3:15 pm
Other Items (as necessary)	4:15 pm

ADJOURNMENT   5:00 PM

MEMORANDUM

2014 City Council Mini-Planning Session

TO: City Council

FROM: Chip Corder, Assistant City Manager/Finance Director

RE: 2015-2016 Operating Budget Kick-off

COUNCIL DISCUSSION/QUESTION PRESENTED:

1. If necessary, is the Council willing to consider any of the following to <u>maintain</u> current service levels in the General Fund in 2015-2016:

    a. Reduce or eliminate General Fund subsidies?

        i. Move street sweeping costs from the General Fund to the Storm Water Fund ($104,000)?
        ii. Reduce annual General Fund subsidy of YFS, which was $320,000 in 2013 and which is $200,000 in 2014?

    b. Modest tax increases in the General Fund?

        i. 1.0% optional property tax increase ($110,000)?
        ii. Use banked property tax capacity ($123,000)?
        iii. Increase utility tax rate on the City's water, sewer, and storm water utilities from 5.3% to 6.0% ($100,000)?

2. Are there any new, restored, or enhanced services that the Council wants to see proposed in 2015-2016?

    a. Economic Development Coordinator (new position)?
    b. Transportation Engineer (position was cut beginning in 2011)?
    c. Right-of-Way Maintenance Team Member (one position was cut beginning in 2011, and another position was left vacant in 2013-2014)?
    d. Fire Marshal (position was cut beginning in 2011)?
    e. Other?

3. Is the Council interested in funding the LEOFF I Retiree Long-Term Care Reserve for the next 20 years (i.e. through 2033) by using $100,000 of banked property tax capacity beginning in 2015?

BACKGROUND:

During even numbered years, staff utilizes the Council Mini-Planning Session in June to kick-off the coming biennium's operating budget with the Council. The 2015-2016 budget calendar (see Exhibit 1) will be reviewed first. Next, staff will walk the Council through an operating budget review example from the 2013-2014 budget (see Exhibit 2) to illustrate how each selected fund will be reviewed on October 20th. Then, the 2014-2019 General Fund forecast, which will be distributed at the meeting as Exhibit 3, will be presented to the Council. **Due to meager sales tax growth through April 30, 2014, department requests to restore positions that were cut or otherwise left vacant in 2011-2014, and other operating budget issues, the Finance Director expects that balancing the 2015-2016 budget will prove more challenging than anticipated at the beginning of 2014.** The General Fund forecast will set the stage for discussing the 2015-2016 operating budget issues, which will be distributed at the meeting as Exhibit 4. Finally, staff will go over the revenue tool kit available to the Council for addressing general government (i.e. non-utility) funding issues in 2015-2016 (see Exhibit 5). Preliminary Council direction will be sought on the three operating budget questions noted above.

EXHIBITS:

1. 2015-2016 Budget Calendar
2. Operating Budget Review Example (General Fund)
3. 2014-2019 General Fund Forecast (to be distributed at meeting)
4. 2015-2016 Operating Budget Issues (to be distributed at meeting)
5. Revenue Tool Kit for General Government (i.e. non-Utility) Purposes

City of Mercer Island
2015-2016 Budget Calendar

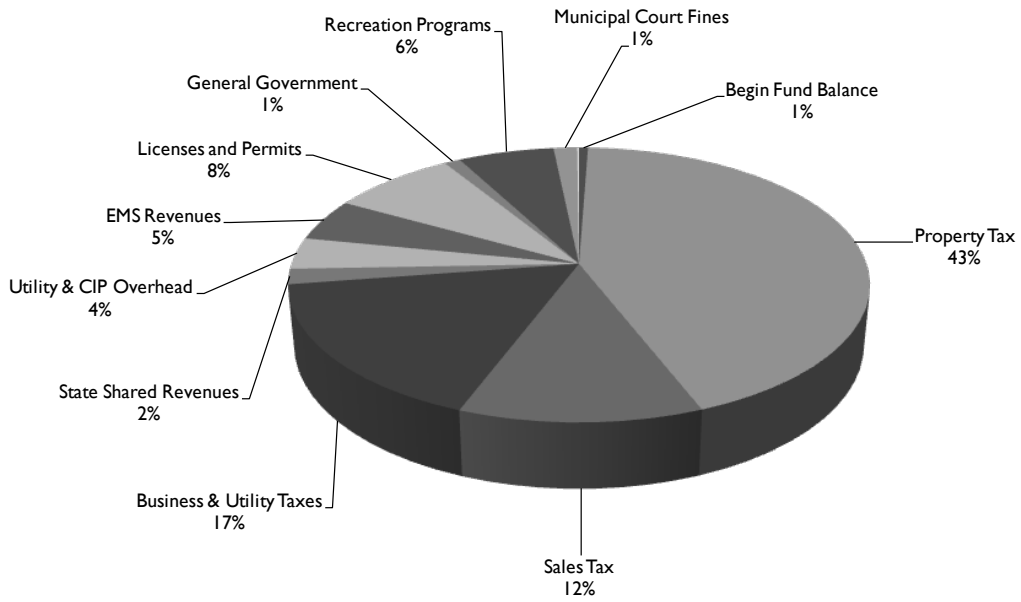| Date	Agenda Item / Council Action
Mar 17	**2015-2020 Capital Improvement Program (CIP) Kick-off**
Jun 14	**2015-2016 Operating Budget Kick-off**
Jun 16	**2015-2020 CIP "Preview"**
Oct 6	**Budget Overview Presentation** ▪ Distribute budget document to Council

Oct 20	**Operating Budget Review**
	▪ Review selected funds: **General Fund, Criminal Justice Fund, Beautification Fund, YFS Fund, Water Fund, Sewer Fund, and Storm Water Fund**
	▪ Focus on following for each fund:
	  ▫ Major revenue estimates & new/enhanced revenues
	  ▫ Expenditure summary
	  ▫ Budget Analysis (1-2 page expenditure summary)
	  ▫ Significant budget policy changes/issues
	  ▫ Service Reduction & Enhancement Packages

Nov 3	**CIP Review** ▪ Review updated REET forecast ▪ Review changes to CIP "Preview" by Council & staff ▪ Review projects by exception ▪ Review 6 year fund statements, focusing on fund balance
Nov 17	**Council Action Required** ▪ Finalize changes to operating budget and CIP ▪ Adopt 2015 utility rates (water, sewer, storm water, EMS) ▪ Adopt 2015 property tax levy
Dec 1	**Council Action Required** ▪ Adopt 2015-2016 Final Budget ordinance

At its January 2014 Planning Session, the Council opted for a more streamlined operating budget review approach, which is focused on selected funds. This budget approach will keep things at a higher level for the Council, drilling down only on the "driving details" of the proposed budget. There will be no change to how the CIP is reviewed by the Council.
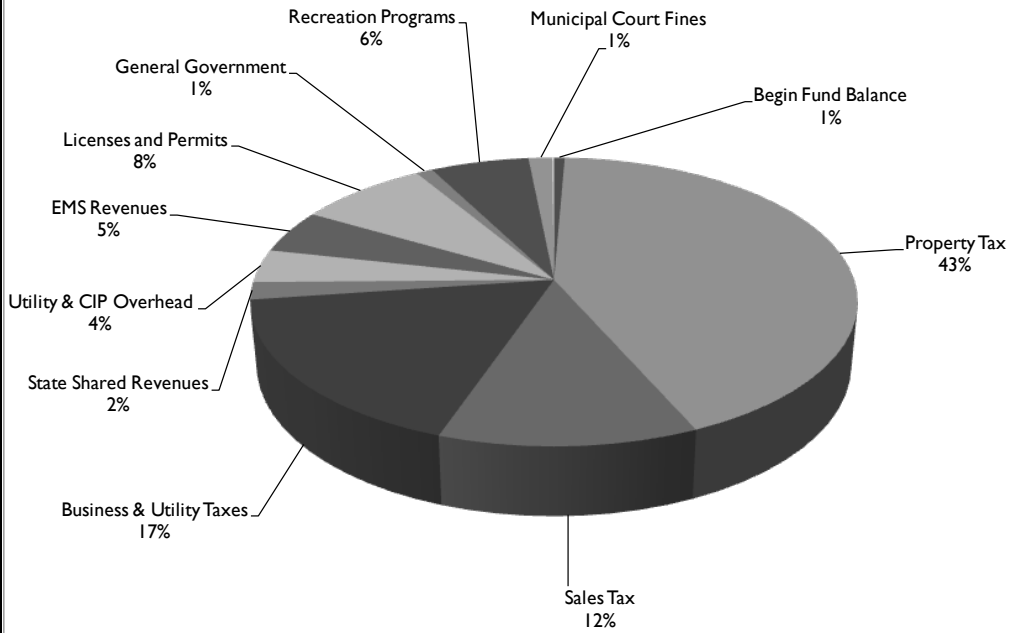
General Fund – 001

The General Fund is the City's largest fund and accounts for most of the City's "general purpose" revenues and "general government" (non-utility) operations. General purpose revenues are not restricted by state law or local ordinance and are not required to be accounted for in a separate fund.

Description	2011 Actual	2012 Forecast	2013 Budget	2014 Budget	Percent Change 12-13	Percent Change 13-14
RESOURCES						
Budgeted						
Beginning Fund Balance	$ -	$ 396,448	$ 157,899	$ 149,742	-60.2%	-5.2%
Property Tax	10,123,128	10,368,695	10,575,166	10,808,701	2.0%	2.2%
Sales Tax	2,591,039	2,775,000	2,889,000	3,061,000	4.1%	6.0%
Business & Utility Taxes	3,477,156	3,543,000	4,070,629	4,403,629	14.9%	8.2%
State Shared Revenues	599,375	477,069	438,050	492,075	-8.2%	12.3%
Utility & CIP Overhead	868,129	908,833	900,645	937,132	-0.9%	4.1%
EMS Revenues	957,747	1,098,450	1,206,019	1,233,289	9.8%	2.3%
Licenses and Permits	1,865,547	1,797,720	1,960,310	2,028,310	9.0%	3.5%
General Government	248,876	271,800	253,000	260,000	-6.9%	2.8%
Recreation Programs	1,374,983	1,414,281	1,505,773	1,538,465	6.5%	2.2%
District Court Fines	407,764	387,000	371,000	371,000	-4.1%	0.0%
Interest	18,962	16,800	2,000	2,000	-88.1%	0.0%
Interfund Transfers In	1,736,243	604,409	11,000	11,000	-98.2%	0.0%
Total Budgeted Resources	**$24,268,949**	**$24,059,505**	**$24,340,491**	**$25,296,343**	**1.2%**	**3.9%**
Not Budgeted						
Beginning Fund Balance (Reserved)	2,328,233	2,659,450	2,672,991	2,523,249	0.5%	-5.6%
TOTAL RESOURCES	**$26,597,182**	**$26,718,955**	**$27,013,482**	**$27,819,592**	**1.1%**	**3.0%**
USES						
Budgeted						
City Attorney	$ 487,999	$ 548,370	$ 487,797	$ 501,999	-11.0%	2.9%
City Council	35,595	36,265	46,113	46,113	27.2%	0.0%
City Managers Office	626,921	810,402	891,747	922,288	10.0%	3.4%
Development Services	1,906,940	2,063,984	2,166,988	2,312,853	5.0%	6.7%
Finance	650,291	691,671	697,525	737,373	0.8%	5.7%
Fire and EMS	4,993,001	5,229,551	5,493,414	5,703,765	5.0%	3.8%
Human Resources	471,550	483,983	512,315	530,785	5.9%	3.6%
Information & Geographic Services	117,682	120,037	106,329	110,272	-11.4%	3.7%
Municipal Court	368,696	382,093	376,552	391,394	-1.5%	3.9%
Non-Departmental	3,323,933	2,550,236	2,312,145	2,439,576	-9.3%	5.5%
Parks and Recreation	3,758,971	4,010,241	4,177,312	4,293,597	4.2%	2.8%
Police	5,216,287	5,254,819	5,502,043	5,699,284	4.7%	3.6%
Maintenance	1,583,418	1,706,413	1,570,212	1,607,045	-8.0%	2.3%
Total Budgeted Expenditures	**$23,541,284**	**$23,888,065**	**$24,340,491**	**$25,296,343**	**1.9%**	**3.9%**
Not Budgeted						
Ending Fund Balance	3,055,898	2,830,890	2,672,991	2,523,249	-5.6%	-5.6%
TOTAL USES	**$26,597,182**	**$26,718,955**	**$27,013,482**	**$27,819,592**	**1.1%**	**3.0%**

2013 General Fund Revenues

Recreation Programs
6%

Municipal Court Fines
1%

General Government
1%

Begin Fund Balance
1%

Licenses and Permits
8%

EMS Revenues
5%

Property Tax
43%

Utility & CIP Overhead
4%

State Shared Revenues
2%

Business & Utility Taxes
17%

Sales Tax
12%

2014 General Fund Revenues

Recreation Programs
6%

Municipal Court Fines
1%

General Government
1%

Begin Fund Balance
1%

Licenses and Permits
8%

EMS Revenues
5%

Property Tax
43%

Utility & CIP Overhead
4%

State Shared Revenues
2%

Business & Utility Taxes
17%

Sales Tax
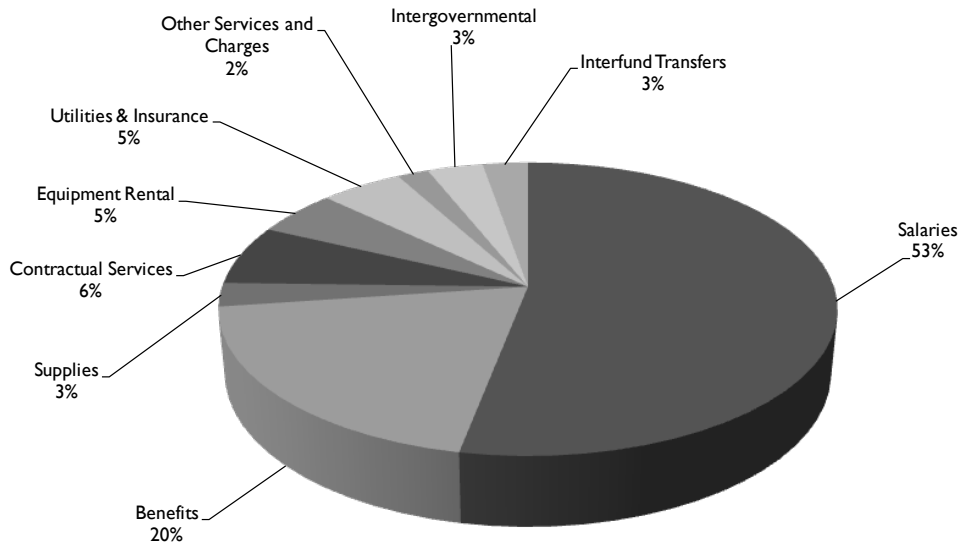12%

General Fund Expenditure Summary

Presented in the table below are expenditures by category for 2011-2014, followed by two pie charts depicting the percentage of each category relative to total budgeted expenditures in 2013 and 2014.

Description	2011 Actual	2012 Forecast	2013 Budget	2014 Budget	Percent Change 12-13	Percent Change 13-14
USES						
Budgeted						
Salaries	12,131,885	12,664,443	12,915,975	13,421,760	2.0%	3.9%
Benefits	4,086,843	4,272,965	4,628,304	4,998,644	8.3%	8.0%
Supplies	585,128	664,956	662,067	657,977	-0.4%	-0.6%
Contractual Services	1,524,047	1,682,726	1,545,768	1,662,523	-8.1%	7.6%
Equipment Rental	1,194,793	1,220,658	1,261,708	1,268,466	3.4%	0.5%
Utilities & Insurance	1,293,216	1,342,371	1,211,119	1,260,473	-9.8%	4.1%
Other Services and Charges	472,801	559,305	490,949	479,549	-12.2%	-2.3%
Intergovernmental	791,364	773,704	822,064	853,814	6.3%	3.9%
Interfund Transfers	1,461,207	706,937	802,537	693,137	13.5%	-13.6%
Total Budgeted Expenditures	**$ 23,541,284**	**$ 23,888,064**	**$ 24,340,491**	**$ 25,296,343**	**1.9%**	**3.9%**
Not Budgeted						
Ending Fund Balance	3,055,898	2,830,890	2,672,991	2,523,249	-5.6%	-5.6%
TOTAL USES	**$26,597,182**	**$26,718,954**	**$27,013,482**	**$27,819,592**	**1.1%**	**3.0%**

2013 General Fund Expenditures

Other Services and Charges
2%

Intergovernmental
4%

Interfund Transfers
3%

Utilities & Insurance
5%

Equipment Rental
5%

Contractual Services
6%

Supplies
3%

Salaries
53%

Benefits
19%

2014 General Fund Expenditures

Other Services and Charges
2%

Intergovernmental
3%

Interfund Transfers
3%

Utilities & Insurance
5%

Equipment Rental
5%

Contractual Services
6%

Supplies
3%

Salaries
53%

Benefits
20%
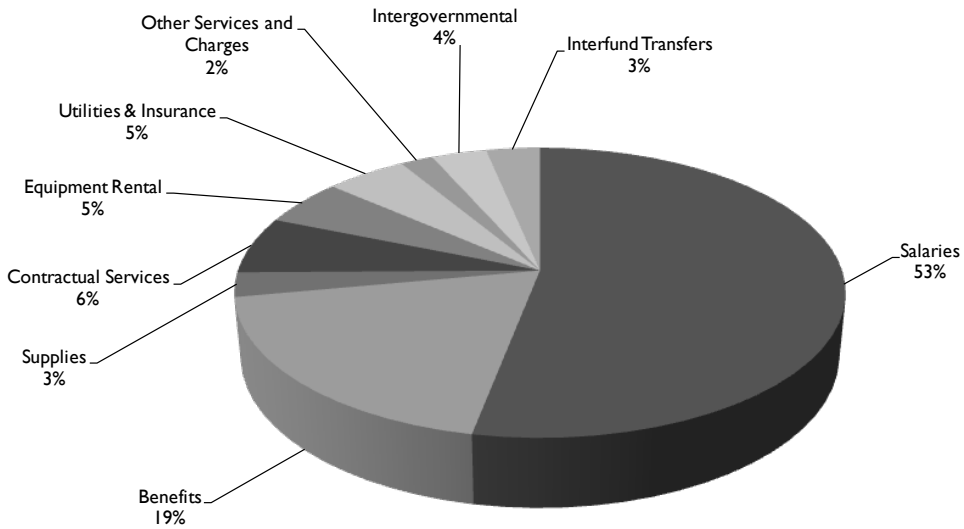
General Fund Budget Analysis

A summary analysis follows comparing the 2012 Approved Budget to the 2013-2014 Final Budget, broken down by year, with "Other Significant Changes," "Service Enhancements," and "Service Reductions" separately identified for 2013 and 2014.

2013 Analysis	Budget	% Change 2012-2013
2012 Approved Budget	**23,888,065**	
Plus 2013 General Inflationary Increases	**-**	**0.0%**
Plus (Less) 2013 Other Significant Changes:		
Salary and benefits (as compared to 2012 budget)	778,931	
NORCOM (Police and Fire dispatching)	115,023	
Restore transfer to Technology & Equipment Fund	100,000	
Miscellaneous professional services	50,000	
IT operations and maintenance	46,702	
Merchant fees (credit card processing fees)	30,150	
Fleet costs	18,261	
LEOFF1 retiree costs (Firefighter LEOFF Trust premiums)	(27,470)	
Patrol overtime	(27,976)	
Revised ILA with MISD for elementary field maintenance	(45,000)	
Unrepresented employee salary savings (no pay for performance in 2013)	(60,000)	
Adjust Allocation of General Fund FTE to CIP Project Management	(97,658)	
Other operating costs	(106,555)	
WCIA liability insurance premiums	(131,422)	
Prior year one-time costs & carryovers	(298,513)	
Subtotal	**344,473**	**1.4%**
2013 Base Budget	**24,232,538**	**1.4%**
Plus 2013 Service Enhancements:		
Total one-time costs	13,000	
Total ongoing costs	223,733	
Subtotal	**236,733**	
Less 2013 Service Reductions:		
Total one-time savings	(85,679)	
Total ongoing savings	(43,101)	
Subtotal	**(128,780)**	**-0.5%**
2013 Final Budget	**24,340,491**	**1.9%**

2014 Analysis	Budget	% Change 2013-2014
2013 Final Budget	**24,340,491**	
Plus 2014 General Inflationary Increases	**955,035**	**3.9%**
Plus (Less) 2014 Other Significant Changes:		
Reduce General Fund support of YFS Fund	(120,000)	
NORCOM - Police and Fire dispatching	28,317	
LEOFF1 actuarial study	22,500	
EMS rate study	15,000	
Subtotal	**(54,183)**	**-0.2%**
2014 Base Budget	**25,241,343**	**3.7%**
Plus 2014 Service Enhancements:		
Total one-time costs	70,000	
Total ongoing costs	-	
Subtotal	**70,000**	**0.3%**
Less 2014 Service Reductions:		
Total ongoing savings	(15,000)	
Subtotal	**(15,000)**	**-0.1%**
2014 Final Budget	**25,296,343**	**3.9%**

Beautification Fund Budget Policy

Background

The Beautification Fund was created in 1980 by Council ordinance. According to the ordinance, Business and Occupation Tax (B&O) revenues are deposited into the Beautification Fund.

The stated purposes of the Beautification Fund are:

- Installation and maintenance of landscaping including plants and other landscaped materials on public property or easements;
- Acquisition, operation, and maintenance of any building, facility, property, or easement for park, recreation, or open space purposes;
- Undergrounding of power lines and lighting facilities for the operation and maintenance thereof on public property or easements;
- Promotion and support of a Central Business District (CBD) revitalization program;
- Promotion, support, acquisition, and installation of public art on public property or easements;
- Acquisition or leasing of parking spaces for Mercer Island residents for the purpose of providing additional parking;
- Enforcement of parking restrictions, providing signage related to parking, providing permits, and any other expenses related to parking restrictions; and
- All expenses including, but not limited to, professional fees, printing, and publishing incurred in connection with the above-listed purposes.

Effective January 1, 2006, the Council simplified the B&O tax structure increasing the annual exemption amount from $20,000 to $150,000, establishing a uniform tax rate of .10%, and changing the annual gross receipts threshold for filing quarterly B&O tax returns from $100,000 to $1,000,000. In addition to simplifying the tax structure for businesses, this action served to simplify the administrative process for City staff.

Historically, expenditures of the Beautification Fund have included the following: median and planter maintenance in the Town Center, holiday lighting program, Chamber of Commerce support, I-90 corridor landscaping maintenance, restricted parking program administration, business licensing, business and occupation tax administration, and City financial support for Mary Wayte Pool operations and maintenance. Since the creation of the fund, a substantial sum has been spent on other beautification projects, and the broad language of the Code has been construed to permit a variety of undertakings.

Budget Policies for 2013-2014

- Continue support of ongoing Town Center beautification efforts, including Holiday lighting and maintenance of medians and planters.
- Provide funding for the following CIP projects: Luther Burbank Park Playground Equipment Replacement ($303,250) and a Parks Plan ($50,000).

2013-2014 Budget Impact

Description	2011 Actual	2012 Forecast	2013 Budget	2014 Budget
RESOURCES				
Budgeted				
Beginning Fund Balance	$ 11,572	$ 99,590	$ 353,250	$ -
Business and Occupation Tax	345,260	355,000	369,000	384,000
Permit Parking Program	3,175	2,500	3,175	2,500
Landscaping Services (WSDOT)	444,796	459,784	473,500	487,700
Total Budgeted Resources	**$ 804,803**	**$ 916,874**	**$1,198,925**	**$ 874,200**
Not Budgeted				
Beginning Fund Balance (Reserved)	1,003,092	903,502	550,252	558,800
TOTAL RESOURCES	**$1,807,895**	**$1,820,376**	**$1,749,177**	**$1,433,000**
USES				
Budgeted				
Chamber of Commerce	$ 14,400	$ 14,400	$ 14,400	$ 14,400
Financial Services \ Parking Program	6,210	12,900	12,300	12,300
Town Center Beautification	143,954	166,948	158,478	168,876
Mary Wayte Pool Operations	100,000	150,000	125,000	125,000
I-90 Landscape Maintenance	465,239	497,626	526,949	545,909
Interfund Transfer - CIP	75,000	75,000	353,250	-
Total Budgeted Expenditures	**$ 804,803**	**$ 916,874**	**$1,190,377**	**$ 866,485**
Not Budgeted				
Ending Fund Balance	1,003,092	903,502	558,800	566,515
TOTAL USES	**$1,807,895**	**$1,820,376**	**$1,749,177**	**$1,433,000**

Transportation Management Budget Policy

Background

Recent Transportation Issues

Over the last four biennia, the City Council has increasingly struggled to find policy directions and financing for a number of local transportation issues. Among recent issues are:

- Residential Street Overlays
- Arterial Street Improvements
- Bike & Pedestrian Plan Implementation
- Shoulder Improvements along the Mercer Ways
- Transit Services north-south ("Jitney" project)
- Traffic Calming – Planning & Implementation
- Transit Oriented Development Planning in the Town Center (i.e. parking)
- Island Crest Way Configuration
- Parking Along the Mercer Ways

Historical & Future Organization of Function

In terms of managing transportation issues, Mercer Island is rather unique in that it does not have a single "transportation department." Instead, the City maintains a de-centralized "matrix" organizational style by spreading and coordinating transportation activities throughout various parts of the organization, including the Development Services Group (DSG), the Maintenance Department and the City Manager's Office. In the 2009-2010 Budget, the City converted the Transportation Planner position into a Transportation Manager position to consolidate a number of the transportation-related functions. While this consolidation had some advantages, it carried a relatively large price tag, funded mostly by the General Fund.

In the 2011-2012 Budget, the General Fund revenue contractions resulted in elimination of the Transportation Manager position, significantly changing the transportation services historically provided by the City. Some duties and tasks were absorbed by existing City staff, and other tasks and activities were deferred until additional resources become available. There are also resource gaps that may create the need for outside professional transportation engineering services for technical review of some large or complex development proposals and new City Council transportation initiatives.

Funding Trends & Opportunities

The preservation, maintenance and improvement of Mercer Island's local transportation infrastructure are core functions of city government. Equally important are the planning, coordination and collaboration activities with Washington State Department of Transportation, Sound Transit and King County Metro regarding transportation operations, improvements and investments of regional transportation operations and investments, especially those within the I-90 corridor. With passage of Initiative 695 in 1999 and Initiative 776 in 2002, the city's ability to fund local transportation activities has been severely constrained. The City experienced the loss of $1.1 million in Motor Vehicle Excise Taxes and $200,000 in King County Local Vehicle License fees as a result of the two initiatives. The loss of these dedicated sources of transportation revenue has constrained the ability of the City to fund local transportation maintenance and improvements and to provide staff to coordinate regional transportation operations and investments. This has placed greater pressure on the use of limited real estate excise taxes and gas taxes to support transportation related activities on Mercer Island. Consequently, the Council has been unable to secure funding for its various transportation priorities.

Transportation Benefit Districts

Many cities and counties across the state have been struggling with the same kinds of issues. In response, the Legislature amended state law in 2005 (RCW 36.73) to allow cities to create a "Transportation Benefit District" (TBD). This tool authorizes cities and counties to establish a district with authority to impose new fees and taxes to fund transportation improvements such as maintenance of and improvements to local transportation

infrastructure. A TBD may raise revenue in two ways. Without voter approval, a TBD may establish an annual vehicle fee of up to $20 per vehicle and impose transportation impact fees on commercial and industrial buildings. With voter approval, a TBD may impose increases in property taxes, sales taxes, an annual fee of up to $100 per vehicle and vehicle tolls. The governing board of a TBD may be a City Council. Cities who have established a TBD include Auburn, Bellingham, Bremerton, Burien, Des Moines, Edmonds, Lake Forest Park, Lynnwood, North Bend, Olympia, Seattle, Sequim, Snohomish, Snoqualmie, and University Place. There are 17,695 registered vehicles in the City of Mercer Island. A $20 vehicle fee would yield about $350,000 in annual revenue for the maintenance and improvement of Mercer Island's transportation infrastructure.

Budget Policies for 2013-2014

- The Transportation Manager position was eliminated in the 2011-2012 budget with duties reassigned to other staff. Continue the reassignment as follows:
  - o Transfer Neighborhood Traffic Customer Service, including traffic engineering, traffic and parking complaints, traffic counts, signal modifications, pavement markings and implementation of neighborhood traffic calming to the Assistant City Engineer, Street Engineer and Streets Maintenance Manager in the Maintenance Department.
  - o Transfer design and implementation of the Pedestrian Bicycle Facilities Plan to the Assistant City Engineer in the Maintenance Department.
  - o Transfer annual TIP/CIP development to the City Engineer in the DSG.
  - o Transfer support for the Mercer Island School District Master Planning transportation element to the City Engineer in the DSG.
  - o Transfer I-90 (R-8A/HOV and Eastlink) to the City Manager's Office, with technical and policy support by the DSG.
  - o Transfer Commute Trip to the Human Resources Department.
  - o Transfer MISD/PEAK Transportation Demand Management Plan Implementation to the City Engineer in the DSG.

- Activities which would be deferred or managed on an ad hoc basis:
  - o Development of a Traffic Calming Toolkit.
  - o Development and implementation of the demonstration project for a Mercer Island Shuttle.
  - o Pursuit of highly competitive transportation grants.

- Activities which would likely require some outside professional services:
  - o Detailed evaluation of traffic studies and transportation impacts of large or complex development proposals to determine appropriate mitigation. This fiscal need may be filled by a more aggressive use of SEPA authority. This alternative would require developers to assist in the funding of the SEPA project analysis.
  - o Management of the City Transportation Concurrency Program.
  - o Any new City Council transportation initiative.

- Consider creation of a Transportation Benefit District to create a new funding source for transportation-related improvements and/or services. A $20 per vehicle fee would generate approximately $350,000 per year.

2013-2014 Budget Impact

	2011 Actual		2012 Forecast		2013 Budget		2014 Budget
Revenue							
General Purpose Revenue	$	1,200	$	13,000	$	20,529	$	20,838
Total Revenue	**$**	**1,200**	**$**	**13,000**	**$**	**20,529**	**$**	**20,838**
Expenditures							
DSG Dev Engineering - Neighborhood Traffic	$	1,200	$	13,000	$	-	$	-
MAINT Cust Response - Neighborhood Traffic		-		-		20,529		20,838
Total Expenditure	**$**	**1,200**	**$**	**13,000**	**$**	**20,529**	**$**	**20,838**

City of Mercer Island

2013-2014 Service Enhancement Request

KEY Code | CM16P1

TITLE	Sustainability Coordinator (0.40 FTE)

DEPARTMENT	DIVISION/TEAM	OPERATING FUND
City Manager's Office	Communications/Sustainability	General

PRIORITY OF GOVERNMENT (# & Description)
#2 - The Community will support effective, efficient and legal delivery of public services.

DESCRIPTION AND JUSTIFICATION

In March of 2012, the City took an important next step in furthering its sustainability efforts by launching a Sustainability Policy Task Force.   The Task Force was comprised of an outstanding group of community members with a broad range of expertise and experience. The Task Force worked intensively over several months and issued a set of sustainability policy recommendations to the City. The recommendations included focus areas, policy statements, and potential action items.

A key recommended action item is to dedicate a staff position to coordinate and oversee the City's sustainability work. Such a position was seen as critical to ensuring the City's success in furthering sustainability. Sustainability has long been a Mercer Island value and the City has a history of undertaking projects and measures to further sustainability goals. The addition of a position dedicated to sustainability is an important measure to ensure that the City continues and strengthens its sustainability work.

This proposed service enhancement will provide funding for an additional 0.4 FTE, which would be coupled with the vacant, pre-existing 0.6 Communication Coordinator position to create a full-time Communications/Sustainability Coordinator. While this enhancement will not create a full-time FTE devoted wholly to sustainability, it is an initial investment in moving the City's sustainability work forward despite the current fiscal challenges. In light of the overlap and nexus of communications and sustainability work, merging these partial FTEs is a prudent means to best allocate resources and position the City to attract strong candidates.

The split between communications and sustainability is expected to be 50/50. In terms of funding sources, the additional 0.4 FTE would be funded by the Utilities. Following is a breakdown of the position by fund:

 - General Fund: 0.35 FTE (Communications) + 0.25 FTE (Sustainability)
 - Water Fund: 0.05 FTE (Communications)
 - Sewer Fund: 0.05 FTE (Communications)
 - Stormwater Fund: 0.05 FTE (Communications) + 0.25 FTE (Sustainability)

Note: Recommended by the City Manager and adopted by the Council.

RELATED TO A CIP PROJECT?	■ No ■ Yes		CIP KEY #			
NUMBER OF EMPLOYEES REQUESTED	Regular: 0.40	Contracted:				

COST SUMMARY	2013		2014		2013-2014
	Ongoing	One-Time	Ongoing	One-Time	Total
Personnel Services	$ 42,401	$ -	$ 44,236	$ -	$ 86,637
Supplies & Services	$ 9,800	$ -	$ 9,800	$ -	$ 19,600
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Enhancement Cost	$ 52,201	$ -	$ 54,036	$ -	$ 106,237

Service Enhancement Cost Details

TITLE	Sustainability Coordinator (0.40 FTE)

Description	Account #	2013		2014		Total
		Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES						
Contract salary	CM16P1-51100	$ 31,498		$ 32,348		$ 63,846
Contract benefits	CM16P1-52800	$ 10,903		$ 11,888		$ 22,791
						$ -
						$ -
						$ -
						$ -
Total		**$ 42,401**	**$ -**	**$ 44,236**	**$ -**	**$ 86,637**
SUPPLIES & SERVICES						
Operating supplies	CM16P1-53110	$ 3,000		$ 3,000		$ 6,000
Professional services	CM16P1-54100	$ 5,000		$ 5,000		$ 10,000
Travel	CM16P1-54300	$ 600		$ 600		$ 1,200
Dues & subscriptions	CM16P1-54903	$ 400		$ 400		$ 800
Training	CM16P1-54905	$ 800		$ 800		$ 1,600
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
Total		**$ 9,800**	**$ -**	**$ 9,800**	**$ -**	**$ 19,600**
CAPITAL OUTLAY						
						$ -
						$ -
						$ -
						$ -
						$ -
Total		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL SERVICE ENHANCEMENT COST		**$ 52,201**	**$ -**	**$ 54,036**	**$ -**	**$ 106,237**

Service Enhancement Funding Sources

TITLE	Sustainability Coordinator (0.40 FTE)

Description	Fund	2013	2014	Total
ONE-TIME FUNDING SOURCE(S)				
Prior Year Surplus				$ -
Grant:				$ -
Donation:				$ -
Reserve:				$ -
Total		$ -	$ -	$ -

Description	Fund	2013	2014	Total
ONGOING FUNDING SOURCE(S)				
Option 1: Exp Savings/Service Trade-Offs				
				$ -
				$ -
				$ -
				$ -
				$ -
Total		$ -	$ -	$ -

Description	Fund	2013	2014	Total
Option 2: New Revenue(s)				$ -
Water utility rates (12.5%)	Water Fund	$ 6,525	$ 6,754	$ 13,279
Sewer utility rates (12.5%)	Sewer Fund	$ 6,525	$ 6,754	$ 13,279
Stormwater utility rates (75%)	Stormwater Fund	$ 39,151	$ 40,528	$ 79,679
				$ -
				$ -
Total		$ 52,201	$ 54,036	$ 106,237

	2013	2014	Total
TOTAL ONE-TIME + ONGOING FUNDING SOURCES (OPTION 1)	$ -	$ -	$ -
TOTAL ONE-TIME + ONGOING FUNDING SOURCES (OPTION 2)	$ 52,201	$ 54,036	$ 106,237

City of Mercer Island

2013-2014 Service Enhancement Request

KEY Code | DS11P1

TITLE	Comprehensive Plan Update

DEPARTMENT	DIVISION/TEAM	OPERATING FUND
Develement Services Group	Administration/Planning/Engineering	General

PRIORITY OF GOVERNMENT (# & Description)

#2 The community will support effective, efficient and legal deliver of public services.
#4 The community will support attractive, high quality neighborhoods and business environments.

DESCRIPTION AND JUSTIFICATION

The Washington State Growth Management Act (GMA) requires Mercer Island to complete a review and update of the Comprehensive Plan by June 30, 2015. The 2009-2010 budget included a Comprehensive Plan Update with a budget of $160,000. Council later elected not to expend the funds after the legislature extended the deadline. In light of the City's financial situation, staff proposes a significantly smaller budget and a minimalistic approach to the update. Interns will be utilized where possible to supplement the work performed by planning and engineering staff. The update of Transportation Element is largely technical and requires the expertise of a transportation planning consultant to support the efforts of staff. State-mandated requirements include:
-Consistency with GMA, including any amendments to the Act, judicial decisions, Growth Management Hearings Board decisions issued since the last mandatory plan update (2004), and updates to the SMP.
-Consistency with Vision 2040 (adopted in 2008) and Transportation 2040.
-Accommodates the 2031 growth forecasts for housing and employment as established by the Washington State Office of Financial Management and the King County Growth Management Planning Council.
-Land use assumptions used to estimate travel, estimated traffic impacts to state-owned facilities, and facility/service needs including transit and state-owned facilities.
-Level of service standards for local facilities and State facilities (for monitoring system performance only).
-Specific actions to bring local facilities into compliance if they fall below the adopted standard. Identify local and State needs to meet current and future demands, and long term traffic forecasts.
-A pedestrian and bicycle component.
-Analysis of funding capability and multi-year financing plan to implement identified needs.
-Description and analysis of intergovernmental coordination efforts, an assessment of traffic impacts on neighboring jurisdictions, and demand management strategies.

In-house resources will be utilized to the maximum extent possible. Transportation staff capacity and expertise is limited and will require some outside resources given the elimination of the Transportation Manager position in 2011. Project management will be handled internally with existing resources. Grant funds will be sought, if available.

Note: Recommended by the City Manager and adopted by the Council.

RELATED TO A CIP PROJECT?	■ No ■ Yes		CIP KEY #	
NUMBER OF EMPLOYEES REQUESTED	Regular: 0.00	Contracted: 0.00		

COST SUMMARY	2013		2014		2013-2014 Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	$ -		$ -	$ 25,000	$ 25,000
Supplies & Services	$ -		$ -	$ 45,000	$ 45,000
Capital Outlay	$ -	$ -	$ -	$ -	$ -
Total Service Enhancement Cost	$ -	$ -	$ -	$ 70,000	$ 70,000

Service Enhancement Cost Details

TITLE	Comprehensive Plan Update

Description	Account #	2013		2014		Total
		Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES						
Intern - casual labor and benefits	DS1100-51199				$ 25,000	$ 25,000
						$ -
						$ -
						$ -
						$ -
						$ -
Total		$ -	$ -	$ -	$ 25,000	$ 25,000
SUPPLIES & SERVICES						
Professional Services	DS1100-54100				$ 45,000	$ 45,000
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
Total		$ -	$ -	$ -	$ 45,000	$ 45,000
CAPITAL OUTLAY						
						$ -
						$ -
						$ -
						$ -
						$ -
Total		$ -	$ -	$ -	$ -	$ -
TOTAL SERVICE ENHANCEMENT COST		$ -	$ -	$ -	$ 70,000	$ 70,000

Service Enhancement Funding Sources

TITLE	Comprehensive Plan Update

Description	Fund	2013	2014	Total
ONE-TIME FUNDING SOURCE(S)				
Prior Year Surplus				$ -
Grant:				$ -
Donation:				$ -
Reserve: Sewer Lake Line project savings	General Fund		$ 70,000	$ 70,000
Total		**$ -**	**$ 70,000**	**$ 70,000**

ONGOING FUNDING SOURCE(S)				
Option 1: Exp Savings/Service Trade-Offs				
				$ -
				$ -
				$ -
				$ -
				$ -
Total		**$ -**	**$ -**	**$ -**

Option 2: New Revenue(s)				
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
Total		**$ -**	**$ -**	**$ -**

TOTAL ONE-TIME + ONGOING FUNDING SOURCES (OPTION 1)	**$ -**	**$ 70,000**	**$ 70,000**
TOTAL ONE-TIME + ONGOING FUNDING SOURCES (OPTION 2)	**$ -**	**$ 70,000**	**$ 70,000**

City of Mercer Island
Revenue Tool Kit for General Government (i.e. non-Utility) Purposes

For Operations/Maintenance

Revenue	Amount	Use Restrictions	Authorization Requirement	Other Information
Property Tax:				
• 1% optional increase	$110K/yr	None	Council approval (simple majority)	
• Banked capacity	$123K total	None	Council approval (simple majority)	
• Levy lid lift:				
– Permanent (or >6 years)	1%⇧ = $110K/yr	Stated purpose on ballot	Voter approval (simple majority)	Limited to 1% annual increase
– 6 year levy	1%⇧ = $110K/yr	Stated purpose on ballot	Voter approval (simple majority)	No limit on annual increase, though it must be stated on ballot
Utility Tax:				
• Water utility	1% rate⇧ = $50K/yr	None	Council approval (simple majority)	5.3% rate currently in effect
• Sewer utility	1% rate⇧ = $75K/yr	None	Council approval (simple majority)	5.3% rate currently in effect
• Storm water utility	1% rate⇧ = $17K/yr	None	Council approval (simple majority)	5.3% rate currently in effect
B&O Tax	0.01% rate⇧ = $40K/yr	Beautification Fund per Council ordinance	Council approval (simple majority)	0.1% rate currently in effect; maximum allowable rate is 0.2%
Development Fees	No significant opportunity for more cost recovery	Direct & indirect costs related to permitting	Council approval (simple majority)	Council adjusted target cost recovery levels & DSG fees effective 1/1/14
Recreation Fees	No significant opportunity for more cost recovery	Direct & indirect costs related to recreation programs	Parks & Recreation Director approval	Overall recreation cost recovery target, including administration & MICEC, is 50%

For Capital Improvement Program (CIP)

Revenue	Amount	Use Restrictions	Authorization Requirement	Other Information
Property Tax:				
• Voted bond levy (20 yr typically)	$5.0M in bonds = $366K/yr = 3.3%⇧	Stated purpose on ballot	Voter approval (super majority)	Unlimited annual increase
• Levy lid lift:				
– If debt is issued (9 yr limit)	$5.0M in bonds = $638K/yr = 5.8%⇧	Stated purpose on ballot	Voter approval (simple majority)	Limited to 1% annual increase
– If no debt is issued (no limit)	1%⇧ = $110K/yr	Stated purpose on ballot	Voter approval (simple majority)	Limited to 1% annual increase
Transportation Benefit District	$20 per vehicle = $350K/yr	Transportation-related O&M and capital	Council approval (simple majority)	Voter approval required for annual vehicle fee >$20

MEMORANDUM

2014 City Council Mini-Planning Session

TO: City Council

FROM: Kirsten Taylor, Assistant City Manager

RE: Town Center Visioning

COUNCIL DISCUSSION/QUESTION PRESENTED:

1. In review of the Town Center Sub-committee Top Priorities (Exhibit 1) and light of budget limitations, what are the Council's preferred priority areas for Town Center visioning? What budget direction does Council want to give staff regarding Economic Development Staff activities in the 2015-2016 Budget?

2. Does the Council want to direct staff to consider changes to the Town Center Vision in:

    a. The 2014-2015 Comprehensive Plan Update?

    b. The MICC Title 19 Development Code Revision Project proposed for 2015-2016?

3. Does the Council want an additional public process before making decisions related to the Town Center Vision?

BACKGROUND:

The Town Center Visioning Committee (Committee) was formed to develop Scope of Work recommendations for a process to establish a Vision, and subsequent implementing actions, for the future of the Mercer Island Town Center. The Committee was not anticipated to develop the Vision in this phase of work. Some of the topics that the Committee considered for inclusion in the recommendations:

- the process for developing a Vision,
- analysis of the creation of public gathering space,
- review of public amenity requirements,
- conduct study of parking needs,
- economic development opportunities,
- East Link integration,
- review/amendment of Town Center Development Code, and
- Town Center as a neighborhood (Exhibit 2).

1

The Committee agreed that an important step in this process would be to invite a variety of Mercer Island residents, business owners, property owners and developers to have a guided conversation with the Committee. The 29 community members who attended the conversation were enthusiastic about participating, and those who were unable to attend are looking forward to future conversations. Urban Planning and Design Consultant Joseph W. Tovar was retained to work with staff and Committee members to design and conduct the two-hour conversation on May 21, 2014.

The purpose of the conversation was to:
> *(1) Review the Town Center Vision adopted in 1995*
> *(2) Assess if this is the correct Vision for the next twenty years*
> *(3) If it is not, consider what clarifications or changes might be appropriate*
> *(4) Identify actions needed to implement the future Vision*

Following the meeting, participants were invited to list their top three interests or take-aways from the meeting which are included as an attachment to the Joe Tovar Town Center Subcommittee Vision Report. (Exhibit 3) This report provides a review of the community conversation meeting, and other consultant thoughts and observations to inform the Council discussion.

Also included for Council review are the Comprehensive Plan Land Use Policies regarding the Town Center and information on the General Intent of Design and Development Standards. (Exhibit 4)

This work is generating interest in the community, including a recent Mercer Island Reporter article. (Exhibit 5)

The Council Committee and staff reviewed the input and distilled the information into recommended top priorities for full Council consideration.   Staff has prepared estimated time frames and costs for the various priorities. (Exhibit 1)

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

EXHIBITS:
1. Town Center Subcommittee Top Priorities Cost & Time Frame Table
2. Town Center Visioning Committee Charter
3. Town Center Vision Report from Joseph Tovar Consulting
4. Comprehensive Plan Land Use Policies: Town Center and MICC 19.11.010.B. General Intent of Design and Development Standards
5. Mercer Island Reporter 5-28-14 Article

TOWN CENTER SUBCOMMITTEE TOP PRIORITIES
June 5, 2014

PRIORITIES	TIMEFRAME	RANGE OF COSTS
Priority 1 Provide Resources to Support Economic Development		
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	2015-2016	$$
2. Promote support of local businesses in the Town Center	2015-2016	$
3. Attract a more diverse mixture of stores and restaurants	2015-2016	$
4. Encourage Island entrepreneurs to open stores and restaurants on-Island	2015-2016	$
5. Create a Mercer Island website, Facebook page, other Social Media presence and a Mercer Island app	2015-2016	$
Priority 2 Support Creation of a Magnet Facility and/or Anchor Retailer		
1. Support the Mercer Island Center for the Arts (MICA)	2014-?	?
2. Support a year-round Farmers Market	?	?
3. Attract an anchor merchant	2015-2018	?
4. Explore moving City Hall to the Town Center to provide a civic presence	?	$$$$
5. Explore the potential for a separate movie theatre in Town Center or as part of MICA	2015-2016	$
Priority 3 Improve Identity and Orientation with Wayfinding Signs and Renamed Streets		
1. Add wayfinding signs to identify parking lots and other civic destinations such as Mercerdale Park, Farmer's Market, Post Office, the future Light Rail Station, etc.	2015-2016	$$
2. Install orientation/directory map panels at key spots in Town Center and at the Mercer Island Park and Ride	2015-2016	$$

$ = Up to $20K | $$ = $20K-$100K | $$$ = $100K-$500K | $$$$ = Over $500K | ? = Unknown

TOWN CENTER SUBCOMMITTEE TOP PRIORITIES
June 5, 2014

PRIORITIES	TIMEFRAME	RANGE OF COSTS
3. Build "gateways" or "welcome" signs to Mercer Island Town Center	2015-2016	$$
4. Rename a Town Center street as Main Street and rename a street perpendicular to Main Street with another place or history specific name	2015-2016	$
Priority 4 Create Vibrant Streetscapes		
1. Make Town Center streets more pedestrian-friendly	?	?
2. Explore "string of pearls" concept to provide visual and physical interest and dynamics within the Town Center	2015-2016	$-$$
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)	2015-2020	$$-$$$
4. Require inside/outside feature of new buildings to encourage street presence	2015-2016	$
5. Review current restrictions on outdoor eating areas	2015-2016	$
Priority 5 Connect Town Center With Nearby Community Assets		
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	2017-2018	$$$$
2. Explore use of pedi-cabs in the summer	2015-2016	$
Priority 6 Use Zoning to Control Form and Character of Development		
1. Review the effectiveness of the current Town Center subareas as currently described in the Comprehensive Plan	2014-2015	$
2. Explore the advantages of replacing the "incentive zoning" approach with a more	2015-2016	$$

$ = Up to $20K | $$ = $20K-$100K | $$$ = $100K-$500K | $$$$ = Over $500K | ? = Unknown

PRIORITIES	TIMEFRAME	RANGE OF COSTS
prescriptive code that would increase city's control over the details of building and site development		
3. Require development of usable mid-block connections	2015-2016	$
Priority 7 Activate the Town Center by Programming Uses		
1. Activate public spaces more frequently (such as Mercerdale Park, 78th Avenue Plaza, Luther Burbank Park and Aubrey Davis Park (I-90 Lid and Trail)) with current and new programs, events and features	?	?
2. Add more art spread out throughout Town Center to encourage walking, tours	2015-2020	?
Priority 8 Improve the Actual and Perceived Parking Supply		
1. Actively pursue dedicated commuter parking in the following possible locations--Sunset Hwy., Mercer Island Community and Event Center, Cohen property, Cassan Hotel property	?	?
2. Consider forming a parking management district and/or business improvement association (BIA) to coordinate parking, events, maintenance, programming, etc.	2017-2018	$
3. Require better signage for public parking areas in buildings	2015-2016	$
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	2015-2016	$

$ = Up to $20K | $$ = $20K-$100K | $$$ = $100K-$500K | $$$$ = Over $500K | ? = Unknown

CHARTER

Town Center Visioning Committee

PURPOSE:

The Town Center Visioning Committee is intended to develop Scope of Work recommendations for a process to establish a Vision, and implementing actions, for the future of the Mercer Island Town Center. The Committee is not anticipated to develop the Vision in this phase of work. Instead, it will identify the appropriate Scope of Work for the Vision creating process to follow at a later date. Examples of topics that might be considered by the Committee for inclusion in the recommendations include: the process for developing a Vision, analysis of the creation of public gathering space, review of public amenity requirements, conduct study of parking needs, economic development opportunities, East Link integration, review/amendment of Town Center Development Code, and Town Center as a neighborhood.

AUTHORITY:

The Committee was sanctioned to undertake this work by the City Council at its 2014 Planning Session.

MEMBERSHIP:

Committee membership will always have less than a quorum of City Councilmembers and shall include such Councilmembers as are appointed by the Mayor.

DECISIONMAKING:

The Committee will make no binding decisions of its own. It will make recommendations to the full City Council for its consideration.

TIMEFRAME:

The Committee is anticipated to complete this phase of work and provide a recommended Scope of Work to the full Council at its June 2014 Mini-Planning Session.

RESOURCES:

The City Manager and staff will provide analysis, support and coordination for the Committee. Subject matter experts may also be utilized to provide input and analysis to assist the Committee in its work.

Town Center Subcommittee
Vision Report

TO: Noel Treat, Mercer Island City Manager

FROM: Joseph W. Tovar, consultant

DATE: June 2, 2014

I.   Vision for Town Center – looking back, looking forward

This report describes the recent Town Center Visioning process and conveys the recommendations of the City Council's Subcommittee (the Subcommittee) which consists of Deputy Mayor Grausz and Councilmembers Wong and Senn. My primary work for the City was to support the Subcommittee and staff in designing and conducting a two-hour Vision Conversation on May 21. Twenty-nine Island residents and business owners participated at that event.

The purpose of the Vision Conversation was to:
   (1) Review the Town Center Vision adopted in 1995
   (2) Assess if this is the correct Vision for the next twenty years
   (3) If it is not, consider what clarifications or changes might be appropriate
   (4) Identify actions needed to implement the future Vision

The results of the May 21 Conversation are Attachment A.   The background materials provided to the attendees prior to the event are in Attachment B.

II.   Executive Summary

A. Priorities for Mercer Island Town Center

At three post-Conversation meetings, the Subcommittee reviewed the input and background information and distilled these eight recommended priorities.

Priority 1   Provide Resources to Support Economic Development

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

2. Promote support of local businesses in the Town Center

3. Attract a more diverse mixture of stores and restaurants

4. Encourage Island entrepreneurs to open stores and restaurants on-Island

5. Create a Mercer Island website, Facebook page, other Social Media presence and a Mercer Island app

Priority 2   Support Creation of a Magnet Facility and/or Anchor Retailer

1. Support the Mercer Island Center for the Arts (MICA)
2. Support a year-round Farmers Market
3. Attract an anchor merchant
4. Explore moving City Hall to the Town Center to provide a civic presence
5. Explore the potential for a separate movie theatre in Town Center or as part of MICA

Priority 3   Improve Identity and Orientation with Wayfinding Signs and Renamed Streets

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.
2. Install orientation/directory map panels at key spots in Town Center and at the Mercer Island Park and Ride
3. Build "gateways" or "welcome" signs to Mercer Island Town Center
4. Rename a Town Center street as Main Street and rename a street perpendicular to Main Street with another place or history specific name

Priority 4   Create Vibrant Streetscapes

1. Make Town Center streets more pedestrian-friendly
2. Explore "string of pearls" concept to provide visual and physical interest and dynamics within the Town Center
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)
4. Require inside/outside feature of new buildings to encourage street presence
5. Review current restrictions on outdoor eating areas

Priority 5   Connect Town Center With Nearby Community Assets

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
2. Explore use of pedi-cabs in the summer

Priority 6   Use Zoning to Control Form and Character of Development

1. Review the effectiveness of the current Town Center subareas as currently described in the Comprehensive Plan

2. Explore the advantages of replacing the "incentive zoning" approach with a more prescriptive code that would increase city's control over the details of building and site development

3. Require development of usable mid-block connections

Priority 7   Activate the Town Center by Programming Uses

1. Activate public spaces more frequently (such as Mercerdale Park, 78th Avenue Plaza, Luther Burbank Park and Aubrey Davis Park (I-90 Lid and Trail)) with current and new programs, events and features

2. Add more art spread out throughout Town Center to encourage walking, tours

Priority 8   Improve the Actual and Perceived Parking Supply

1. Actively pursue dedicated commuter parking in the following possible locations--Sunset Hwy., Mercer Island Community and Event Center, Cohen property, Cassan Hotel property

2. Consider forming a parking management district and/or business improvement association (BIA) to coordinate parking, events, maintenance, programming, etc.

3. Require better signage for public parking areas in buildings

4. Require additional parking for non-residential uses in new developments or fee-in-lieu to fund public parking

5. 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

B. Broad range of time frames and costs

A review of the priorities and implementing actions shows a broad span of time within which more detailed versions of these concepts could be brought to Council for decision and/or implementation.

Some program or partnership actions (for example, deciding on the name for the Light Rail Station and whether to rename some streets) could be undertaken within existing resources in a matter of months.   Others could take a year or more to implement. Some of the implementing actions would be incorporated into the staff's work program for the next year or two, such as targeted revisions to the Town Center Vision itself and amendment to the Town Center Zoning Code.   Still others could have multi-year timeframes, such as feasibility studies and design work that would precede any capital project.

There is likewise a broad range of potential costs involved. Some of the implementing actions would be one-time expenditures (e.g., landscaping or walkway improvements), others may have ongoing implications for the operating budget (e.g., an economic development staff position), still others could potentially involve multi-million dollar budgets (e.g., acquisition of property or

construction of capital projects like a central park, boulevard landscaping, or parking structure(s)).

Other than these order-of-magnitude descriptions, we have not prepared estimates of costs. Because at this point we are engaged in a review of the Vision for Town Center, we are primarily focused on values, preferences and desired outcomes. Only those recommended priorities and actions that resonate with Council as having potential merit would be taken to the next level of analysis for potential schedule and cost estimates.

III.   Observations

These observations are offered to provide the Council with additional perspective. They are the consultant's observations based on his experiences in this specific process and in the fields of town planning and urban design. They are not necessarily views shared by city staff or Subcommittee members.

o Mercer Island's Vision for Town Center is now 20 years old, so it is timely to update and clarify it.

o The *mixed-use* part of the Vision has come true with respect to multifamily, office, and restaurant uses. This is less so with regard to retail uses, and very much not so with respect to civic uses.

o When thinking about the Vision for Town Center, it would be helpful to also consider that this Vision nests within a bigger and very different vision – namely, the Vision for the rest of the island. The prevailing Vision for the Island as a whole is that of a low-rise, residential community with strong focus on parks, open space, the shoreline, and schools. The Town Center Vision in contrast is a mid-rise, mixed-use form and land use pattern, with a much greater transportation and economic connection to the off-island world.

o These two Visions are different, but that does not mean they are incompatible. Done right, they are complementary. A town center that is more compact, complete, and connected than the balance of the town is the norm for most cities in the region, indeed, the country.

o The Vision of Town Center should also be considered within a regional context – particularly the regional housing market and regional transportation network (i.e., light rail). Taken together, these regional factors will drive robust growth pressures in Town Center – it is very wise for the City to anticipate and prepare for this.

o It is difficult to over-state the impact that the light rail station will have on the real estate market in Town Center. The past "incentives/tradeoffs" zoning has served the City fairly well, but has resulted in some missed opportunities and less than optimal results. A more detailed and prescriptive "form-based code" would give the City the ability to shape future development more in line with desired quality and character.

o Several participants in the Conversation lamented the lack of a "heart" or "soul" in Town Center and others described "dead zones" on some of the block frontages.   This is partly a comment on the lack of civic reasons for being in Town Center.   Unlike the town centers in other suburban cities (e.g., Issaquah, Kirkland, Bothell, Burien, Redmond) Mercer Island's Town Center has no city hall, library, or performing arts center.

o Recent discussions about a performing arts center and an enhanced Farmers' Market are two examples of the kind of "civic/community" uses that would help create a sense of place and public life in Town Center. Recommended Priority 2 could partly be addressed by these efforts, but another key element that also merits consideration is a visible, useable open green space in the center of the Town Center.

o The City's active engagement with property owners and potential developers at a handful of "catalyst" sites could yield projects that significantly advance a number of the priorities for the Town Center. Successful development of catalyst sites would help attract investment in surrounding properties.

o Compared to other Town Centers, Mercer Island's is actually very walkable. It is relatively flat, has good pedestrian improvements in place, and is not too expansive to comfortably walk. There may be a public perception that nearby assets, such as the Community Center and Mercerdale Park, are not within a walkable distance, but in fact they are.   Signage and communication could help address this mis-perception.

o Town Center has an evolving pedestrian realm. However, the width and number of driving lanes in Town Center appears to be over-designed for the volume of traffic it must serve. A number of Town Centers have added angle parking on block faces, increasing parking capacity, contributing pedestrian activity to the sidewalk and storefronts, and increasing opportunities to add street trees to the streetscape. This also emphasizes that the multi-modal character of Town Centers includes automobiles as part of the mix.

IV.   Next Steps

At the June 14 meeting, the full council will discuss the Subcommittee's recommended priorities. No final actions are expected at that time, but it would be useful to know the sense of the Council on the following points to know how to proceed:

1. Which of the Subcommittee's recommended priorities and potential actions merit further consideration?   Are there other priorities or potential actions that should be added to the Subcommittee's recommendations?

2. Should the Subcommittee prepare a more refined list of priorities and potential actions for further Council review and action at a future meeting? What added level of detail or specific questions should the Subcommittee address as part of such subsequent effort?

3. Should the City staff begin work on a strategy for moving some of these ideas forward? Such a strategy would include information about cost and schedule, staff work program implications, and milestones for council review and decision-making. This information could be presented to the Subcommittee and/or the full Council as part of the Council's review of the operating and capital budgets this fall.

Attachments

Attachment A: Results from May 21 Vision Conversation
       A.1   List of Attendees
       A.2   Discussion Topics
       A.3   Group Notes
       A.4   Top Three Ideas From Attendees

Attachment B: Background Information
       B.1   Cover E-Mail to Attendees
       B.2   Agenda
       B.3   Town Center Vision—What is Vision and How is it Implemented?
       B.4   Smart Growth in Mercer Island's Town Center
       B.5   Town Center Vision—Notes From Your Walkabout
       B.6   Town Center Subareas Map
       B.7   Initial Invitation to Potential Attendees

Attendees - Vision for Town Center Conversation
5-21-14

Name	Represent
Business Owners	
Christine Poythress – Christine Face and Body	Business
Nancy Mead – Terra Bella	Business
Stephen Meade	Business
Dana Dewhurst – Hip Zephyr	Business
Diane Larson – MI Florist	Business
Real Estate/Business Professionals	
Terry Moreman	MI Chamber Exec. Director
Ellen Miller-Wolfe	Economic Development
Kathryn Armstrong – Legacy	Developer
Sarah Ford	Realtor
Jay Azose	Commercial Real Estate Broker
Mark O'Shea	TC Property Owner
Dr. Jim Pipers	TC Property Owner
Gary Lewis	TC Property Owner
Community Members	
Sarah LeClercq	MIPA Rep
Myra Lupton	Senior or retired person, Aljoya
Dr. Bob Lewis	Aljoya Resident
Anne Corley	Aljoya Resident
Joel Wachs	Town Center Resident
Mary Ann Flynn	Town Center Resident
Greg Asimakoupoulos	Rel. community, Covenant Shores Chaplain
Dan Hubbell	Resident
Wendy Weiker	Resident, Utility Board
Rich Conrad	Retired City Manager
Design Professionals	
Bill Shafer	Retired Engineer w/ Arch/eng firm
Fred Glick	Landscape design
Lesley Bain	Architect/Planner
Paulette Bufano	Arts Commission Chair
Rich Erwin	Design Commission Chair
Lara Sanderson	Design Commissioner
City Council/Staff Leads	
Dan Grausz	Deputy Mayor
Tana Senn	Council Member
Benson Wong	Council Member
Noel Treat	City Manager
Kirsten Taylor	Asst. City Manager
Scott Greenberg	DSG Director
Joe Tovar	Consultant

Discussion Topics	Tana Yellow Table	Noel Blue Table	Benson Green Table	Dan Red Table
1. Economic development/economic vitality o Why do businesses decide to locate in Mercer Island Town Center? o What could the City or Chamber do to help existing businesses thrive? o What businesses should be recruited to come to Town Center?		X		X
2. Town Center as a neighborhood o There are about 1000 residences now in Town Center. Is it a neighborhood? o What things are missing in Town Center that would make it more attractive and viable as a residential neighborhood? o Is there a distinct "sense of entry" into Town Center? Where are the "gateways"? o What other ways might there be to create a "sense of place?" Can public art be an effective way to do that?	X			
3. Town Center as a "transit oriented community." o What opportunities or challenges do you see the light rail station presenting? o What physical improvements, development standards, or programs should we explore in anticipation of this new transportation link? o When someone steps off the light rail train, will it be clear what is in Town Center and how to get there on foot?		X		
4. Parking o Is public parking clearly accessible and available? o Would wayfinding signage help people find parking? o Does new development provide adequate on-site parking? o Can you leave your car in one place for two hours and walk to multiple errands nearby?		X		X
5. Public realm/small public gathering places o Do you ever run into friends or neighbors while in Town Center? Where? o Coffee shops often function as such "third places." Is that your experience? o How well do the small spaces/plazas that are provided between the sidewalk and building storefronts work as public gathering places? o Should outdoor restaurant tables be encouraged or discouraged and why?	X		X	
6. Town Center as a "civic center" for the entire community. o Unlike peer cities (Kirkland, Redmond, Bothell, Issaquah) there is no central park, city hall, performing arts center or library in Mercer Island's Town Center. o Is there a need to create a larger place for celebrations, festivals, or other public gatherings? If so, what opportunities might exist?			X	X
7. Walkability/Bikeability o Do you now walk within Town Center? Do you ride a bicycle there? Why or why not? o Is Town Center a safe place to walk after hours? Why or why not? o Would way finding signs help orient people to walking routes to or around Town Center? o Mid-block crosswalk connections – do they work? Do we need more? Where?	X		X	

MERCER ISLAND TOWN CENTER VISION CONVERSATION
May 21, 2014

<u>Yellow Group Notes</u>

1. Economic
   a. Jay walking (one of the group members suggested fining Jaywalkers)

Feeling of the TC
2. Everyone's neighborhood
   a. Many feel that the city should be a destination for outside traffic
      i. Needs Energy
      ii. Medical clinics
   b. How do we create critical mass in the TC?
   c. Main street feel
      i. More walkability
      ii. Needs Soul Vs. the Cookie Cutter development
      iii. Street beautification
              In the heart of the city
      iv. Branch library
      v. Pocket parks
   d. Create a place where people want to go
   e. Where is the "Entrance" to the city?
      i. There are Multiple Entrances
         Is that good? Is that bad?
      ii. Different people enter and use the city in different ways
3. What is the "Main Street" and Why is it important?
   a. Public gathering space
   b. Parks- What makes them valuable though?
      i. Centralizing parks in the TC
      ii. Street Parks
         1. 78th st Plaza could be seasonally blocked off for public gathering uses
              such as: farmers markets, national night out
   c. Private Owners need to think publically.
4. Walk/Bike-ability
   a. How to get out on your feet?
      i. More attractive
      ii. Art walks
      iii. Bike share? Three wheelers for elderly?
      iv. Better way finding signs
      v. Building orientation and accessibility
      vi. Stop/flashing lights vs. stop signs
      vii. Variety in businesses
      viii. Outdoor restaurants
      ix. Festivals: Jazz/wine
      x. Open Late Businesses
5. What is the Role of the City?
   a. Control over Public Space

          i. Signs?
        ii. Social media?
      iii. Mini maps?
      iv. Swag?
       v. Are we well advertised?
   b. Safety
6. Residents role
   a. FB page
   b. Bulletin boards

BLUE TABLE NOTES

Economic Development
1. Why do businesses locate on Mercer Island?
   a. Mercer Island is a special location for a mix of needs to be met
   b. Ample parking
   c. Rent – expensive, but cheaper than surrounding areas
   d. Provides a customer base for certain types of businesses (established businesses)
2. What is needed?
   a. Should consider "specializing" the Town Center to gear it towards certain customers
   b. Bring in small character shops and sit down restaurants as a draw
   c. A better commercial mix, what the Town Center needs, was forgotten – What can be done to make the Town Center more appealing to a restaurateur?
   d. Consider a space like an indoor farmers market – like Bellingham (can be year round)
   e. Town Center needs to be a space for people both inside and outside of the Town Center
   f. Need a central gathering space/focal point
   g. Cultural placemaking – look at something next to Mercerdale Park or more central as gathering place

Town Center as a Transit Oriented Community
1. Make Town Center inviting through wayfaring
2. Use a modestly sized billboard/sign to promote something new each week (business/events) – can be digital
3. Provide tri-fold maps showing all businesses and providing descriptions – also show public amenities
4. Mercer Island application for phones/tablets
5. City could lease church parking lots for residents to park during the week – also have shuttles that go up and down Island Crest Way to link the parking lots to the Town Center
6. Need better signage and information about parking available in the Town Center – it's there, just not obvious
7. Better lighting in parking garages
8. Place an espresso cart (or something similar) at the Park and Ride
9. Want parking that allows people to move freely through the Town Center so people can go shop to shop without moving their cars
10. The City should build parking in the Town Center
11. A possibility would be to have parking on the Farmers site, which could be flanked be retail to the east
12. Can the City approach the owners of the Hines properties (parcel nos. 5315101325 and 5315101326), and work with them to create something more multipurpose (like a winter garden)?
13. Recommend a committee to explore more successful neighborhoods and see how we can model the Town Center to attract more types of businesses
14. Encourage home businesses to move into actual storefronts in the Town Center
15. Need an incubator space for small businesses – the City should work with vacant spaces in the Town Center
16. Consider using specific uses as significant public amenities (MICC 19.11.050)
17. Ask an applicant's intention about proposed ground floor uses at the time of permit application

Green Table Notes

Public Gathering

Outside seating is good. People like the landscaping around an eating area

- There are not always clear demarcation with the public plaza area and the private area
- Outdoor restaurants should be allowed
    - Seating should be away/protected from the street
    - Shelter and heat help to support/utilize the outdoor seating areas
- Outdoor plazas may be too small & shaded in some cases
- Street seating on sidewalk is useful
    - Tree shading is helpful
    - T.C. grew into the benches, but it took time
- There should be incentives for larger Right of Way/Public gatherings
- People are meeting in the T.C.
    - Includes High Schoolers
    - Add incentive to come to T.C., i.e. Roller Skating, bowling (some type of major draw for teenagers)
    - Increase connectivity to the Community Center
        - M.I. is car centric. People typically have a two block walk limit; main reason for strip malls

Town Center as Civic Center
- Need to capitalize on Community Center
- Bring <u>activities</u> to M.I. We have the space (i.e. Shakespeare in the park)
- Possibly a larger indoor space
- Art center is a great idea in the T.C.
- Park or public square in the center of T.C. will draw people there
- Get a lot of different users
- Redevelopment into a pedestrian T.C. will take a <u>long</u> time. Would need ample public parking on the periphery
- Some uses (grocery shopping) requires use of a car
- The current perception is that free parking is not readily available
    - Signage may be a solution

Walkability/Bikeability
- Cross walk signs may not function properly at all cross walks
- Need consistent cross walk/stop sign combo. There is some confusion if a motorist has to stop, and if there is a cross walk there.
- Cars don't always stop for pedestrians
    - There may be sight issues or confusion at certain intersections/cross walks
- Yes, it's walkable/bikeable
    - Bike path 77th is helpful

- o People do recreational walking in the T.C.
- Walking setbacks/issues
  - o 77th: fast speeds
  - o Not high visibility
  - o Benches face traffic
  - o Mega blocks need to break it up. Could use mid block walkway or alleyways.
    - Businesses could face alleyway

Bonus Discussion – Economic Development
- Capitalize on Park & Ride
- Need a Hotel
- Upscale restaurants have helped (such as Bennett's and the Islander)
- There is more walk in business now
  - o Businesses need encouragement to come to MI
- Personal Services (i.e. Dentist) are good as they brings off island people
- Continue to develop connectivity (walk/bike) and public plaza central to T.C.
  - o City needs to be proactive
- High rents discourage business growth
- Incentives for businesses to come
  - o Use express lane as incentive to bring people to the T.C. Advertise it
  - o MI is a great place to meet due to proximity to Seattle and the Eastside
- Need more variety of businesses. It's currently only serving the residents. There are no destination businesses
- Promote walking *to* T.C.
- Different location for farmers market that would promote walking to the T.C. from surrounding neighborhoods.
- Freedom trail style walking/reading plaques, to give people another reason to go down there.

RED TABLE NOTES

Parking
- What's realistic for the Island?
- GMA requires us to accept growth
- Add parking along 77th
- Need to provide parking for people coming to the Town Center from outside of the Town Center
- Redevelop mega-block (between 27th and 29th, 77th and 78th) as a cohesive plan and center, with parking
- Build a lid over I-90 for parking and other uses
- Build a second story of parking at the MICEC

Economic Development:
- Need more flexibility with street-level uses
- What is the character of the Town Center?
- Should be a small amount of parking scarcity to encourage walking
- Consider parking management and parking district
- Convert Sunset Hwy. to parking
- The I-90 park is important to Town Center residents
- Provide public parking under the proposed performing arts center and other public uses (example given of the Kirkland Library)
- Parking for uses is adequate; parking for commuters is inadequate.

Town Center as a Civic Center:
- Need a "heart" in the Town Center
- Can be many things
- Consider building public parking as part of the performing arts center
- Use the Post Office property for parking
- What is the political will to use other techniques (such as eminent domain)?

Mercer Island Town Center Vision Conversation - Top 3 Ideas from attendees

	Idea #1	Idea #2	Idea #3
1	Parking – around the edges.	Design retail space that works and is user friendly.	Campaign to gain off-island business.
2	Bring in specialty shops to empty commercial spaces (committee to evaluate successful neighborhoods, etc.)	Bring in gourmet restaurants to increase foot traffic to Town Center.	Change code of city to force builders to prepare plan for commercial spaces so no more empty retail.
3	City needs to be more proactive with a vision and support for a Town Center with a vibrant mix of uses and spaces that will not be built otherwise to meet a VISION.	Think ahead to new models – not old thinking.	Support MICA.
4	I love the idea of a public market space year round	City needs to be more aggressive in controlling some development downtown.	Redevelopment of "Mega Block" as town center w/parking and other uses.
5	Sell- sell-sell – Town Center and its amenities to the community!	Better access to and from Town Center; North Mercer Way Park and Ride (not necessarily parking).	An "Interior Mercerdale" – a space that is some combination of the Bellingham Farmers Market and the Crossroads Mall Food Court.
6	Create Gateway entrance to Town Center oriented around transit.	City takes stronger role in development process so not driven by developers only – promote Town Center and codes on retail that discourage vacancy.	Year round public farmer market space w/small business incubator.
7	More welcoming; pedestrian friendly; wayfaring, street names	More active involvement from city – "Build it and they will come" isn't going to work for next phase of development.	

8	City econ development/marketer position [WENDY WELKER]	Maximize transit/geography location to attract non-islanders and expand the resident use w/retail/activities/place	Improve walking connections to MI city events, Mercerdale and w/in Center. Be multigenerationally appealing; HS young hangout; pre-K space above thrift store (or business) and senior walking/destinations/Programs.
9	Improve/expand retail space w/more high-end boutique style shopping and gourmet restaurants – maybe specialty grocery store?	Improve Town Center aesthetic – more art planters on street, rename streets (Main, Mercer, etc.) flags at crosswalks.	Wayfaring signage.
10	Walkability – connections between 77th and 78th.	Solicit MI residents on issue of public gathering space.	Signage to (decrease?) Town Center Traffic Safety issue – Wayfinding – a "freedom trail" in Town Center.
11	Provide better signage to direct people to businesses and services.	Provide dispersed art that could attract off-island walkers to community.	Flags at crosswalks.
12	Performance Arts Center.	Boutique Hotel.	Buying Evergreen Covenant Church for city use.
13	Shuttles to Town Center.	More things for kids and parents in Town Square. Activities for kids and teens – e.g. skating bowling, movies.	Economically affordable rent for commercial space.
14	City try to purchase Post Office for Performing Arts and Town Center Parking.	Program more Arts/Music events in Town Center.	Keep Town Center Visioning group together for future political support.
15	78th Plaza closed during summer as gathering place.	Mercer Island promotion: map, website, marketing.	"Main Street" renaming and welcoming gateway.

16	Change the 60/40 rule to allow property owners to fill the current downtown vacancies.		
17	City help drive process of economic/retail/city needs.	Promoting businesses/walkability, art in areas throughout city (like "Pig" in Seattle).	Work with developers/land owners to make certain they are building what our city needs, wants. *Walkability.
18	We need a "town square"! (probably somewhere along 78th) – move parking to surrounding streets – (private/public parking).	City should drive what the vision is to developers so that retail is what we really want - codes, regulations.	"Charming" is a concept I'd like you to keep in mind – a draw for people on AND off the island?
19	Perhaps thinking of what makes a good Town Center. What could be done to encourage.	Parking, Big problem – where, transit/impact, etc.	Traffic. How to handle it.
20	Vision of Town Center as an integrated, connected transit oriented development with a center, a soul and lots of places for people. [FRED GLICK}	Connect 77th to 78th to strengthen a Town Center grid.	Need a Town Square or Plaza.
21	Develop a heart/center for Town Center.	Encourage variety of retail shops and restaurants which will serve as magnets – bring "off-islanders" to Island.	No additional lawyers, banks etc. in empty spaces.
22	Economic vitality – City should provide marketing assistance/promotion to attract small businesses and enhance Town Center.	Walkability – Don't create "dead zones" in areas such as 77th with blank facades and fast traffic; create more thru-connections to break up the long blocks.	Amenities belong in Town Center, in the heart of the community.

23	Put interpretive panel ("what and where" in Town Center" at Park and Ride and a couple of places in town.	Put parallel or even diagonal [parking] on 77th St. to "calm' traffic and provide extra parking (would only need to re-stripe streets.)	To add more people downtown, recruit Trader Joe's.
24	Pedestrian safety.	Art objects.	Enforce code on permits.
25	Economic development – establish a downtown merchant association. To help promote and champion MI businesses in conjunction with Chamber.	City lead development with Master Place for master block between 77th and 78th.	
26	Have a central indoor space in Town Center that could be used for farmers' market/community space. This would be a fabulous amenity.	City needs to be more proactive and require specific details of developers about the retail space they will provide to ensure it will be an asset to Town Center.	Create satisfactory parking for the Mercer Island Center for the Arts.

Kirsten Taylor

From:	Kirsten Taylor
Sent:	Tuesday, May 13, 2014 9:50 AM
To:	Kirsten Taylor
Cc:	Scott Greenberg; Yvonne Defty
Subject:	Town Center Conversation Materials
Attachments:	Edited Agenda.docx; Edited TOWN CENTER VISION NOTES FOR WALKABOUT.docx; Town Center Vision and Implementation.docx; TownCenterHistory2014.pdf; TownCenterSubareas.pdf

Hello,

Thank you in advance for attending the Town Center Vision Conversation Wednesday, May 21, from 11:30 am to 1:30 pm.   Attached and in this email is information to help you prepare. Staff has put together a number of things that will be helpful, but if you are limited in time we encourage you to at least do a walkabout of the town center with the attached discussion topics in mind. Also, if you would like a paper copy of the attached materials, please contact Yvonne Defty at 206.275.7791 or yvonne.defty@mercergov.org and she will have a copy for you to pick up at City Hall.

The Lunchtime Conversation

➢ The Agenda is attached. Note that this is not a hearing nor review of any specific proposal.   It is an informal conversation with your fellow Islanders about our Vision for Town Center – what it is, how to clarify or refine it, and how to better implement it.

➢ While you may want to mention specific existing projects or events in Town Center to illustrate a problem or an opportunity, remember that our focus here is on the big picture.

➢ To understand what Town Center's existing Vision is and ways that Visions can be implemented, we have attached a brief summary of both.

Enclosed Background Information

➢ Town Center's existing Vision and three ways to implement Vision.

➢ Smart Growth in Mercer Island's Town Center – a chronology and summary of projects since the Vision was adopted in 1995.   An Aerial photograph of Town Center is the last page of this document.

➢ Walkabout Notes sheets for Town Center Vision

Before the May 21 event

We would like for you to review the background information, and with the following issue areas in mind, take a couple of walkabouts in Town Center.   The purpose of the Walkabout Notes sheet is to jot down your observations and ideas. These will help focus your thoughts and provide some prompts for the conversation.

Thank you and please let me know if you have any questions in advance of May 21.

Kirsten

Kirsten Taylor | Assistant City Manager
Ombudsman
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Mercer Island Town Center
Vision Conversation
Wednesday, May 21, 2014
11:30 a.m. to 1:30 p.m.
Mercer Island Community and Events Center

AGENDA

I.	Welcome and meeting purpose ▪ Deputy Mayor Dan Grausz	5 min
II.	Introductions ▪ Council members Tana Senn and Benson Wong ▪ City Manager Noel Treat ▪ Citizen participants and staff	10 min
III.	Today's dialogue – Joe Tovar, facilitator ▪ Town Center background (slides, maps, chronology) ▪ Issue prompts to help focus discussion	10 min
IV.	Conversations about Town Center ▪ Ground rules, format, feedback & follow up ▪ Assign 6-10 people to each of three tables ▪ One Council member and staff recorder @ each	45 min
V.	Report outs from each table	15
VI.	Group discussion of the table report outs What are the dominant themes and general agreement about issues, problems to solve, opportunities to further examine?	25
VII.	Each of you fills out a Feedback Card with Top 3 Ideas	5
VIII.	Thank you, next steps	5

TOWN CENTER VISION:
What is Vision and how is it implemented?

A Vision is a statement of a community's desired future. A Vision uses words, maps and illustrations to describe the physical form and land uses that best serve local values, priorities, and identity. Visions provide over-arching direction to city comprehensive plans and give direction to a variety of implementing measures.

There are three primary ways that Visions and Plans are implemented: (1) through zoning codes that regulate the size, shape, character, and quality of private development projects; (2) through publicly funded capital improvements, both large and small; and (3) through a wide variety of programs, some sponsored by the city, others by volunteers or other organizations.

Town Center Vision

Adopted in 1994, the Town Center Vision called for focusing growth through targeted capital improvements and zoning standards to foster high quality development.   Seven distinct "Focus Areas" were mapped for buildings up to five stories with ground level retail and small gathering spaces next to wide sidewalks. Upper stories of new buildings would provide space for offices and residences, increasing economic vitality as well as foot traffic and a lively street scene. Continued reliance on the automobile as well as transit and other forms of access was envisioned, with future parking in structures rather than open lots.

Town Center Zoning

Town Center zoning is based on an incentive program. Developers can build extra stories in exchange for items desired by the City. Here's how it works. Buildings in the Town Center are initially allowed to be up to two stories high. An additional one or two stories is allowed if the development provides a "major site feature": a pedestrian connection, public plaza, affordable housing and/or a water feature. An extra story can be allowed with provision of a "significant public amenity": a mid-block pedestrian connection, significant public plaza or significant affordable housing. While some public plazas and water features have been built, there have been no mid-block pedestrian connections or affordable housing units constructed.

Town Center Capital Improvements

The City has invested over $5 million in street and streetscape improvements, including mid-block crosswalks, street trees, bollards, decorative pavement, and creating a central pedestrian street along 78th Avenue.   As part of the I-90 improvements, a green space and walking/bike path was installed along the northerly edge of Town Center. [SCOTT/KRISTEN – ARE THERE OTHER BIG TICKET IMPROVEMENTS WE COULD MENTION HERE?]

The new Light Rail Station opening in I-90 may hasten the need for other pedestrian, bicycle or road improvements near or at the north end of Town Center.   Some cities fund and construct minor capital improvements such as fountains, vest-pocket parks, business directories, wayfinding signage, historical markers or interpretive panels.

Town Center Programs

Since 2008, the Mercer Island Farmers' market has operated on Sundays in summer and fall at the Mercerdale Park at the south edge of Town Center. [SCOTT/KIRSTEN – WHAT OTHER PROGRAMS, EITHER CITY-SPONSORED OR VOLUNTEER, CAN WE CITE AS NOW IN EXISTENCE?]

Other cities support programs in their town centers such as parades, civic celebrations, walking tours, bike-share or recreational programs.

Smart Growth in
Mercer Island's Town Center

Before

After

1 Island Center site May 2003 (photo City of Mercer Island)

3 The Mercer site May 2003 (photo City of Mercer Island)

5 Newell Court site May 2003 (photo City of Mercer Island)

Mercer Island Town Center History

Just over five miles long and two miles wide, Mercer Island is an island community located in Lake Washington between the cities of Seattle and Bellevue, Washington. Prior to the City of Mercer Island's incorporation in 1960, the current Town Center was known as the "Town of Mercer Island." It had its own town council and zoning laws and was largely a convenience shopping area serving the residents on the Island. By the early 1970's, zoning codes were merged with the City's codes and the north part of the Island was defined as the "business district." The area was essentially a way stop on Sunset Highway, which later became Interstate 90 and was comprised mainly of gas stations and drug stores. As the city grew in population and became more sophisticated in terms of infrastructure and parks, residents had different and bigger expectations of Mercer Island's business district. The area was renamed the "Central Business District," and zoning codes were slightly adjusted.

One of the most galvanizing events occurred in the mid-1980's when a six-story office building was erected on property in the northwest corner of the business district. This building stands today and for years stood out in terms of building mass and scale. The building was so different at the time – tall, glass and massive – that it created a backlash among suburban-scale Islanders. The City Council passed a two-story height limit on the entire Central Business District which remained in place for nearly 20 years.

Mercer Island's business district continued to be a way-stop along I-90, which had not yet been reconstructed and sunk 30 feet into the highways' current "trench". The two-story limit placed an economic ceiling on developers' ability to build successful projects. Because developers couldn't achieve sufficient densities, it wasn't possible to guarantee financing for new buildings on business district sites. For many years, the district saw regular turnover of convenience shopping: grocery stores started and failed. Banks and dry cleaners were able to succeed and soon filled vacant spaces. Other than improvements at Tabit Square, there was very little in the way of positive change.

In the late-1980's, several residents in the planning field decided that something needed to be done to stop the business district from dying. Two of them formed "Project Renaissance": Peter Orser, then a Quadrant Corporation executive and Bruce Lorig who was on the Planning Commission and president/founder of Lorig & Associates which was known for innovative redevelopment. Project Renaissance conducted meetings and developed plans for focusing redevelopment on specific "opportunity sites". The group worked hard to generate interest among developers and property owners. About the same time, the City became involved in the process and started a "Main Street" program to attract businesses. Unfortunately, these efforts largely failed to produce positive results. Local property owners remained risk averse in their property development decisions and developers looked to other sites in the region to invest their time and money.

Two likely forces were at work. First, the two-story height limit continued to restrict needed returns on investment. Second, growth management legislation was still in the future. It was passage of the Growth Management Act in 1990 that ultimately generated the political will and economic rationale for investing in under-utilized urban and suburban areas.

Because the development patterns across the Island were already clear, the City Council established a growth management strategy predicated on absorbing growth in the Town Center while protecting single-family residential neighborhoods. The intended by-product of the strategy was to stimulate commercial and retail investment in the Town Center.

Launching into the specifics, the City engaged in the most extensive "Citizen Visioning" public process it had ever gone through. Over 200 participants broke into subgroups related to art, transportation, housing and economic development. The group went on field trips to Vancouver, BC, Madison Park, Kirkland, Issaquah and more. Some time later, the regional transit authority (now Sound Transit) partnered with the City to conduct a "design charette" to devise urban design themes. These themes later became the concepts used for modifying the City Town Center Design Guidelines.

The Comprehensive Plan, drafted in 1991-1993 and adopted in 1994, called for amended zoning codes and Town Center Design Guidelines consistent with the city's growth strategy. While these documents were in development, the City was awarded $2.5 million under the federal Intermodal Surface Transportation Efficiency Act (ISTEA). These funds, matched by the City, provided for a nearly complete reconstruction of the City's Town Center street grid. The City not only resurfaced downtown streets but also added wider sidewalks, bike lanes, public art, street lighting, landscaping, new street trees and tree grates. The Town Center street design citizen involvement process was coordinated with the previous citizen visioning inputs, design charette themes, Comprehensive Plan policies and emerging design guidelines.

Taken together, this represented a total facelift of policies and regulations for the Town Center. Everything was in place by 1994: the code was revised and the streets were redone. The City sat back and waited for the market to respond. Patience paid off. Redevelopment projects began in 2003 and, by Spring of 2014, a total of twelve projects have been completed. And, there is more to come.
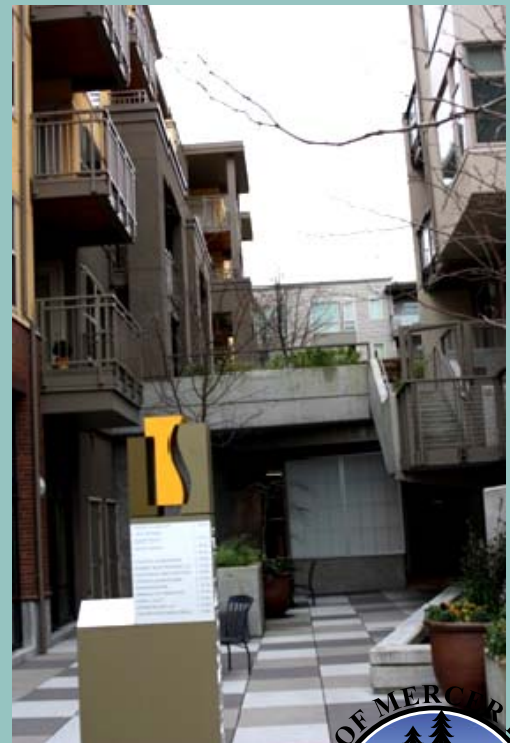
Island Square

AFTER

first floor retail, residential above; courtyards; wide sidewalks

May 2014 *Mercer Island, Washington*   www.mercergov.org

CITY OF MERCER ISLAND ~ WASHINGTON ~

The Mercer

BEFORE
strip mall retail;
asphalt

AFTER

apartments, restaurants, plazas

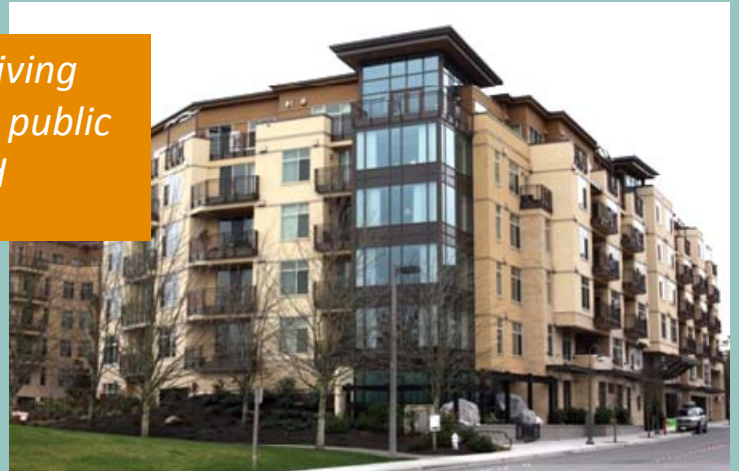May 2014 *Mercer Island, Washington*   www.mercergov.org

CITY OF MERCER ISLAND ~ WASHINGTON ~

Aljoya

AFTER

assisted living units and public courtyard

May 2014 *Mercer Island, Washington* www.mercergov.org

CITY OF MERCER ISLAND ~ WASHINGTON ~

77 Central

BEFORE
1-story office/retail

AFTER

5-story mixed use
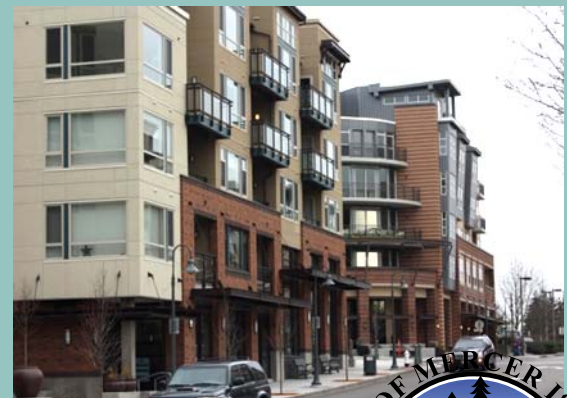
CITY OF MERCER ISLAND ~ WASHINGTON ~

7800 Building/78th Avenue Plaza

BEFORE
dry cleaners, coffee shop, surface parking

AFTER

mixed retail, condos, apartments, structured parking, street plaza

Sound Transit East Link Project: Light Rail
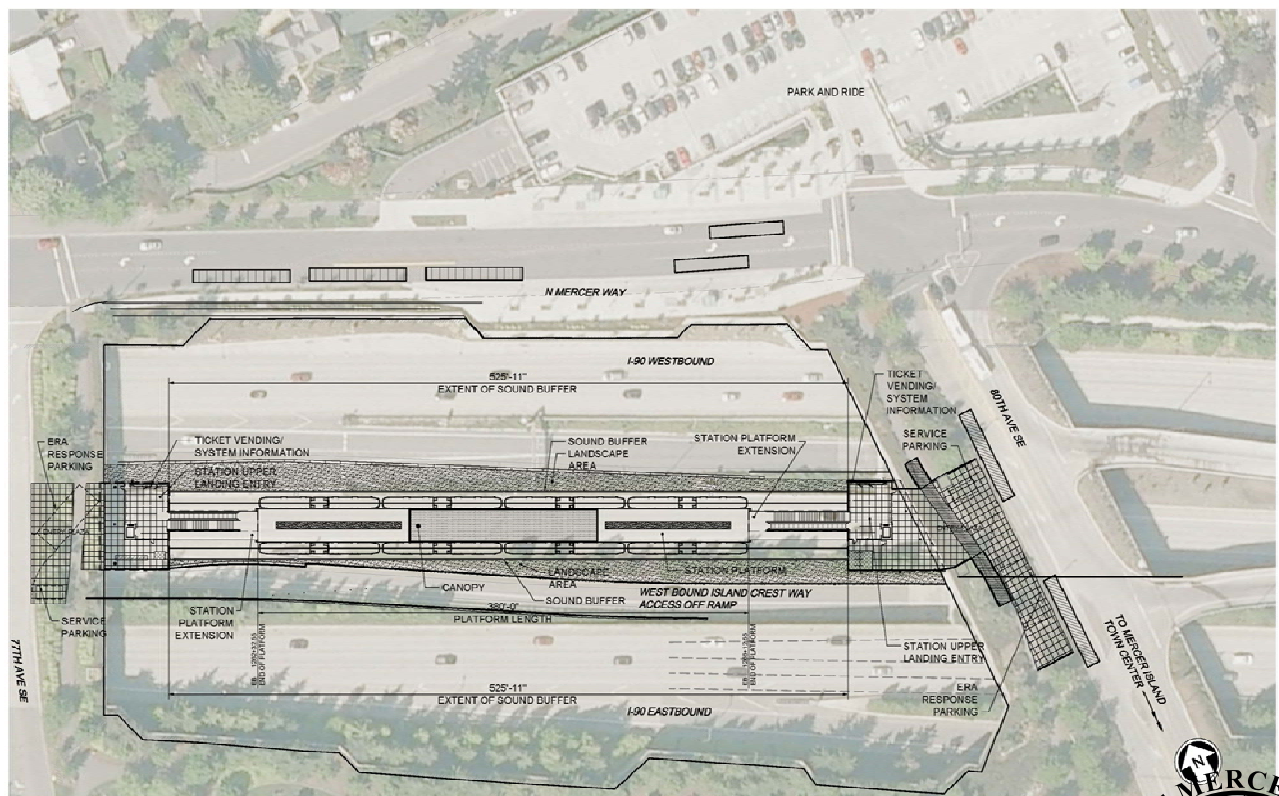
SITE PLAN - MERCER ISLAND STATION

Town Center Redevelopment—Chronology

Interstate 90 Project   **1976 -- 1992**
   Lids, trenching, landscaping, bicycle/pedestrian facilities, green spaces, increased capacity

Project Renaissance   **1988 - 1992**
   "Main Street" program, business revitalization

Growth Management Act Approved   **1990-91**
   Mandatory planning; focus growth in existing urban areas

Citizen Visioning Process   **1994**
   Public outreach, professional design expertise, site visits

City Comprehensive Plan Approved   **1994**
   Growth Strategy – focus future growth in Town Center; re-vitalize TC commercial/retail; protect residential
      zones;

Design Charette Conducted   **1994**
   Set land use strategy, urban design experts from around country, developed urban design themes,
      economic analysis, site specific demonstration projects

Town Center Street Grid Reconstructed   **1994 - 1996**
   Federal ISTEA Grant Awarded – 50% local match
   New streets, curb, gutters, widened sidewalks
   New street furniture, street trees & grates, art in sidewalks; sculpture garden, gateways
   78th Ave SE – "signature street"; narrowed 4 to 2 lanes
   Water, sewer, storm water upgrades for future capacity

Design Code Re-written and Approved   **1995**
   Based on Design Charette themes

Sound Transit – Proposition 1 vote approved   **1996**
   Expansion of Mercer Island Park & Ride Lot to 400 spaces; aligned with Town Center street grid

Redevelopment Begins
   Montesano condos – **2002**; multi-family residential
   Island Crest Plaza – **2003**; office
   Starbucks – **2004**; retail
   Avellino - **2005**; mixed use
   Newell Court – **2005**; mixed use
   Island Square – **2006**; mixed use
   Aljoya House – **2008**; residential
   Sound Transit Park & Ride – **2008**
   77 Central – **2009;** mixed use
   The Mercer (Phase I) – **2010**; mixed use
   7800 – Plaza Condos – **2010**; mixed use
   Aviara (BRE) – **2012;** mixed use
   The Mercer (Phase II) – **2012**; mixed use

Sound Transit East Link Light Rail – 2008 vote approved; construction   **2016-2023**
   Light rail line and station within freeway corridor; aligned with 78th Ave SE "signature
      street"

Current Development Project Details

Spring 2014

New Town Center projects have added approximately 960 new apartments, condos and senior housing units, 124,000 square feet of new retail, restaurant and commercial space, and 2,250 parking spaces—all convenient to shopping, services and transit.

Planned or Under Construction

East Link: Sound Transit plans to construct a light rail line across I-90 from Seattle to Redmond. Mercer Island's station will be in the I-90 right-of-way between 77th Av SE and 80th Av SE, near the Town Center and Park-and-Ride. Construction is planned for 2016-2020.

Legacy: Located at 76th Ave SE and SE 27th St. (the former True Value/Islander site), the Legacy project will be under construction this spring. This five-story mixed use building will include 209 apartments (including 13 affordable housing units), 10,000 square feet of commercial space, 243 parking spaces and a 7,300 square feet public plaza. Completion is anticipated in summer 2016.

Completed Projects

Aviara: Located at 2441 76th Ave SE, Aviara is a five-story mixed-use building with 161 apartments, 12,400 square feet of commercial space, 322 parking spaces and a 5,600 square foot public plaza. The first floor of the structure has parking and street side retail and restaurant space, including the Islander Restaurant (formerly located on the Legacy site).

Aljoya: Located at 2420 76th Ave SE, Aljoya is a five-story building with 112 independent and assisted living units along with 105 parking spaces. The courtyard plaza adjoining Aubrey Davis Park at the end of Sunset Highway is open to the public during the day.

The Mercer: Located at 7650 SE 27th St., The Mercer includes two five-story mixed-use buildings with 244 apartments, 19,884 square feet of commercial space and 465 parking spaces. Street-level restaurants include Qdoba and Bennett's, and a number of service-oriented businesses.

77 Central: Located at 77th Ave SE and SE 27th St, this five-story mixed-use building has 189 residential apartments, 18,000 square feet of commercial space and 308 parking spaces. Street-level retail tenants include Mo's Pizza and Menchie's.

7800 Plaza Condos: Located at 78th Ave SE and SE 27th St, this five-story mixed-use building has 24 residential units, 27,000 square feet of commercial space and 91 parking spaces.

Island Square: Located at 2758 78th Ave SE, this five-story mixed-use building has 235 apartments, 42,000 square feet of commercial space and 493 parking spaces. Office and retail tenants at Island Square include Realtors, Einstein Bagels and Emerald City Smoothies.

The Avellino Apartments: Located at 2834 78th Ave SE, is a five-story mixed-use building with 23 apartments, 2,600 square feet of commercial space and 43 parking spaces.

Newell Court: Located at 3011 78th Ave SE, is a three-story mixed-use building with 40 apartments, 2,300 square feet of commercial space and 59 parking spaces.

Sound Transit Park-and-Ride: The Park-and-Ride is seeing very high levels of use both during the work week and on the weekend. The garage provides 450 parking stalls.
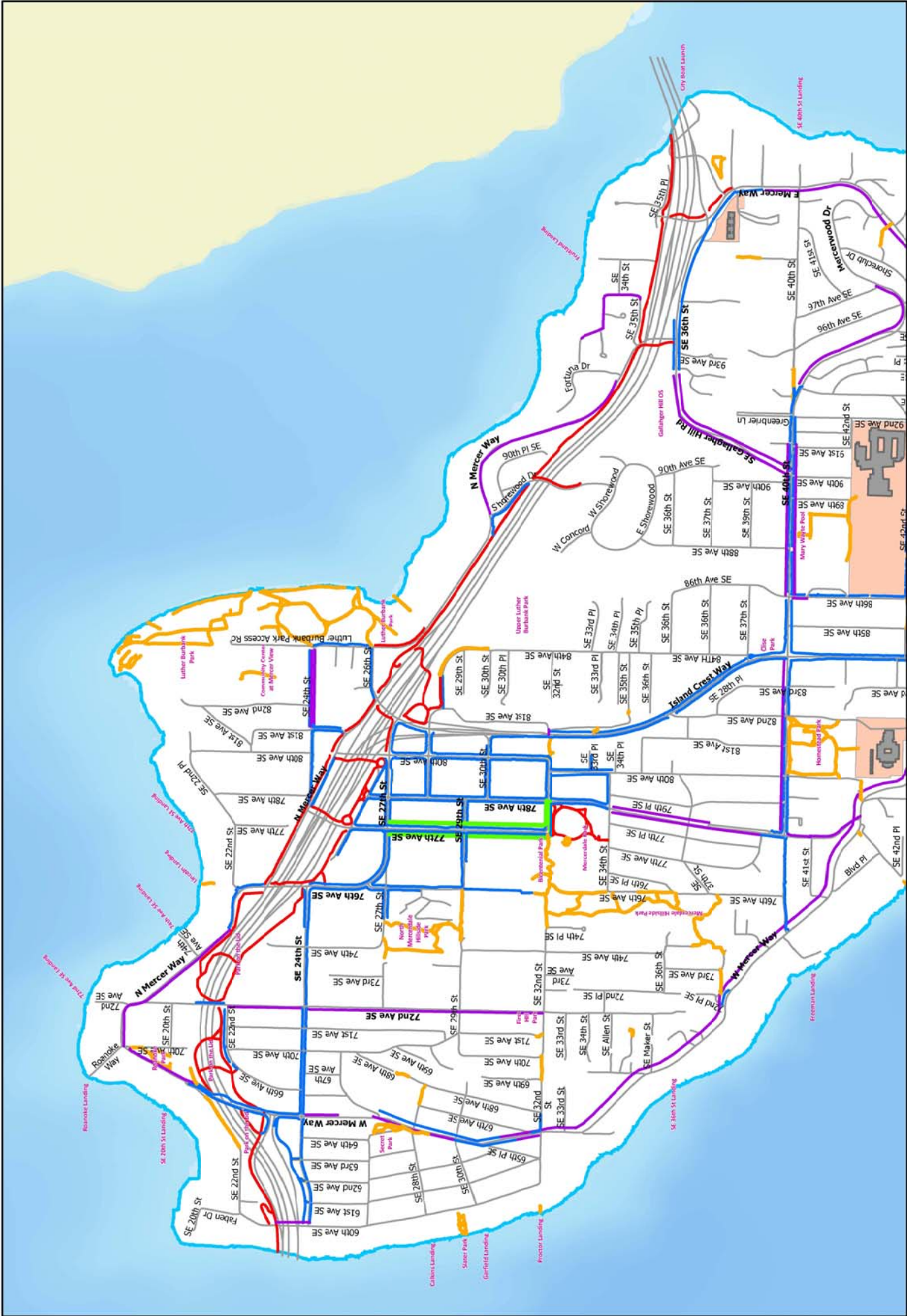
Town Center Development
Mercer Island, Washington

Legend:
- Approved (green)
- Completed (red)
- Preliminary Design (purple)
- Formally Submitted (blue)
- Under Construction (yellow)
- Town Center Boundary (green dashed)

Map labels: SE 24th St, N Mercer Way, I-90, SE 24th St, Park & Ride, Light Rail Station, Sunset Hwy, Aljoya House, Aviara, Legacy, The Mercer, Starbucks, 78th Ave Plaza, 7700 Central, 7800 Condos, SE 27th St, 76th Ave SE, 77th Ave SE, 78th Ave SE, Island Square, SE 28th St, Avellino Apartments, Island Crest Plaza, 80th Ave SE, SE 29th St, SE 30th St, Newell Court Apartments, 77th Ave SE, 78th Ave, Island Crest Way, SE 32nd St

IGS — Information & Geographic Services

Map Version: 04/30/2014
Aerial Photo: April 2012
TownCenterDevelopment2014.mxd

CITY OF MERCER ISLAND ~ WASHINGTON

CITY OF MERCER ISLAND PEDESTRIAN & BICYCLE FACILITIES

N
NOT TO SCALE

IGS
Information & Geographic Services

Printed: January 29, 2010
Copyright: City of Mercer Island
MercerIslandAerial.mxd

Shared Use Path
Trails
Paved Shoulder

Sidewalk/ Off-road Path
Bike Lanes
Street Centerline

School Building
School Property
Parks

These maps were developed by the City of Mercer Island and are intended to be a general purpose digital reference tool. These maps are not an accepted legal instrument for describing, establishing, recording or maintaining descriptions for property concerns or boundaries. These data sets are intended to be a general purpose digital reference tool. The City makes no representation or warranty with respect to the accuracy or currency of these data sets, especially in regard to labeling of surveyed dimensions, or agreement with official sources such as records of survey, or mapped locations of features.

TOWN CENTER VISION: NOTES FROM YOUR WALKABOUT

❖ **Economic development/economic vitality**
o Why do businesses decide to locate in Mercer Island Town Center?
o What could the City or Chamber do to help existing businesses thrive?
o What businesses should be recruited to come to Town Center?

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❖ **Town Center as a neighborhood**
o There are about 1000 residences now in Town Center.   Is it a neighborhood?
o What things are missing in Town Center that would make it more attractive and viable as a residential neighborhood?
o Is there a distinct "sense of entry" into Town Center? Where are the "gateways"?
o What other ways might there be to create a "sense of place?" Can public art be an effective way to do that?

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❖ **Town Center as a "transit oriented community."**
o What opportunities or challenges do you see the light rail station presenting?
o What physical improvements, development standards, or programs should we explore in anticipation of this new transportation link?
o When someone steps off the light rail train, will it be clear what is in Town Center and how to get there on foot?

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❖ **Parking**
o Is public parking clearly accessible and available?
o Would wayfinding signage help people find parking?
o Does new development provide adequate on-site parking?
o Can you leave your car in one place for two hours and walk to multiple errands nearby?

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❖ **Public realm/small public gathering places**
o Do you ever run into friends or neighbors while in Town Center? Where?
o Coffee shops often function as such "third places."   Is that your experience?
o How well do the small spaces/plazas that are provided between the sidewalk and building storefronts work as public gathering places?
o Should outdoor restaurant tables be encouraged or discouraged and why?

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❖ **Town Center as a "civic center" for the entire community.**
o Unlike peer cities (Kirkland, Redmond, Bothell, Issaquah) there is no central park, city hall, performing arts center or library in Mercer Island's Town Center.
o Is there a need to create a larger place for celebrations, festivals, or other public gatherings?   If so, what opportunities might exist?

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❖ **Walkability/Bikeability**
o Do you now walk within Town Center?   Do you ride a bicycle there? Why or why not?
o Is Town Center a safe place to walk after hours?   Why or why not?
o Would way finding signs help orient people to walking routes to or around Town Center?
o Mid-block crosswalk connections – do they work?   Do we need more?   Where?

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OTHER OBSERVATIONS/QUESTIONS:

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Town Center Sub-Areas

90

Sunset Highway

SE 27th St

76th Ave SE

77th Ave SE

80th Ave SE

SE 29th St

SE 30th St

78th Ave SE

SE 32nd St

N
W — E
S

Legend

■ Auto-Oriented
■ Gateway
■ Mid-Rise Office
■ Mixed Use
■ Residential (Central)
■ Residential (North)
■ Residential (South)
▭ Town Center Boundary

IGS
City of Mercer Island
Information & Geographic Services

TownCenterSubareas.mxd
Map Date: 05/08/2014

Dear Mercer Islander:

You are cordially invited to join us at a lunchtime conversation about Mercer Island's Town Center. We want to hear your opinions about:

- How well has the current Vision for Town Center served our community?
- What's working well in Town Center, what's not?
- How we can make Town Center an even better place to live, work, do business, shop and play?

The new development that has taken place over the past decade was guided by the Town Center comprehensive plan and development code, which in turn were written to implement the Vision that the community adopted in the 1990's. That citizen Visioning process was vital in setting us on the current course. It's equally important twenty years later that we tap the wisdom of our community to prepare for the next twenty years.

We sincerely hope you will join us for this important conversation. Lunch will be provided. The date and location will be:

Wednesday, May 21, 2014
11:30 a.m. to 1:30 p.m.

Mercer Island Community and Events Center
8236 SE 24th St, Mercer Island, WA 98040

Please RSVP by email to Kirsten.Taylor@mercergov.org or by calling 206.275.7661. If you will be joining us, we will send you an agenda and some brief background information about a week before the event.

Sincerely,

Deputy Mayor Dan Grausz
Councilmember Tana Senn
Councilmember Benson Wong

V. LAND USE POLICIES

Town Center

Mercer Island's business district vision as described in "Your Mercer Island Citizen-Designed Downtown" was an important step in galvanizing community support and understanding for future Town Center development. It is the basis for much of what is new in the comprehensive plan. This common vision is essential for revising the Town Center land use policies and for updating the Zoning Code with new standards and guidelines for development.

The following focus areas have been established for the Town Center: Gateway Focus Area, Mixed Use Focus Area, Mid-Rise Office Focus Area, Residential Focus Area and Auto-Oriented Focus Area.

Gateway Focus Area: The purpose of the gateway focus area is to provide the broadest mix of land uses in the Town Center, oriented towards pedestrian connections and regional transit access along I-90.

Mixed Use Focus Area: The purpose of the mixed use focus area is to provide mixed retail, office, and residential uses at a level of intensity sufficient to support transit service.

Mid-Rise Office Focus Area: The purpose of the of the mid-rise office focus area is to provide an area for office use with ground floor retail in close proximity to transit and the I-90 corridor.

Residential Focus Area: The purpose of the residential focus area is to encourage low-rise, high-density housing in the Town Center. Three residential focus areas have been established (Northwest, Central and South) with varied height restrictions to allow a better transition to the single-family residential to the south.

Auto-Oriented Focus Area: The purpose of the auto-oriented focus area is to provide a location for commercial uses that are dependent on automobile intensive uses.

GOAL 1:   **Create a mixed-use Town Center with pedestrian scale and connections.**

1.1   A mixed-use core should be located adjacent to a regional transit facility and be of sufficient size and intensity to create a focus for Mercer Island.

1.2   The following pedestrian-oriented land uses should develop over time in the Town Center: retail shops, professional offices, restaurants, services, lodging, residences, and community/ recreational facilities.

1.3   Street-level retail, office, and service commercial uses should encourage a pedestrian-oriented circulation system. Site improvements should enhance streets and sidewalks.

1.4   Building facades should provide visual interest to pedestrians. Street level windows, minimum building set-backs, on-street entrances, landscaping, and articulated walls should be encouraged.

1.5   A maximum floor area ratio should be established which provides the economic incentives for

redevelopment; provides sufficient intensity to support transit, bicycle and pedestrian facilities; and creates a focus for social, cultural and commercial activities and supports the design elements of the plan.

1.6   A base building height should be established in the Town Center in order to encourage community values such as pedestrian-scale Town Center designs, respect for views, creation of visual interest and identity and incorporation of important public amenities. Additional stories up to a maximum of five (5) stories should be allowed when site development provides for amenities such as ground floor retail spaces, art, public gathering spaces, underground parking, affordable housing units, pedestrian connections, special landscaping and site design features, special building form/design features and transit-oriented design features.

The land area devoted to surface parking should be reduced by encouraging structured and underground parking for higher intensity uses. Improved access to transit, bicycle, pedestrian and shared parking facilities should be encouraged to reduce trip generation and provide transportation alternatives, particularly for secondary trips once users reach the Town Center. However, the City recognizes that the automobile may remain the primary mode of transportation for most Town Center trips. The City will continue to require new development to meet minimum parking ratios and provide adequate facilities to meet expected demand by auto users.

1.7   Parking structures should not dominate the street frontage. Retail uses should be encouraged on the first floor of street edges of parking structures to improve the visual effect and interest.

1.8   Building and street designs as well as other public facilities should accommodate the needs of physically disadvantaged persons, remaining consistent with the goals and objectives of the Americans with Disabilities Act.

GOAL 2:   Create a prominent Gateway Focus Area within the Town Center.

2.1   A Gateway Focus Area developed through a public-private partnership should be located within the northerly portion of the Town Center, near the I-90 corridor.

2.2   The Gateway Focus Area should reinforce the mixed-use area by creating a place suitable for informal gathering or public events, such as community events, celebrations, and concerts.

2.3   The form of the Gateway Focus Area should be coherent and memorable. It should include seating areas and be enhanced by such features as trees and flower displays, fountains, art and open spaces.

2.4   Pedestrian access should be provided from the Gateway Focus Area to the surrounding areas. Buildings should be oriented toward the street and public spaces.

2.5   Uses supportive of the needs and interests of youths, families, senior

adults and physically-challenged persons should be encouraged in the Gateway Focus Area.

GOAL 3:   Establish a Mid-Rise Office Focus Area in close proximity to retail and transit.

3.1   Future demand for office space development should utilize the land located in the Town Center and the Commercial Office zone.

3.2   Safe and accessible underground parking areas and parking garages should be encouraged or placed to the rear of buildings to maintain pedestrian scale at the street level.

3.3   A maximum building height of five (5) stories should be established which meets the same objectives for building height as in the core area. Special care should be given to landscaping, mass and roof forms of buildings to provide visual interest from residential areas located on the hillside surrounding the downtown.

GOAL 4:   Encourage development of low-rise, high-density housing in the Residential Focus Areas of the Town Center.

4.1   A higher concentration of residences should be located within the Town Center boundaries and provide for the major focus of residential growth within the community.

4.2   The higher density residential uses should provide a mix of housing types, including townhouses, condominiums, and apartments and should be attractive to the needs of a variety of housing markets including current Mercer Island homeowners.

4.3   A range of multi-family residential densities should be allowed within the Town Center. Higher density and bulk should be allowed where the topography can accommodate such conditions without negatively affecting surrounding residential neighborhoods.

4.4   Maximum achievable building heights should be five (5) stories in the Town Center in the Gateway, Mixed Use, Mid-Rise Office, and Residential-Northwest areas. Maximum building heights should be four (4) stories in the Residential-Central area of the Town Center, three (3) stories in the Residential-South area of the Town Center, and two (2) stories in the Auto-oriented Focus area. Additional stories above an established base height should be allowed when site development provides for public amenities such as ground floor retail spaces, art, public gathering spaces, underground parking, affordable housing units, pedestrian connections, special landscaping and site design features, special building form/design features and transit-oriented design features.

4.5   The streetscape should be enhanced by articulating building facades, orienting entrances to the street, and through the provision of landscaping and art.

4.6   Residential garages should be positioned to reduce their visual impact on the street.

GOAL 5:   Direct uses which rely solely on auto trips to locate in the Auto-Oriented Focus

Area on the periphery of the Town Center.

5.1   New auto-oriented uses should be encouraged outside the commercial core on the periphery of the Town Center and parallel to the major Island arterial, Island Crest Way.

5.2   While all uses that are allowed in other Town Center Focus Areas should be allowed in this area, auto-intensive uses including drive-in banks, service stations and automotive repair services should be encouraged.

5.3   Landscaping should be provided to soften and screen the visual impact of parking lots and service areas.

5.4   Uses should respect the neighboring residential uses in terms of aesthetics, noise and automobile traffic.

Economic Development Policies

GOAL 6:   Continue to encourage vitality and growth through the support of economic development activities on Mercer Island.

6.1   Establish the Town Center as an active and attractive commercial node, including the use of gateways, wayfinding and signage, and links to transit.

6.2   Maintain a diversity of downtown land use designations.

6.3   Create an environment for private investment that relies on economic incentives as the primary mechanism for achieving the Downtown Vision.

6.4   Create a Town center, accessible for vehicles and with an emphasis on the needs of pedestrians, including the needs of senior citizens, youths and physically-challenged persons.

6.5   Integrate residential, retail, civic, auto and transit uses in the downtown area.

6.6   Create a memorable and desirable downtown for Mercer Islanders, visitors and shoppers to enjoy.

6.7   Create a healthy economic environment where downtown businesses can serve the needs of Mercer Island residents as well as draw upon broader retail and commercial market areas.

6.8   Look at ways to streamline permits for business renovations that do not include substantial redevelopment, such as tenant improvements.

6.9   Actively work with the Chamber of Commerce, Mercer Island Rotary Club, Mercer Island Lions Club, and other community groups to identify ways the City can support the local business environment.

6.10 Support and encourage home-based businesses in the City, provided that signage, parking, storage, and noise impacts are compatible surrounding uses.

6.11 Work to enhance transportation, parking, electronic, and other infrastructure for business development on Mercer Island.

6.12 Coordinate with other agencies and jurisdictions to encourage business retention.

MICC 19.11.010.B. General Intent of Design and Development Standards.

The Town Center is intended to be a place of diverse land uses within an aesthetically attractive, easily accessible and economically healthy environment. The standards are intended to encourage integration of residential, retail, office, civic, transit and vehicular uses. The standards create a Town Center with an emphasis on the needs of the pedestrian, including the needs of senior citizens, youths and physically challenged persons, but that is also accessible for vehicles. Development should be located to facilitate transit and nonmotorized travel modes. The historical primary access to the area by vehicle will be maintained. On-site facilities that are convenient and attractive to pedestrians, bicyclists and vehicles are encouraged. The following pedestrian-oriented land uses should develop over time in the Town Center: retail shops, professional offices, restaurants, services, lodging, residential and community/recreational facilities. Commercial uses are intended to be in the core of the Town Center. A range of multifamily residential densities are allowed in the Town Center. Higher density development is allowed around the core with decreasing density toward the single-family residential neighborhoods to the south.

      1. Urban Design Vision.
           a. Scale and Form. The urban design vision for the Town Center is intended to support an environment that is convenient and accessible to the pedestrian, motorist and public transit user. Building designs that are urban in character and oriented to the pedestrian are encouraged. Development should enhance the Town Center as a vibrant, healthy, mixed use downtown that serves as the city's retail, business, social, cultural and entertainment center and ensures the commercial and economic vitality of the area. New development should increase the attractions and pedestrian amenities that bring residents to the Town Center, including local shopping, services, offices, specialty retail, restaurants, residences, festivals, special events, and entertainment. Outdoor spaces should function as social settings for a variety of experiences, adding to the comfort and complexity of life in an urban environment, while maintaining a human scale and an ability for easy pedestrian circulation.

           b. Site Features. New development should include public amenities, such as storefronts with canopies, street trees, seating, fountains or water features, outdoor cafes, sculpture or other forms of art, and places for gathering and lingering. The use of materials, color, texture, form and massing, proportion, public amenities, mitigation of environmental impacts, landscaping and vegetation, and architectural detail should be incorporated in the design of new development with the purpose of supporting a human scale, pedestrian-oriented Town Center. New development shall be coordinated and consistent with the downtown street plan.

           c. Pedestrian Orientation. Pedestrian-oriented and customer intensive retail businesses and offices are encouraged to locate on the ground floor level in the

gateway, mixed use, and mid-rise office focus areas to promote active use of sidewalks by pedestrians, thus increasing the activity level and economic viability of the Town Center. New development should also enhance and support a range of transportation choices and be designed to maximize opportunities for alternative modes of transportation and maintain individual mobility. Even with a healthy variety of development in the Town Center, each individual development or redevelopment project shall favor the pedestrian over the automobile in terms of site design, building placement and parking locations.

d. Opportunity Sites. The city has identified several opportunity sites that would accommodate major public improvements such as civic plazas, underground public parking and pedestrian mid-block connections. One such opportunity site is the development of a public space on 78th Avenue SE between 27th Avenue SE and Sunset Highway. Envisioned in this area is a public-private partnership project with street improvements to create a viable civic gathering area that encourages public space amenities on adjacent private property with special pedestrian-oriented features that may accommodate vehicular traffic but could be closed off for community events. It is hoped that this space, combined with the art park, can become a key downtown plaza within the Town Center. Other opportunity sites for three significant public plazas and significant pedestrian connections to break up existing large blocks are shown in Exhibit 3 in MICC 19.11.040 and provide developer incentives of one additional story of building height in exchange for development of either a significant public plaza or significant pedestrian connection.

e. Design and Development Standards. The design and development standards that follow are intended to enhance the Town Center for the pedestrian and develop a sense of place. To accomplish this vision, new development is encouraged to orient buildings toward the public right-of way with buildings brought forward to the sidewalk edge; place parking behind buildings and in less visible areas or underground; design structures with varied mass and scale, modulation of heights and wall planes; and develop new or enhanced pedestrian mid-block connections that will break up very large or long blocks for improved pedestrian and vehicular circulation from one side of the block through to the other side.

Big ideas for a Town Center of the future

City invites business owners, residents to share visions for downtown

By Celina Kareiva
ckareiva@mi-reporter.com

Diane Larson of Mercer Island Florist says business has seen an uptick in the last year. Larson attributes that mostly to her loyal customer base: "We had the best year, we've ever had. Business is excellent and I'm very grateful to the community for that."

Mercer Island Florist is one of two tenants a little enclave across from the Islandia Shopping Center, which in the last few weeks has seen vacancy signs by Wallace Properties.

It's all part of a changing Town Center and visioning efforts the city last Wednesday, May 21, discussed with local business owners residents and councilmembers at a lunch meeting.

Among those changes is the closure of Club Emerald in October. Co-owners Bryan Welch and Ginny Pietila, who have been a part of the community since 1993, have plans to split up the gym business.

"I think businesses come and go for a multitude of reasons—it could be personal, it could be the volume of business. But it's greater than just what it seems," says Larson. "[You always hear] businesses are leaving Mercer Island or everyone is coming. But there are many reasons Islanders come and go. We sit down in our little spot by the bookstore and do the best we can."

Planning for a revival of the Town Center has been a goal of the City Council and staff for the year ahead. The city outlined the issue at a planning session at the beginning of the year.

TOWN | FROM 1

One of the ideas put forth by Representative Tana Senn was a booster committee to address small improvements while the city shaped its long-term vision.

The early stages of that process started last week, as community members assembled to share their voices. They were only high-level talks, but the hope is that last week's discussions will be brought before Council at a planning session Jun. 14, as a sort of "menu" of options the city can choose from.

"The idea is to synthesize some of these ideas... to make the vision for Town Center reflect current values and desires," said Councilmember Benson Wong, who lives himself in Town Center after a fire severely damaged his South-end home in April.

The city has invested over $5 million in streetscape improvements like additional trees, ornamental pavement and more pedestrian-friendly crosswalks. The ideas that surfaced during Wednesday's meeting ranged from a walking trail to wayfinding signs and the reoccurring topic of more parking. Loftier ideas were also entertained like changing city code, attracting certain businesses or hiring a part-time economic development manager.

"Nothing is set in stone," said Wong. "One duty of this exercise is that we're asking people to dream up what they'd like to see down there."

Under the Growth Management Act (GMA), Mercer Island will need to provide 2,000 more housing units by 2031. Current zoning would allow for the added berth, said senior planner Shana Crick and land is ripe for development.

There are now about 1,000 residents in the Town Center, a number that could classify the growing downtown corridor as a neighborhood. Wong said that his recent move has forced him to think about the changing social fabric.

"Is it a neighborhood? It very well could be," he said. "I think we need to be cognizant of the fact that these are not just businesses, but there are a lot of residents and kids living there. [That means] safety and traffic...is something the city might have to take a look at."

> "We're asking people to dream up what they'd like to see [in Town Center]."
>
> *Benson Wong, Councilmember*

Recent Town Center projects have added 960 new housing units, 124,000 square feet of retail, restaurant and commercial space and 2,250 new parking spaces. Still awaiting completion is the Legacy mixed-use project, a five-story building that will, when it opens in summer of 2016, include 209 apartments and 10,000 sq. ft. of commercial space, a public plaza and parking. East Link, scheduled to begin construction as soon as this year, will bring its own growth.

MEMORANDUM

2014 City Council Mini-Planning Session

TO: City Council

FROM: Noel Treat, City Manager

RE: Transportation Issues Update

COUNCIL DISCUSSION/QUESTION PRESENTED:

1. R8A
   a. Any next steps Council wishes to pursue at this time?

2. Bus Service Reductions
   a. Would Council like a briefing from Metro on reductions and service purchase options?
   b. Does Council support hiring a transit expert to help analyze impacts and possible responses?
   c. Does Council support study of purchasing bus service from Metro?
   d. Does Council support study of City operated service?

3. Bus Intercept Proposal
   a. What public outreach should the City conduct?
   b. Are there other next steps the Council would like to plan at this time?

4. Parking Issues
   a. Would Council be interested in considering any MICEC parking proposals?
   b. Does Council wish to further consider the Cohen property proposal sooner than previously planned (Fall)?

SUMMARY:

Staff will provide a brief update on the status of several transportation related issues including R8A schedule, bus service reductions, bus intercept study, and parking. Council will discuss possible next steps.