



# CITY OF MERCER ISLAND CITY COUNCIL MEETING AGENDA

Friday-Sunday  
January 24-26, 2014

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

Luther Burbank Room  
Mercer Island Community & Event Center  
8236 SE 24th Street  
Mercer Island, WA 98040

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

## 2014 CITY COUNCIL PLANNING SESSION

### FRIDAY, JANUARY 24, 2014

- (1) 5:00 pm: Welcome
  - Mayor's opening remarks
  - Introductions: Council and Leadership Team
  - Agenda review
  - 2013 work plan accomplishments
- 6:00 pm: Private Social and Dinner
- (2) 7:15 pm: MI Library Presentation by King County Library System and Discussion
- (3) 8:30 pm: Citizen of the Year Award
- 9:00 pm: Adjourn

### SATURDAY, JANUARY 25, 2014

- (4) 8:30 am: I-90/Transportation Issues
- 10:00 am: Break
- (5) 10:15 am: Sustainability
- (6) 11:15 am: 2015-2016 Budget Preview
- 12:15 pm: Break (Working Lunch)
- (8) 12:45 pm: Mercer Island Center for the Arts/YTN Update & Discussion
- (7) 1:45 pm: Town Center Visioning and "Booster" Committee
- 3:00 pm: Break
- (9) 3:15 pm: MI Child Care Issues Update and Discussion
- 4:15 pm: Break
- 4:30 pm: Other Council Topics (as needed)
- 5:30 pm: Adjourn

### SUNDAY, JANUARY 26, 2014

- 9:00 am: Other Council Topics (as needed)
- 10:15 am: Wrap-up and Finalize Work Plan
- 11:30 am: Adjourn

**1**

**WELCOME**

# Mercer Island City Council

## 2013 Work Plan Accomplishments

- ✓ Completed
- Partially Completed
- Not Completed

#	Work Plan Items	Staff Lead	When Added	Completed ?	Comments
1	<b>Legislative Agenda</b>	Knight	Jan 2013	✓	Completed Jan 2014
2	<b>Strategic Planning Work - Study Sessions</b>	Conrad	Jan 2013	--	Deferred due to I-90 work
3	<b>I-90 Issues</b>				
	▪ WSDOT Tolling	Treat	Jan 2013	✓	
	▪ Sound Transit: Fees for P&R/Cntr Lanes Construction	Conrad	Jan 2013	○	Negotiations on-going
	▪ Mitigation for Mobility Loss	Conrad	Jan 2013	○	Negotiations conducted and continue
4	<b>Town Center</b>				
	▪ Development Partnerships; Sound Transit	Conrad	Jan 2013	✓	Negotiations pursued until Lorig and owner withdrew
	▪ Legacy Development Agreements - Public Amenities	Greenberg/ Knight	Jan 2013	✓	
	▪ 40/60 Ordinance	Greenberg/ Knight	Jan 2013	✓	
	▪ Design Code/Amenities Modifications	Greenberg	Jan 2013	✓	
5	<b>Sustainability Work Plan</b>				
	▪ 2013 Work Plan (Sustainability Mgr)	Freeman	Jan 2013	○	Developed w input of Sustainability Subcommittee
	▪ Task Force Implementation and Recommendations	Freeman	Jan 2013	○	Work underway
	▪ Green Building Policies	Greenberg	Jan 2013	--	Held pending P Zone discussions w MISD
6	<b>Shoreline Master Program Adoption</b>	Greenberg	Jan 2013	✓	
7	<b>Mary Wayte Pool - City/School Investments</b>	Fletcher	Jan 2013	✓	
8	<b>Town Center Economic Development – Chamber &amp; City</b>	Greenberg	Jan 2013	○	Initial discussions held with Chamber
9	<b>Communities That Care Update</b>	Goodwin	Jan 2013	✓	
10	<b>Performing Arts/YTN - Public Site Review</b>	CM's Office	Jan 2013	✓	
11	<b>Board/Commissions Work Plans Review</b>	Multiple	Jan 2013	✓	
12	<b>Plastic Bag Ban - Ordinance</b>	Knight	Jan 2013	✓	
13	<b>Thrift Shop Expansion Plan</b>	Conrad/ Goodwin	Jan 2013	✓	On hold now pending financial conditions
14	<b>Volunteerism</b> (website, recruitment, recognition)	Goodwin	Jan 2013	--	
15	<b>Fundraising Objectives</b> (events vs. programs vs. capital improvements)	Goodwin/ Fletcher	Jan 2013	--	
16	<b>Fire Station</b> (Sustainable Features and Fire Apparatus)	Conrad/ Tubbs	Jan 2013	✓	
17	<b>Marijuana Initiative Implications</b>	Knight/ Holmes	Jan 2013	✓	
18	<b>Service Club Signage - Options</b>	Greenberg	Jan 2013	✓	
19	<b>Mercerdale WiFi</b>	Kaser	Jan 2013	○	Planning completed; on hold pending funding availability
20	<b>Bike/Auto Discussion (Mercer Ways)</b>	Boettcher	Jan 2013	✓	
21	<b>Emergency Mgmt Update</b>	Holmes	Jan 2013	✓	

**2**

**MI LIBRARY  
PRESENTATION  
BY KCLS AND  
DISCUSSION**



# MEMORANDUM

---

## *2014 City Council Planning Session*

**TO:** City Council

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

**RE:** KCLS Mercer Island Library Renovations

---

### **COUNCIL DISCUSSION/QUESTION PRESENTED:**

1. What questions does Council have for KCLS staff?
2. What, if any, next steps should Council undertake regarding the Mercer Island Library?

### **BACKGROUND:**

The Mercer Island Library was constructed in 1991 by the City of Mercer Island, and was operated in partnership with the King County Library System (KCLS). At that time, the City provided the building, grounds and furnishings, while KCLS provided all staff, materials, books and operating supplies.

In 1992, Mercer Island voted to annex its library into the King County Library System. KCLS acquired ownership of the library building from the City, while the City retains ownership of the library property with a 50-year lease agreement with KCLS.

The current Mercer Island Library is owned and operated by KCLS. In 2004, the voters of KCLS approved a \$172 million capital bond for new construction and renovations of existing libraries. KCLS is nearing the end of a 10-year construction period, which has made improvements to most libraries in the Library System.

KCLS is proposing a renovation that will require the closure of the Mercer Island Library for approximately 10 (6-12) months, with some services and programs moved to temporary locations on Mercer Island.

KCLS held two public meetings regarding the renovation on June 13, 2013 and January 7, 2014.

A citizen group has formed to express concerns about the library renovation process and most recent design. They held a meeting on January 12, and their intent to speak to Council at the January 21 meeting was noted in a January 14 Mercer Island Reporter article.

**SUMMARY:**

KCLS staff and project architect will make a brief presentation to update Council on the proposed library renovation design and project timeline, and will be available to answer Council questions.

**EXHIBITS:** n/a

**3**

**CITIZEN OF THE YEAR**

# CITIZEN OF THE YEAR

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

## CRITERIA FOR SELECTION

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

## PAST RECIPIENTS

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



1996 Fay Whitney

1997 Pat Braman

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

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

2000 Don Cohen

2001 Eugene Ferguson

2002 Jan Deveny

2003 Myra Lupton

2004 Aubrey Davis

2005 Ben Wolfe (given posthumously)

2006 Kenneth & Margaret Quarles

2007 Jim Trombold

2008 MI Farmers Market Committee

2009 Blair Rasmussen

2010 Susan Kaplan and Terry Pottmeyer

2011 Michael K. Copass, M.D.

2012 Fran Call

4

I-90 /

**TRANSPORTATION  
ISSUES**



# MEMORANDUM

---

*2014 City Council Planning Session*

**TO:** City Council  
**FROM:** Noel Treat, City Manager  
**RE:** I-90/Transportation Issues

---

**COUNCIL DISCUSSION/QUESTION PRESENTED:**

1. Discuss January 21 Study Session information regarding R8A, East Link, Commuter Parking, Bus Intercept and Transit Service.
2. What are the City's interests?
3. What are the City's next steps?

**BACKGROUND:**

At the January 21, 2014 Study Session, the Council received briefings on the following:

1. R8A Project (WSDOT)
2. East Link Project (Sound Transit)
3. Commuter Parking (Sound Transit)
4. Bus Intercept Proposal (Sound Transit and King County Metro)
5. Transit Service and Funding (King County Executive's Office)

This Planning Session is the Council's opportunity to discuss the information provided during the Study Session and begin to plan the City's next steps.

**EXHIBITS:**

1. Map of Future MI East Link Station and Vicinity

Park N Ride

N Mercer Way

Potential Bus Layover Space

77th Ave SE

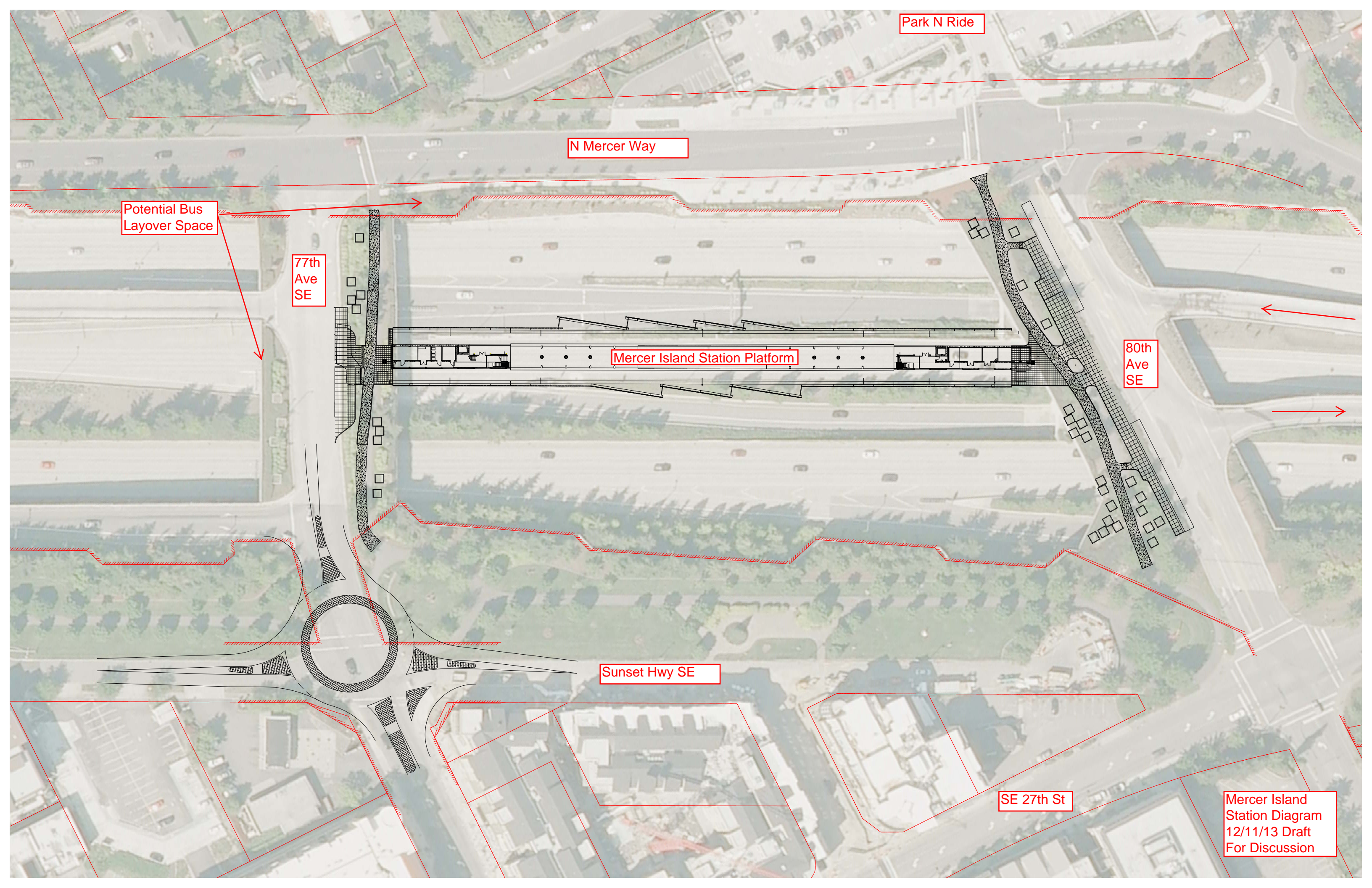
Mercer Island Station Platform

80th Ave SE

Sunset Hwy SE

SE 27th St

Mercer Island Station Diagram  
12/11/13 Draft  
For Discussion



**5**

# **SUSTAINABILITY**



# MEMORANDUM

---

*2014 City Council Planning Session*

**TO:** City Council

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

**RE:** Sustainability and Climate Planning

---

**COUNCIL DISCUSSION/QUESTION PRESENTED:**

1. Provide feedback on proposed 6-Year Sustainability Plan and offer guidance on future priorities (acknowledging that 2014 is filled);
2. Digest and discuss proposed direction of Climate Action Plan (a subset of the overall Sustainability Plan);
3. Authorize future contract discussions with consultants to identify specific GHG reduction projects; and
4. Empower staff to explore hiring a part-time data-entry position, and/or partnering again with PSE's energy efficiency program.

**BACKGROUND:**

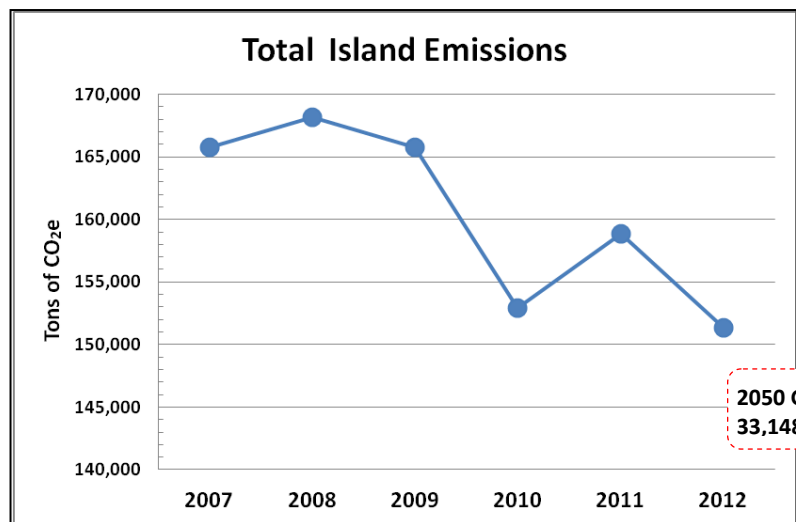
The City is at a notable moment in the evolution of its sustainability program: it has hired the first dedicated staff position to focus on the issue (at a 50% FTE level); collaborations with other like-minded municipalities continue to grow; the City won a high-profile national award from the EPA in 2013; and the Mayor has joined forces with other regional electeds to influence State-level climate policy decisions. For a highlight summary of 2013 accomplishments see Exhibit 1. At the same time, staffing is limited, the economic recession dissolved or delayed some promising programs, and grant money for sustainability work is tougher to come by.

This document introduces the framework of a rolling 6-year **Sustainability Plan**, which requires further fleshing out, pending guidance from Council [see Exhibit 2]. A Sustainability Plan generally includes an overarching goal to reduce greenhouse gas emissions, in addition to addressing a set of environmental, economic and social equity goals (essentially the 'triple bottom line' paradigm). It also takes into account the interrelated issues of climate change, population change, land use, City infrastructure, natural resources management, quality of life,

public health, and economic development. The **Climate Action Plan** presented here is therefore a subset of the larger document, and addresses tasks and policies that directly impact the City's ability to reduce its carbon footprint.

In 2006, a grassroots effort of citizens led the City to modify the vision statement in its comprehensive plan to include language embracing sustainability, and in May 2007 the Council adopted Resolution 1389 which committed to a sustainability work program and a goal of reducing greenhouse gas emissions by **80% from 2007 levels by 2050**, which was consistent with the goals stated by King County's Comprehensive Plan. Later in 2007, the Council set an interim emissions reduction goal (often called a "milepost") for City operations of 5% by 2012 – but since then, no further goals have been identified.

Using the numbers from the City's annual dashboard report (available on the City's [website](#)), progress appears to have been made towards the overarching goal of emissions reduction (see chart). However, it should be noted that GHG reduction efforts become increasingly difficult over time, as the easiest 'low-hanging fruit' has mostly already been addressed. Typically, projects become more expensive, or require larger upfront costs, or necessitate significant social marketing and behavior change. With this in mind, it would be



**Note:** 2011 rise due to unusually cold winter and inclusion of MICEC data, previously not registered due to PSE metering error

helpful to select some additional mileposts in order to more consistently gauge our progress towards the 2050 goal of **33,148 tons** of Carbon Dioxide equivalent (CO<sub>2</sub>e) in annual emissions, Island-wide. Certainly, there are many worthy and successful projects that may not have a direct impact in terms of GHG reduction, but that most certainly address other important goals contained under the umbrella rubric of the City's Sustainability Plan (e.g. the recent plastic carryout bag ban).

The Council has been clear that the most cost-effective efforts should come first and that the effectiveness of sustainability efforts should be evaluated by their measurable impact on the carbon footprint of the Island. Generally, this is the path that has been taken, although many previous sustainability projects arose somewhat randomly out of unexpected grant opportunities, or as various tangentially-involved staff had time available to lead or participate. As a result, the tracking and reporting of measureable GHG reductions has been sporadic, hampered by staff turnover, and currently has no dedicated data manager. This will make quick access to evaluative data challenging for both the Sustainability Manager and Finance Director.

Essentially, the City is at a crossroads due to these impediments: you can't truly manage what you don't consistently measure; and it's very difficult to gauge progress if you don't have mileposts (and verification) along the way. The Resource Conservation Manager (RCM) position funded jointly by the City and PSE ended in late 2011, leaving no one clearly tasked with GHG data tracking. As the duration of this data gap expands, the need to backfill a year or more of historic data becomes more pressing, and will likely require a part-time position to remedy.

#### LOCAL, COUNTY, STATE CONTEXT

Locally, invested 'green' groups are eager for additional involvement opportunities but faster City action; while many others on the Island (perhaps the majority) remain unengaged. Large City projects are rare, but present the opportunity to demonstrate green philosophy and walk the talk.

Promising and nationally recognized collaboration is occurring amongst King County cities, with facilitation from County staff, to identify how much course-correction is needed to get on track for the 2050 GHG goal, and also to present projects that can be implemented by all or most cities, allowing significant GHG reductions to be achieved through aggregation of complementary actions. This is a suitable arena for transportation-related actions.

At the State level, the Governor is attempting to move Washington forward in addressing its carbon footprint, through the bi-partisan Climate Legislative and Executive Workgroup (CLEW), low-carbon fuel standards, and other approaches. In late October, Mayor Bassett led outreach to other Lake Washington mayors to garner support for decisive outcomes from Governor Inslee's climate planning process. Other significant opportunities at the State level exist, such as advocating for zero-coal energy portfolios, maintaining or strengthening WA renewable energy portfolio standards (currently at 15%), changing State Utility & Transportation Commission (UTC) rules so that municipalities can enter the open market to solicit favorable green power contracts.

#### SUMMARY:

- *MI has been a leader in various sustainability arenas, and is recognized for these achievements.*
- *Other municipalities have implemented well-documented measures that we can borrow or join.*
- *To better track our progress we need to: fill data gaps, measure performance, set milestone goals.*
- *Adequate data tracking and GHG-reduction planning may require outside consultant support.*
- *Mapping out the 6-year Sustainability Plan, and Climate Action sub-plan, will help guide the City.*

#### EXHIBITS:

1. "Green Actions Since April 2013" Memo listing recent sustainability achievements
2. Draft framework of 6-year Sustainability Plan and Climate Action Plan
3. Possible Future Sustainability Projects for Years 2-6 of Plan



## **Significant 2013 MI Green Actions**

*Ross Freeman, Sustainability Mgr, Draft Dec 2013*

### **WASTE**

- Plastic Bag Ban Passed
- Zero-waste public and employee events (Aubrey Davis ribbon-cutting; employee party; solar panel ribbon-cutting)
- Zero-waste council meeting pilot (all recyclable or re-usable)
- Advise and assist MI Farmers Market with zero waste goals and implementation
- Fall annual recycling event (782 vehicles total attended)
- Research an affordable commercial/multi-family compost pilot program
- Exploring options for Town Center recycling pilot program

### **ENERGY**

- Bike and Peds upgrades Island-wide during summer 2013
- Bike rack at City Hall
- Promote Bike-to-Work Month; assemble employee Team summer 2013
- Planning w/SoundTransit for bike infrastructure at future light rail station
- Doubled the amount of EV parking at each City public charging station
- Solar array installation at MICEC
- LED lighting retrofit, Part I, at Town Center (2 year payback)
- Lighting retrofit under study at MICEC
- Advocate for additional efficient and alt-fuel vehicles in City fleet (e.g. meter reader )
- Design operating protocol for City's green revolving fund to invest in energy efficiency projects (e.g. Town Center LED Lights)

### **WATER**

- Promote water-efficient fixtures, and associated rebates
- Special discounted rainbarrel distribution event (approx 100)

### **YARD**

- Assist with designation and signage of NWF Certified Wildlife Habitat on City properties
- Research possibilities for toxin-free gardening campaign on MI (similar to Vashon Island's 'Garden Green, Drink Clean' program)
- Holiday tree chipping service to be offered by City

### **GREEN BLDG**

- Begin process of drafting green building standards/incentives for City projects and private construction
- Participate in discussions around green elements of MISD bond projects
- Add green components to City Firestation rebuild

[ Over >> ]

## EDUCATION/COMM

- Launch several City Facebook sites, and Emergency Prep Twitter feed
- Design City solar array educational webpage
- Total rebuild of City's recycling, yard waste, trash webpages
- Develop more active involvement & partnership with MISD staff-level green teams
- Promote green victories and awards, such as EPA Green Power Community of the Year
- Updated MI-TV Equipment will soon allow frequent/consistent posting of env content on Channel 21

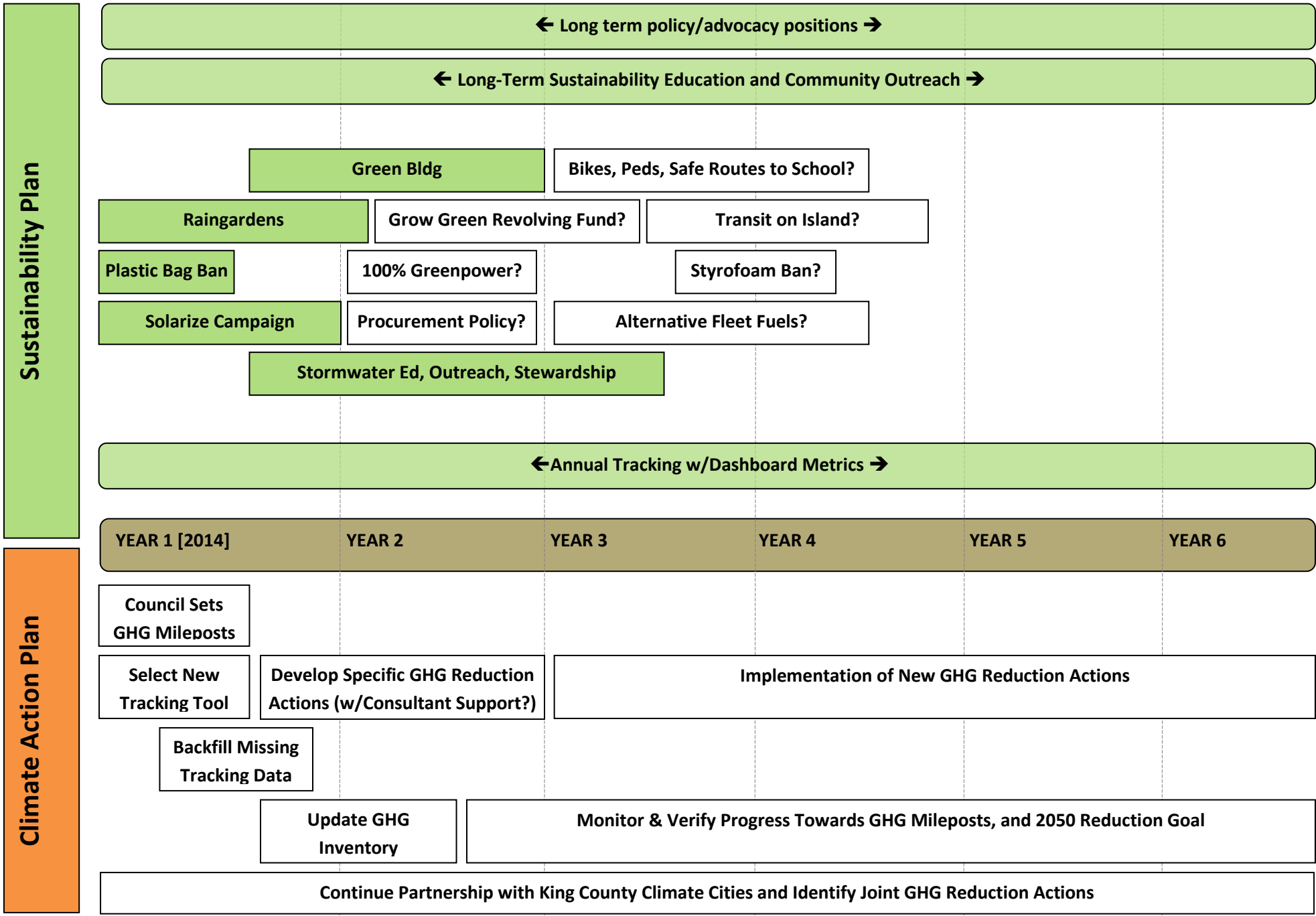
## CROSS-CUTTING

- Participate in King County climate collaboration with other regional cities seeking collective action, and join regional carbon footprint analysis (due Feb 2014)
- Explore appropriate internal GHG inventory tool for long-term assessment of MI emissions on 3-5yr basis
- Develop short/medium/long-term goals to catch up to 2050 GHG reduction goals, and seek programs to reduce per capita MI energy consumption by 10% by 2020
- Explore tracking framework with simple annual metrics that can mesh with City's existing dashboard report
- Insert sustainability concepts into all aspects of City's 6-year Parks and Recreation Plan

## Planned Actions Next Year *(not exhaustive)*

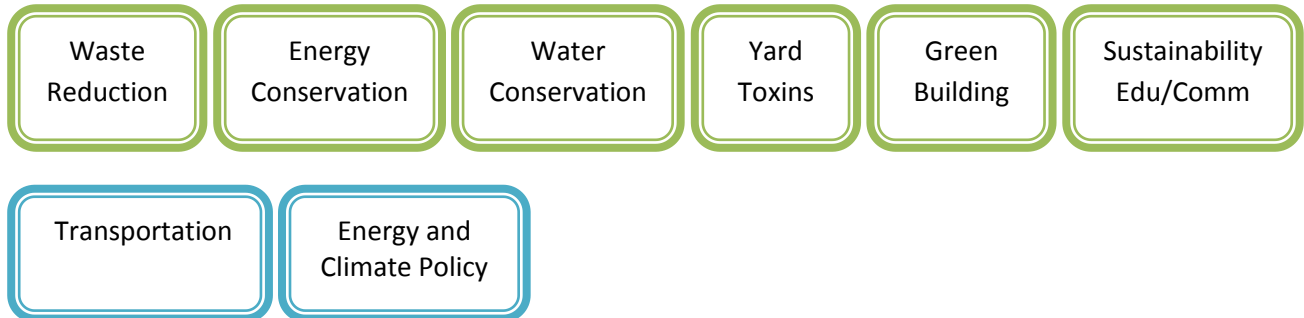
- **CROSS-CUTTING:** Commute Trip Reduction survey, and explore additional employee carpooling incentives
- **CROSS-CUTTING:** Build rolling 6-year Sustainability Action Plan to enact Task Force policy recommendations and other feasible initiatives
- **CROSS-CUTTING:** Build out GHG reduction component of Sustainability Action Plan, in coordination with regional efforts
- **CROSS-CUTTING:** Work with MI Chamber to help grow Shop Local campaign
- **WASTE:** Launch food waste composting at City Hall
- **WASTE:** Plastic bag ban ordinance takes effect Earth Day 2014
- **ENERGY:** Solarize MI - detailed exploration of residential solar power, mass-installation campaign
- **ENERGY:** Additional EV charging Station at City Hall
- **ENERGY:** Expand City's greenpower renewable energy purchase from 35% to 100%
- **ENERGY:** Explore Energy Star protocols for all future City electronics purchases
- **ENERGY:** 'Lights Off' campaign at City facilities
- **WATER:** Support of, and outreach around, raingarden program for Island residents
- **EDU/COMM:** Explore use of internet to grow community sustainability networking (e.g. nextdoor.com)

DRAFT FRAMEWORK OF 6-YEAR SUSTAINABILITY PLAN AND CLIMATE ACTION PLAN



## POSSIBLE PROJECTS FOR YEAR 2 (2015) THROUGH YEAR 6 (2019) OF SUSTAINABILITY PLAN

This list employs the six general categories [see below] identified in the Sustainability Policy Recommendations document issued in Sept 2012, but also adds two additional, more overarching, climate-related categories, namely Transportation and Energy & Climate Policy.



### **Waste:**

- Consider Styrofoam take-out container ban two years hence
- Research possibilities for surplus prepared food donations from restaurants to pantry or homes
- Expand options and lower costs to encourage more commercial composting
- Ensure that all construction projects on Island recycle all possible C&D waste vs. landfill
- Consider 2x/month trash collection pilot project
- Establish public recycling in Town Center
- Implement food waste composting in all City facilities

### **Energy:**

- Research \$5M in State grants for solar in schools
- Agree on opportunity to install free solar array at MISD property as outcome from Solarize campaign
- Flesh out exact accounting details and grow Green Revolving Fund for energy efficiency projects
- Commission energy audit for Mary Wayte pool and explore possibility for solar hot water boost
- Expand City's green power offset from 35% to 100% on open market, outside of PSE
- Explore option to mandate 100% green power offset for all residents as, built into rate structure
- Determine results (if possible) of home energy audit & upgrade program; seek continuing grant support
- Require energy audits for the largest and least efficient commercial and multifamily buildings to identify cost-effective upgrades

### **Water:**

- Identify additional CIP projects that minimize erosion and increase natural stormwater retention
- Implement a demonstration LID project, or at least a raingarden, at MI Thrift Shop
- Encourage rain garden installation by residents with suitable soil conditions and topography
- Ensure that all suitable City-owned lake shoreline provides salmon habitat
- Continue to invest in collaborative water conservation programs reducing per capita use

### **Yard Toxins/Natural Env:**

- Consider more stringent tree retention/replacement policy, offer incentives
- Explore outreach program, or develop policies, to encourage less yard herbicide/pesticide use
- Expand MIPR tree planting programs

**Green Bldg:**

Develop details of MI Green Building option, with recommendations & incentives for green options  
Ensure permit applicants are aware of green track and environmental benefits  
Ensure that City projects follow greenest path possible within budget; seek demonstration projects  
Seek or encourage LEED certification (or comparable) of an Island building project  
Ensure that Town Center development embraces and promotes access to light rail  
Partner with MISD to advocate for greenest measures possible to be included in upcoming expansion  
Ensure that MI codes require commercial buildings to be ready for: solar, EV chargers, dimmable industrial light ballasts, etc

**Long-Term Sustainability Education and Community Outreach:**

Refresh, organize, and rejuvenate sustainability content on City website  
Support and grow ongoing sustainability events such as Leap for Green Fair  
Seek greater sustainability visibility as part of Summer Celebration  
Use targeted utility bill mailers, or other means, to reach all Island households on key issues  
Develop concept of a MI 'Environmental Hero'  
Continue to seek media coverage in local print outlets  
Develop environmental workshops on key issues and promote in MIPR Rec Guide  
Post brand new and updated content to rejuvenated MI-TV station  
Grow social media outlets and viewership  
Encourage and join other neighborhood-based social networking sites, such as NextDoor.com  
Organize periodic check-in or rendezvous with Island green groups, the Green Ribbon Commission, et al  
Implement surveys and other tools to gather resident suggestions and feedback  
Publicize outcomes of sustainability metrics in City's annual Dashboard Report

**Transportation:**

Explore partnership with MISD bus fleet to consider alternative fuels (e.g. Biodiesel)  
Explore possibility of using use off-hours school buses for Island shuttle service  
Survey public opinion, and explore options for, local bus shuttle along ICW  
Seek opportunities to migrate heavy fleet vehicles to Compressed Natural Gas (CNG)  
Add more Electric Vehicle (EV's) or PlugIn Hybrid EV's (PHEV's) to City fleet  
Develop procurement policy filter for all new fleet purchases, including MIPD  
Ensure development of additional Park & Ride or 'walk-off' parking at Town Center  
Facilitate expansion of regional bike sharing and car sharing programs to Town Center area  
Ensure commercial codes mandate bike parking at Town Center  
Develop greater emphasis on, and publicity for, CTR/carpooling to City facilities  
Ensure that TIP plan addresses need to shift more trips to low-GHG modes  
Expand support of and partnership with MI Chamber of Commerce Shop Local program

**Energy and Climate Policy:**

Maintain or strengthen WA renewable energy portfolio standards (currently at 15% by 2020)  
Pursue Community Choice Aggregation at State level to allow municipalities and others to purchase energy on open market  
Participate in King County Cities Climate Collaboration (K4C) to acquire county-scale carbon footprint analysis and identify collective measure that all participating municipalities can enact to reduce GHG's  
Collaborate more intentionally with MI Emergency Preparedness program to factor in climate change projections, such as extreme weather events.

# # #

**6**

**2015-2016  
BUDGET PREVIEW**



# MEMORANDUM

---

## *2014 City Council Planning Session*

**TO:** City Council

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

**RE:** 2015-2016 Budget Preview

---

### **COUCIL DISCUSSION/QUESTIONS PRESENTED:**

1. How would the Council like to review the 2015-2016 Operating Budget (see Exhibit 2)?
  - a) By department (which was the approach used for the 2013-2014 budget process)?
  - b) By selected funds (which is a more streamlined approach resulting in the elimination of a special Council meeting)?
  
2. Would the Council be interested in receiving a more streamlined budget binder, which would be organized according to the budget review process chosen by the Council (see Exhibit 3)?
  
3. Is the Council interested in conducting a biennial citizen survey in February 2014?

### **BACKGROUND:**

The Planning Session is an opportune time to begin planning for the upcoming budget cycle. To facilitate this discussion, the 2015-2016 Budget Calendar is attached as Exhibit 1 to provide an overview of the budget process. Interest has been expressed in finding a more streamlined approach to review of the budget. Proposed approaches are set out on Exhibit 2. In addition, a selected list of 2015-2016 Budget Issues is attached as Exhibit 4 and is provided primarily for informational purposes only (the exception is the biennial citizen survey for which staff seek Council direction).

### **EXHIBITS:**

1. 2015-2016 Budget Calendar
2. 2015-2016 Operating Budget Review Approaches
3. 2015-2016 Budget Document
4. 2015-2016 Budget Issues

*City of Mercer Island*  
**2015-2016 Budget Calendar**

2015-2020 Capital Improvement Program (CIP) "kick-off"	Mar 17 (regular meeting)
2013 Mercer Island Dashboard report	Jun 2 (regular meeting)
2015-2016 Operating Budget kick-off	Jun ?? (Mini-Planning Session)
2015-2020 Capital Improvement Program (CIP) "preview"	Jun 16 (regular meeting)
2015-2016 Preliminary Budget Message (distribute to Council)	Sep 29
2015-2016 Preliminary Budget presentation (distribute budget document to Council)	Oct 6 (regular meeting)
2015-2016 Preliminary Budget review meetings with Council	Oct 20 (regular meeting) Oct 27 (special meeting)?? Nov 3 (regular meeting)
<b>Council actions:</b> 2015 utility rate resolutions and 2015 property tax levy ordinances	Nov 17 (regular meeting)
<b>Council action:</b> 2015-2016 Final Budget adoption	Dec 1 (regular meeting)



## **2015-2016 Operating Budget Review Approaches**

Two Operating Budget review approaches are offered for the Council's consideration:

### **1. Operating budget by department**

This approach focuses on departmental budgets, which often cut across multiple funds. For each department, staff focuses on the following:

- Budget Analysis (1-2 page expenditure summary)
- Service Reduction Packages
- Service Enhancement Packages
- New/increased revenues
- Significant budget policy changes

For a department with a budget that spans multiple funds, a separate Budget Analysis is prepared for certain logical fund groupings. For example, the Finance Department has a budget in the General Fund, the Beautification Fund, the Water Fund, the Sewer Fund, and the Storm Water Fund. Two separate Budget Analyses are prepared for the Finance Department: 1) for the General and Beautification Funds combined, and 2) for the Utility Funds combined.

This is the approach the Council used for the 2013-2014 Budget process.

### **2. Operating budget by selected funds**

Under this more streamlined approach, an overview is provided for the following selected funds: **General Fund, Criminal Justice Fund, Beautification Fund, YFS Fund, Water Fund, Sewer Fund, and Storm Water Fund**. This overview encompasses the following for each fund:

- Major revenue estimates (per Fund Recap section in budget document)
- Summary level expenditures (per Fund Recap section in budget document)
- Budget Analysis (1-2 page expenditure summary)
- Significant budget policy changes/issues

Then, all proposed Service Reduction and Service Enhancement Packages, which represent one-time and ongoing changes to the "base" budget, are reviewed. This budget review approach keeps things at a higher level for the Council compared to the first approach above, drilling down only on the "driving details" of the proposed budget.

These two approaches are presented in a budget calendar format below. Approach #2 would require one less Council meeting and would reduce total Council review time by 2.5-3.0 hours.

**Budget Review Approach #1 (Operating Budget by Department)**

Council Meeting Date	Item Reviewed / Council Action
Oct 6 (regular meeting)	Budget overview presentation by Noel & Chip Distribute 2015-2016 Preliminary Budget document to Council
Oct 20 (regular meeting)	<b><u>Operating Budget Review</u></b> Review following departments: City Attorney's Office, City Council, City Manager's Office, DSG, Finance, Fire, Human Resources, IGS
Oct 27 (special meeting)	<b><u>Operating Budget Review</u></b> Review following departments: Maintenance, Municipal Court, Non-Departmental, Parks & Recreation, Police, YFS
Nov 3 (regular meeting)	<b><u>Operating Budget Review</u></b> Review major revenue estimates (General Fund only) Review new/enhanced proposed revenues (General Fund only) Review 2015 utility rates (water, sewer, storm water, EMS) Finalize changes to Operating Budget
Nov 17 (regular meeting)	<b><u>CIP Budget Review</u></b> 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 Finalize changes to CIP Budget  <b><u>Council Action Required</u></b> Adopt 2015 utility rates (water, sewer, storm water, EMS) Adopt 2015 property tax levy
Dec 1 (regular meeting)	<b><u>Council Action Required</u></b> Adopt 2015-2016 Final Budget ordinance

**Budget Review Approach #2 (Operating Budget by Selected Funds)**

<b>Council Meeting Date</b>	<b>Item Reviewed / Council Action</b>
Oct 6 (regular meeting)	Budget overview presentation by Noel & Chip Distribute 2015-2016 Preliminary Budget document to Council
Oct 20 (regular meeting)	<p><b><u>Operating Budget Review</u></b></p> <p>Review following funds:            General Fund, Criminal Justice Fund, Beautification Fund, YFS Fund, Water Fund, Sewer Fund, and Storm Water Fund</p> <p>Review Service Reduction Packages            Review Service Enhancement Packages</p>
Nov 3 (regular meeting)	<p><b><u>CIP Budget Review</u></b></p> <p>Review updated REET forecast            Review changes to CIP "Preview" by Council &amp; staff            Review projects by exception            Review 6 year fund statements, focusing on fund balance</p>
Nov 17 (regular meeting)	<p><b><u>Council Action Required</u></b></p> <p>Finalize changes to operating budget and CIP budget            Adopt 2015 utility rates (water, sewer, storm water, EMS)            Adopt 2015 property tax levy</p>
Dec 1 (regular meeting)	<p><b><u>Council Action Required</u></b></p> <p>Adopt 2015-2016 Final Budget ordinance</p>

*City of Mercer Island*  
**2015-2016 Budget Document**

Who's overwhelmed by the sheer size and weight of the budget document?

Who would be interested in receiving a streamlined Council budget binder, which would be organized according to the budget review process chosen by the Council?

For example, under Approach #2, the Council would receive a budget binder with the following sections:

- Budget Message
- Recap by Fund (for selected funds only):
  - General Fund
  - Criminal Justice Fund
  - Beautification Fund
  - YFS Fund
  - Water Fund
  - Sewer Fund
  - Storm Water Fund
- Budget Policies (only those with significant changes/issues)
- Service Reduction & Enhancement Packages
- Capital Improvement Program

*City of Mercer Island*  
**2015-2016 Budget Issues**

**Biennial Citizen Survey**

- Council cut this from the 2013-2014 budget.
- Is there any interest in conducting the survey in Feb 2014?
  - If so, it could be funded from the \$50,000 in miscellaneous professional services budgeted in 2014.
  - If not, then the annual Mercer Island Dashboard report becomes less useful, with 9 of the 35 indicators coming from the survey results.

**Property Tax**

- Accounts for 43% of General Fund revenues, but is limited to 1% annual growth + new construction (estimated to be 1.25% in 2015 and 2016 respectively).
  - Puts the burden for General Fund revenue growth on utility tax (18% of total), sales tax (12% of total), license/permit/zoning fees (8% of total), and recreation fees (6% of total).

**Balancing the General Fund Budget**

- Primarily tied to development activity, which is currently high and projected to remain so through 2014.
  - Licenses, permits, and zoning fees: Up 30.5% thru 9/30/13 vs. 9/30/12
  - Construction sales tax: Up 12.7% thru 9/30/13 vs. 9/30/12
  - Reminder: This is an “elastic” (i.e. more volatile) revenue source

**Community Center Budget**

- **General Fund subsidy of MICEC operations**
  - The annual subsidy in 2013 and 2014 was fixed by the Council at the 2012 subsidy level of \$329,000, shifting the financial burden to room rental rates.
  - Previously, it was adjusted annually for inflation.
  - The Council has two options for increasing room rental revenue: 1) increase room rental rates, and/or 2) reduce room availability for recreation classes, thereby enabling MICEC staff to generate more rental income.

- Increasing rental rates isn't currently a good option, because they are already at fair market value.
- Reducing room availability for recreation classes will negatively impact the City's recreation program.
- Staff believes that a reasonable balance has been struck in 2013-2014 between making rooms available for rental and recreation classes.
- Therefore, keeping the annual subsidy fixed at \$329,000 in 2015-2016 isn't realistic.
- The annual subsidy is also impacted by the other MICEC budget issue noted below.
- **MICEC equipment & furnishings sinking fund**
  - Didn't create a sinking fund until 2011 (i.e. 6<sup>th</sup> year of operation of MICEC).
  - In 2011-2012, the annual sinking fund contribution was initially set at \$31,000 (funded by MICEC revenues).
  - In 2013-2014, the annual sinking fund contribution was increased from \$31,000 to \$42,500 (\$40,000 from MICEC revenues + \$2,500 annual contribution from Rotary Club).
  - In 2015-2016, the annual sinking fund contribution needs to be increased to at least \$50,000.
  - Because room rental rates have been increased significantly over the past 4 years, it is unlikely that they can be increased again to cover the \$7,500 minimum increase in the annual sinking fund contribution (i.e. the General Fund subsidy will probably need to be increased to cover it).
  - Reminder: Because the sinking fund wasn't established until 2011, it is currently estimated that \$200,000 in one-time supplemental funding will be needed by 2016 (to be funded by General Fund surplus revenues).

### **General Fund Subsidy of YFS**

- Will need to maintain current \$200,000 annual subsidy in 2015-2016, even if we move forward with Thrift Shop Renovation/Expansion project.
- In 2013, the annual subsidy was \$320,000. Prior to 2013, the annual subsidy was \$465,000.

### **Street Fund Balance**

- Projected to go negative in 2016 when the 2013-2014 budget.
- Better than expected REET in 2013, 2014, and 2015 might push that out one year to 2017.

### **Water & Sewer Utility Rates**

- Significant water rate increases (at least 8.0% per year) are forecast for the coming 6 years driven by the following:
  - Water CIP needs (e.g. water main replacements for aging infrastructure)
  - Cost of water from SPU (there are significant increases every three years)
- Significant sewer rate increases (at least 8.5% per year) are forecast for the coming 6 years driven by the following:
  - Sewer CIP needs (e.g. lake line clean-outs)
  - Sewage treatment costs charged by King County

### **LEOFF I Retiree Long-Term Care Benefits**

- Actuarially estimated to be funded through 2024.
  - \$4.08M total estimated liability vs. \$1.52M total present value of dedicated assets
- Dedicating \$100,000 per year of banked property tax capacity, beginning in 2015, would fully fund the reserve for next 20 years (i.e. 2014-2033).
- This liability is re-assessed every three years by Milliman (the City's actuarial consultant), with the next study slated for the first half of 2014.

### **Position Needs Requiring Early Council Action in 2014**

- DSG staffing (contracted staff in 2014)
  - AB 4913 (1/21/14 Council meeting)
  - Need \$130,000 to support MISD, if bond measure passes in February 2014 (funded permit fees paid by MISD).
  - Need \$73,000 to support higher than expected development activity levels unrelated to the MISD bond measure (funded by permit fees).

- Fire Marshal (1.0 FTE)
  - Cut position in 2011-2012 to help balance the budget (because development activity was minimal) and to try an alternative way of providing the service (i.e. it was an experiment).
  - The current distributed work arrangement between Fire and DSG is not working well and is not cost effective, especially given the current high level of development activity.
- Patrol "Hire Ahead" Police Officer (1.0 FTE)
  - Left position vacant in 2011-2012 and 2013-2014 to help balance the budget
  - Budgeted in Criminal Justice Fund
  - Need to fill driven in part by succession planning and the number of police officers eligible for retirement:
    - 2014: 4
    - 2015: 2
    - 2016: 1



8

**MERCER ISLAND  
CENTER FOR THE  
ARTS/YTN UPDATE  
& DISCUSSION**



# MEMORANDUM

---

*2014 City Council Planning Session*

**TO:** City Council

**FROM:** Noel Treat, City Manager

**RE:** Mercer Island Center for the Arts/Youth Theater Northwest

---

**COUNCIL DISCUSSION/QUESTION PRESENTED:**

What questions does Council have for representatives of the Mercer Island Center for the Arts (MICA)?

**BACKGROUND:**

At the August 12, 2013 Regular Meeting, the Council approved an intent to make the City's former Recycling Center property available for a community performing arts facility. This approval followed study and discussion at the 2013 Mini-Planning Session and review of a recommendation by a performing arts study committee formed by the City. The City executed a letter of understanding with Youth Theater Northwest based on the direction from the Council (Exhibit 1). Since that time, community members have formed the Mercer Island Center for the Arts (MICA) group and have begun planning and fundraising efforts. MICA representatives will attend the Planning Session to provide the Council with an update on these efforts.

**EXHIBITS:**

1. November 7, 2013 letter of understanding between YTN and City



November 7, 2013

Rich Conrad  
City Manager  
CITY OF MERCER ISLAND  
9611 SE 36th Street  
Mercer Island, WA 98040

Dear Rich:

On behalf of the Youth Theatre Northwest Board of Directors, professional staff, parents and, most of all, student actors, I am very pleased to summarize YTN's understanding of our discussions with the City of Mercer Island regarding the proposed Mercer Island Performing Arts Center.

At its June 8, 2013 Mini-Planning Session, the City Council appointed a community performing arts center study committee, consisting of Councilmember Jane Brahm, Councilmember Tana Senn, you and me. After study and deliberations, the committee recommended that the City Council make the former Recycling Center and adjacent Bicentennial Park site available to YTN for further study and analysis as a future performing arts facility.

At the Council's meeting on August 12, 2013, the Council adopted the committee's recommendations for what it called "Alternative 1." In aggregate, the committee's recommendations and the minutes of the Council's meeting reflecting the recommendations adopted by the Council are compiled as follows:

- The City's role would be confined to providing the land for the new facility plus access to parking spaces at the Mercer Island Thrift Shop and in the adjacent public rights-of-way.
- The footprint of the facility will be on the Recycling Center site and Bicentennial Park.
- YTN's work to develop its proposals will include further public presentations and outreach before the City Council can make an irreversible commitment of the public lands.
- The City Council established a two year period for YTN's reservation of the site as a performing arts facility.
- YTN will undertake the design, construction, financing, and management of the facility.
- The City would approve the performing arts center design.
- The business model (City-YTN relationship) will be that the City would lease the land to YTN.

- YTN will serve as the primary tenant of the facility.
- Other public performances would be accommodated in the facility.
- Upon completion, YTN would provide ongoing scheduling and management of the facility.

The proposed site plan presented at the Mini-Planning Session on June 8, 2013 showed sketches for the facility's footprint on the Recycling Center Site and Bicentennial Park. These sketches were for test fit and general site location purposes only, and were not intended to represent final dimensions, design, location, layout or other elements of the facility.

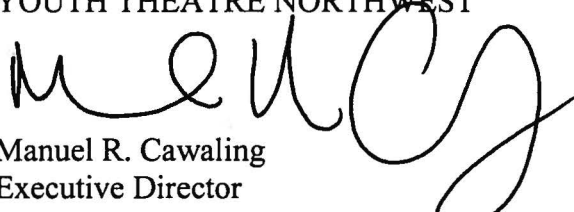
YTN will dedicate itself to developing a workable plan based on the Council's directions set forth in this letter, while recognizing that new ideas or opportunities may be identified. If such new ideas or opportunities are materially different from the committee's recommendations adopted by the City Council, YTN will present them to the City for further consideration before committing to them.

YTN hopes and intends to be a good partner with the City Council on this project, with the mutual goal of creating a facility that provides new programs serving all members of the Mercer Island community, and through that mission to enhance artistic opportunities for children to "find their light."

If you agree that this letter accurately summarizes the status of the facility planning and the City's commitment to the Mercer Island Performing Arts Center and YTN, please sign below and return a copy to me.

Sincerely,

YOUTH THEATRE NORTHWEST

  
Manuel R. Cawaling  
Executive Director

Acknowledged and agreed:

CITY OF MERCER ISLAND

By:   
Rich Conrad, City Manager

Dated: Nov. 14, 2013

**7**

**TOWN CENTER  
VISIONING AND  
“BOOSTER”  
COMMITTEE**



# MEMORANDUM

---

*2014 City Council Planning Session*

**TO:** City Council

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

**RE:** Town Center Visioning and Booster Committee

---

**COUNCIL DISCUSSION/QUESTION PRESENTED:**

1. Should the City review the vision for the Town Center?
2. If so, what is the appropriate scope of work for the review and how should the scope of review be conducted?
  - a. Review public amenity requirements?
  - b. Task Force?
3. Should the City launch a Town Center “Booster Committee”?

**BACKGROUND:**

Town Center Vision:

The current vision for the Town Center was crafted over several decades and involved hundreds of Islanders including residents, business owners, Planning and Design Commissioners, and several City Councils. A history of Town Center planning and visioning is included as Exhibit 1.

Public Amenities:

Public amenities are required under certain circumstances in Town Center projects. Developments requesting an additional story of height must provide a “significant public amenity.” The amenity can be affordable housing, a public plaza, or public pedestrian mid-block walkway, depending on the site location. See Exhibit 2.

Civic Plaza Planning:

The concept of a civic plaza or gathering space in the north end of the Town Center is rooted in the City’s Comprehensive Plan and City Code. In 2006-2007, a civic plaza was proposed at the northern end of 78th Avenue SE between 27th Avenue SE and Sunset Highway. The streetscape improvements were installed, but the proposed water feature and floral enhancements were eliminated due to lack of Council support and funding.

Exhibit 3—Mercer Island Town Center Development—shows locations in green that could be redeveloped. These are also possible locations for a civic plaza.

Booster Committee:

Several Councilmembers have raised a variety of ideas on how to improve Town Center vitality. Because the City lacks staff dedicated to economic development, one proposal is to create a Town Center Booster Committee which would work in partnership with the Chamber of Commerce.

**EXHIBITS:**

1. History of Town Center Planning and Visioning
2. Lots Eligible for Significant Public Plazas and Significant Pedestrian Connections
3. Mercer Island Town Center Development

# 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 re-constructed 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 the end of 2012, a total of twelve projects have been completed or are under construction. And, there is more to come.

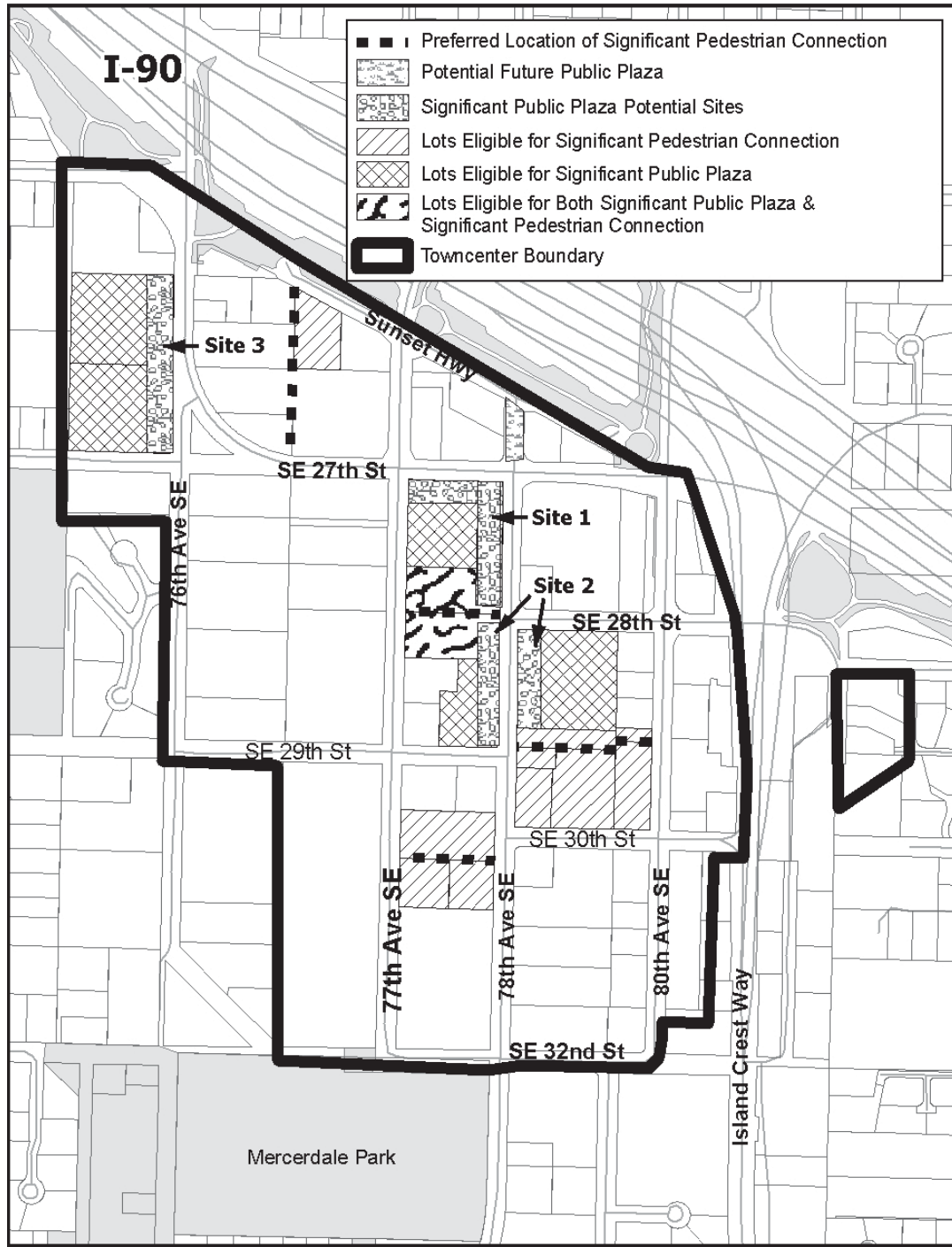




# Town Center Redevelopment—Chronology

<b>Interstate 90 Project</b>	<b>1976 -- 1992</b>
Lids, trenching, landscaping, bicycle/pedestrian facilities, green spaces, increased capacity	
<b>Project Renaissance</b>	<b>1988 - 1992</b>
“Main Street” program, business revitalization	
<b>Growth Management Act Approved</b>	<b>1990-91</b>
Mandatory planning; focus growth in existing urban areas	
<b>Citizen Visioning Process</b>	<b>1994</b>
Public outreach, professional design expertise, site visits	
<b>City Comprehensive Plan Approved</b>	<b>1994</b>
Growth Strategy – focus future growth in Town Center; re-vitalize TC commercial/retail; protect residential zones;	
<b>Design Charette Conducted</b>	<b>1994</b>
Set land use strategy, urban design experts from around country, developed urban design themes, economic analysis, site specific demonstration projects	
<b>Town Center Street Grid Reconstructed</b>	<b>1994 - 1996</b>
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	
78 <sup>th</sup> Ave SE – “signature street”; narrowed 4 to 2 lanes	
Water, sewer, storm water upgrades for future capacity	
<b>Design Code Re-written and Approved</b>	<b>1995</b>
Based on Design Charette themes	
<b>Sound Transit – Proposition 1 vote approved</b>	<b>1996</b>
Expansion of Mercer Island Park & Ride Lot to 400 spaces; aligned with Town Center street grid	
<b>Redevelopment Begins</b>	
Montesano condos – <b>2002</b> ; multi-family residential	
Island Crest Plaza – <b>2003</b> ; office	
Starbucks – <b>2004</b> ; retail	
Avellino - <b>2005</b> ; mixed use	
Newell Court – <b>2005</b> ; mixed use	
Island Square – <b>2006</b> ; mixed use	
Aljoya House – <b>2008</b> ; residential	
Sound Transit Park & Ride – <b>2008</b>	
77 Central – <b>2009</b> mixed use	
The Mercer (Phase I) – <b>2010</b> ; mixed use	
7800 – Plaza Condos – <b>2010</b> ; mixed use	
Aviara (BRE) – <b>2012</b> under construction	
The Mercer (Phase II) – <b>2012</b> ; under construction	
<b>Sound Transit East Link Light Rail – 2008 vote approved; construction</b>	<b>2016-2023</b>
Light rail line and station within freeway corridor; aligned with 78 <sup>th</sup> Ave SE “signature street”	





Map Updated 4/23/07

### Exhibit 3: Lots Eligible For Significant Public Plazas Significant Pedestrian Connections



(Ord. 07C-02 § 2; Ord. 02C-05 § 1; Ord. 02C-04 § 3).



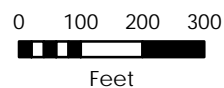
## Mercer Island Town Center Development



- Approved
- Completed
- Preliminary Design

- Formally Submitted
- Under Construction

- Meets Condition For Redevelopment
- Town Center Boundary



# 9

## MI DAY CARE ISSUES UPDATE AND DISCUSSION



# MEMORANDUM

---

*2014 City Council Planning Session*

**TO:** City Council

**FROM:** YFS Director, Cynthia Goodwin  
Assistant City Manager, Kirsten Taylor

**RE:** Mercer Island Childcare Issues Update

---

**COUNCIL DISCUSSION/QUESTIONS PRESENTED:**

1. Should the City of Mercer Island play a role in the provision of childcare on MI?
2. If it is determined that the City should play a role in this issue, and in light of limited resources, what role should the City play?
3. Should the City of Mercer Island explore using an art room space at the MICEC for daycare as requested by a local private Child Care business?

**BACKGROUND:**

If the Mercer Island School District bond measure is approved by voters at the February 11, 2014 election, the School District plans to proceed by end of summer to demo the North Mercer Campus buildings that house two childcare programs, Little Acorn and County Village. These programs currently provide daycare/preschool for a relatively large number of children (see Mercer Island Child Care Capacity, Exhibit 1).

The City has received a request from one of these providers (Little Acorn Preschool, a for-profit business) to turn the Community Art Room at the MICEC into a rental space for them (see Exhibits 2, 3 and 5).

The other childcare provider has not made any formal request from the city for assistance or property and is currently seeking an alternative site for their business.

**SUMMARY:**

A review of Eastside cities shows that childcare subsidies are commonly provided to low income community residents through funding to Child Care Resources, a non-profit that provides

resources for families to aid in access to childcare (see Exhibit 4). Currently, no Eastside city provides dedicated space to a childcare business, nor staff time or leadership for work on this issue.

The City of Seattle provides limited funds for Capital Improvements.

**EXHIBITS:**

1. Mercer Island Childcare Capacity
2. Community and Event Center Rooms – Rental Request
3. Little Acorn Request for Childcare Space at MICEC
4. Child Care, Support from Eastside Cities and Seattle
5. Preschool’s High Value to the Community (as provided by Little Acorn)

## **Mercer Island Childcare Providers and Capacity**

December 2013

### RESOURCES USED

Child Care Resources (CCR) Seattle Washington is a not-for-profit organization that maintains a database of childcare providers throughout WA State. CCR focuses on early learning and childcare educating the community about the importance and impact of early learning. Their professional staff works with a well-maintained database to help Washington families access and choose high quality child care and after school care.

*According to Child Care Resources (CCR):* Mercer Island has the following licensed childcare providers, centers, family childcare homes.

1. Centers – 9 with total capacity of 603
2. School Age Programs – 2 with total capacity of 108
3. Family Childcares – 2 with total capacity of 14

**Childcare (Licensed):** A childcare center offers full or part-time care in a same-age group setting. A family childcare home offers full or part-time care in a person’s home with mixed ages.

Type	Business Name	Address	Capacity
Center	Country Village Day School	4030 86TH AVE SE, Campus B	182
Center	Stroum Jewish Community/Mercer Isl	3801 E MERCER WAY	115
Center	French American School of Puget Sound	3795 E MERCER WAY	79
Center	Early World Montessori	3027 80TH AVE SE	70
Center	B&G Club – Mercer Island	PO BOX 83	60
Center	Creative Learning Center	8236 SE 24TH ST	39
Center	Little Acorn Day School	4030 86TH AVE SE, CAMPUS E	24
Center	Northwest Montessori School	4025 86TH AVE SE	20
Center	Little Acorn Sprouts	8236 SE 24TH ST - NORTH ANNEX, RM4	14
Total			603
School Age Program	KIDS CO @ WEST MERCER	4141 81ST AVE SE	52
School Age Program	KIDS CO. @ LAKERIDGE	8215 SE 78TH	56
Total			108
Family	Lisa's Little School	6513 81ST AVE SE	8
Family		8815 SE 37TH ST	6
Total			14

**Child Programs (Exempt from licensing):** School age programs are not required to be licensed by the state. They are usually run by school districts or Boys and Girls Clubs (the three options on MI are all licensed). Other exempt programs are pre-school programs which are open limited hours and children cannot be in care longer than four hours per day.

Type	Business Name	Address	Phone	Capacity
Exempt	BCC MERCER ISL LEARNING LAB	location: 4120 86th Ave SE	206-232-3493	60
Exempt	PIXIE HILL PRESCHOOL	8805 SE 40TH	206-236-1380	20
Exempt	SUNNYBEAM SCHOOL	8477 SE 68TH	206-232-5776	?
Exempt	CHILD SCHOOL	4030 86TH AVE SE	206-232-8680	10
Exempt	EMMANUEL DAY SCHOOL	4400 86TH AVE SE	206-232-5663	76
Exempt	PATTI'S PLAY CENTER	loc: Emmanuel Episc Church, 4400 86th Ave SE	425-232-4453	?

## Mercer Island Community and Event Center (MICEC) Rooms – Rental Request

The MICEC has four classrooms in the lower building, separate from the Community and Event Center. One is used as an Art Room for various recreational opportunities for both youth and adults, while the other three are currently leased out to preschools.

- Average annual rental revenue per **preschool room**: \$15,000 annually
- Average annual net revenue for **community art room** rental: \$13,000

### Art Room Use (4<sup>th</sup> Classroom)

Youth classes include; drawing, cartooning, art for kids and safety town camp.

Adult classes include; costume model, figure drawing, sculpture, Sumi-painting and room rentals. The art room is also the location for our community birthday parties.

The three year annual participation average for the Art Room: 80 youth, 103 adults and 1,410 for birthday parties and rentals.

### Request to Lease

The Parks and Recreation Department has received a facility lease request from Little Acorn Preschool asking the City to turn the MICEC Art Room into a preschool space. Capital improvements and building upgrades would be required to turn the Art Room into a space that would meet the requirements for a licensed daycare.

City Council policy issue considerations in housing another preschool:

- Requirement for the Parks and Recreation Department to follow municipal lease bidding procedures for an individual request for space
- Use of City funds (if they are available) for the required capital improvements
- Directing staff time toward assistance to a private Child Care provider in the securing and possible remodeling of space

Information provided by: Bruce Fletcher, Director  
Mercer Island Parks and Recreation Department



December 12, 2013

Bruce Fletcher  
Parks & Recreation Director  
City of Mercer Island

Dear Bruce,

My name is Tiana K. Traylor. I am the owner of Little Acorn Day School and Little Acorn Toddler Program "Sprouts". I am president of the Day School. Little Acorn has been serving working families on Mercer Island with full-day preschool for 27 years now and I have owned it for the past 13 years. Together, both Little Acorn and Sprouts programs serve 60 children, of which 87% are Mercer Island families. It is our policy to give Mercer Island families priority in enrollment. Our policy and unique arts-based program details are outlined at our website [www.LittleAcornInc.com](http://www.LittleAcornInc.com).

I am writing to you to formally apply to lease the room, currently used as an art room, in the north annex building behind the CCMV. It would be the new home for Little Acorn daycare children when the MI School District reclaims its North Mercer campus and displaces Little Acorn. Currently, Little Acorn daycare children are served in two classrooms. If I am able to lease the current art room, I have two further options to maintain services and continuity for all current 44 daycare children:

- Add a portable behind the Community Center, thereby housing the daycare children in the current art room and the portable, or
- I can sell my Bellevue home, and purchase a house on Mercer Island and personally move into it, opening one floor to the Little Sprouts Toddlers. I would then move the Little Sprouts Toddlers from their existing space in the Community Center Annex to my house, and use both rooms at the Annex for the Little Acorn daycare program.

Little Acorn Day School	Little Acorn Toddler Program - Sprouts
Site: 2 leased classrooms at the North Mercer campus site, adjacent to Country Village	Site: 1 leased room in the north annex building behind the CCMV. We have been located here for 27 years, minus the years during CCMV construction
Serves: 44 children, ages 2.5-5 years	Serves: 16 toddlers, ages 1-2.5 years old
About 87% Mercer Island families	About 87% Mercer Island families

As sole owner, and everyday manager/teacher at Little Acorn Day School, I have truly adored serving Mercer Island with unparalleled high quality early childhood education and care and would love to continue doing so in the future. I really want to stay on Mercer Island.

With eviction looming within the next 12 months, I have researched the following options:

- A. Commercial property on Mercer Island. Too expensive. I have looked and looked, and it would never pencil out in terms of affordability for working parents
- B. Alternative property on Mercer Island. I have called every church on the Island, and not one has the capacity or will to provide space for a licensed daycare facility. Last month, I had further

talks with the Methodist Church, but because of my full-time hours and lack of non-profit status, they legally cannot host me.

- C. Commercial property in Issaquah Highlands. I found a viable candidate which is affordable and has great access to commuter parents. However, it means leaving my families and reputation on Mercer Island.
- D. Another room, now being used as an art room, in the north annex building behind the CCMV. I have had my name on the list for any available rooms at the CCMV since I returned to the north annex after the construction of the CCMV was completed

Here is more information for you:

Principal Requirements for Licensed, Full-Day Daycare (2.5 – 5 year old children)

- 35 square feet of indoor floor space per child
- 75 square feet of outdoor space per child
- 2 separate sinks: one for food-prep, one for hand-washing (an additional, 3<sup>rd</sup> sink is required for diaper changing for a program for children younger than 2.5 years)

Timeline

- Access to new program site at least 3 months before eviction from the North Mercer campus
- To keep the continuity of the program, and not disrupt the lives of working parents, I would need 3 months of keeping the North Mercer program open while renovating a new space. The process of getting a site licensed for daycare requires a minimum of 3 months. Since I have already gone through licensing 4 times over Little Acorn's life, I believe I am capable to meet the numerous, detailed code requirements within this time frame.

I am really pleading with City of Mercer Island to consider leasing the room, currently used as an art room, in the north annex building behind the CCMV. If I can't meet this need, then I will be forced to leave the Island and purchase the Issaquah Highlands property. If I can't meet this need, I don't know how I'm going to tell our families there is nowhere for us and their children to go to school on Mercer Island! It will be a very sad day indeed, for me as well as the Mercer Island early childhood learning community and their working parents.

Peace and thanks for listening and for all you do!

Sincerely,

Tiana K. Traylor  
President, Little Acorn Inc.  
Home address: 1355 Bellefield Park Lane, Bellevue, WA 98004  
206-427-5346

## **Childcare Assistance Provided by Cities**

The eastside cities of Bellevue, Redmond, Kirkland and Issaquah along with Renton, provide money for three general types of assistance for childcare needs through funding to Child Care Resources (CCR):

1. Funding to CCR for childcare listings
  2. Funding to CCR for scholarship subsidies to families who make over the qualifying amount (working poor) but yet not enough for the needed full time daycare
  3. Funding to CCR for special programs such as the Homelessness Subsidy which pays for child care subsidies and Case Management of homeless families. These services help the family maintain consistent and positive daycare for a child whose family is experiencing homelessness.
- None of these cities provide direct funding to families for their childcare.
  - None of these cities work directly with childcare providers.

The City of Seattle and the State of Washington both provide vouchers to families for childcare and the family is responsible for finding a provider that will accept the voucher.

There are two cities, Bellevue and Seattle, that have stated policies to address their City's role in working on the issue of childcare. These policies outline the City's role in providing leadership in the form of staff time to work with community agencies (Bellevue –though this will change in the next planning document) and staff dedicated to working within the Community Development Block Grant funds (CDBG) with Developers (Seattle).

Unlike other eastside cities, the ***City of Mercer Island***, through its Family and Emergency Assistance Coordinator, assists families in accessing funds through the WA State Child Care Subsidy program and for parents who are part of the working poor, provides seasonal or temporary vouchers for childcare. These funds are sent directly to the childcare provider. The City does not provide funds to CCR.

### EASTSIDE

#### **Bellevue**

Provides funding to Child Care Resources (CCR) as well as the YMCA, the Bellevue School District (early learning and after school programs) and Bellevue College for a support staff in their Head Start program (income eligible families).

#### **Redmond**

Provides funding to CCR

#### **Kirkland**

No current funding to CCR, for child care programs, subsidies or scholarships. Prior to cuts since 2008, Kirkland funded CCR.

#### **Issaquah**

Provides funding to CCR

#### **Renton**

Provides funding to CCR for:

- Resource and Referral line (this helps parents find daycare in the areas they are interested)
- No direct subsidies to parents (used to but they do not have the funds)
- No direct funding or work with childcare providers

## Seattle

Seattle helps families directly with subsidies. The family works directly with the childcare provider. Childcare and early learning funded programs are funded through the Human Services Department. The City funds the following programs that intersect with childcare:

### Child Care Assistance Program (CCAP)

- Childcare subsidy dollars for working parents or parents in school earning 200-300% FPL.
- Subsidy pays up to 70% of the childcare rate
- Subsidy can only be used in childcare programs that have been assessed and have an active contract through our Comprehensive Child Care Program (CCCP) as described below.

### Comprehensive Child Care Program (CCCP)

- Quality enhancement supports provided directly or coordinated by City Early Education Specialists
- Specialists conduct initial and annual site assessments to ensure that the childcare program meets the City's quality assurance standards (in addition to being licensed)
- Specialists provide ongoing technical assistance; PD provided through subcontracts
- Program currently includes 140 providers including center based, family childcare, school-based childcare and licensed before/after school child care.

### Homeless Child Care

- The City supports two projects that serve homeless children in childcare

**NOTE:** Seattle staff noted that this is what the City of Seattle currently provides but the landscape is ever changing with the potential of Universal Preschool and the roll out of Early Achievers.

## Washington State

The State helps families directly with subsidies. The family works directly with the childcare provider. Website: <http://www.dshs.wa.gov/onlinecso/wccc.shtml> The Child Care Subsidy Programs (CCSP)

## CAPITAL FUNDS

### Seattle:

From 1995 –2009 the City of Seattle provided some Community Development Block Grant funds through an RFP process to cover the hard costs of construction, rehab, acquisition and hazard mitigation. The bulk of funding during this time was hard cost construction.

Currently the City has a **Bonus Program** - sometimes called city **Housing Bonus Program** that revolves around downtown development and some areas of South Lake Union. Developers can pay the City to increase their building size. This money goes to creating housing for low-income housing with a portion of it going to Capital funding for affordable childcare. The recipients of these funds are required to make a 20-year commitment to the childcare business, be a licensed provider and ensure that 20% of the families will be low and moderate income. The funds are given to providers with the understanding that the capital funding will expand capacity. Some money was geographically limited to downtown or Lake Union and some is currently being considered to fund childcare development at light rail stations (Mt. Baker Station, Beacon Hill Station and the International District).

Because childcare is labor intensive with only 10% of costs going to physical space, Seattle gave up the illusion that they would make childcare affordable by helping out with capital costs. In a well managed and administered Child Care Center, operating costs are the main costs (can be up to 90%). The Capital funds provided by the City could help build a good quality center, but these funds would not necessarily make childcare more affordable.

# Preschool's High Value to the Community

(collated by Tiana K. Traylor, President, Little Acorn Inc.)

“The first few years of life are critical for a child’s cognitive development and learning. Evaluations of well-run pre-kindergarten programs have found that children exposed to high-quality early education were less likely to drop out of school, repeat grades, or need special education, compared with similar children who did not have such exposure (Barnett, 1998). “  
(<http://www.edweek.org/ew/issues/prekindergarten>)

“The Early Childhood Longitudinal Study, Kindergarten Class of 1998-99 (ECLS-K) is an ongoing effort by the US Department of Education’s National Center for Education Statistics...follows a nationally representative sample of approximately 22,000 children from kindergarten through fifth grade in an effort to increase public awareness of the importance of children’s early experiences in care and education evidenced by the National Education Goal on school readiness.”  
(<http://www.nea.org/home/18226.htm>)

Recent research on the brain and how it develops supports the above findings on children’s cognitive development and learning. For example, it used to be thought that children were born with a certain amount of intelligence and that IQ was pre-determined. However, it is now common knowledge that the brain is actually plastic, meaning that it can be formed and changed by virtue of the stimulation it is offered during “the key of life” occurring between ages birth and 5. Brain research shows that with every new experience a child participates in, new synaptic connections are being formed in the brain.

One of the most famous studies of how preschool benefits children was the Perry Preschool Project. The findings of this study were that preschool gave the children an “initial bump in general intelligence,” but more importantly, it found that children exposed to preschool “seemed to improve performance on a variety of “non-cognitive” abilities such as self-control, persistence and grit.”(  
<http://www.wired.com/wiredscience/2010/how-preschool-changes-the-brain>) I think it stands to reason that these qualities are considered very important to school and later life success.

According to the Children’s Health Council, “Preschool and kindergarten are not what they used to be. Increasingly, research shows how important preschool is for teaching children to be students. Without preschool , your [child] may not develop the school readiness skills that other kids her age are acquiring in the following areas:

- Cognition (thinking skills)
- Self-awareness skills
- Social Skills
- Pre-academic skills (e.g; attention/focus, matching, rhyming, counting, understanding somewhat abstract concepts such as, same/different, opposites, similarities)”

The Health Council goes on to state that even with home instruction in these areas, children without these preschool experiences may miss the practice needed to acquire “other subtle skills from being surrounded by a class of peers” e.g: “practice in sustaining attention in the company of 19 other classmates, learning to listen to multiple step instructions from a teacher and complete those steps to the teacher’s satisfaction.”

In addition, the Children's Health Council states that "Numerous studies show a strong correlation between a child's participation in preschool and later positive school and community outcomes."

In terms of academics, research [also] shows that children who participate in preschool enter kindergarten recognizing and understanding more words...use a broader vocabulary...and are more likely to be proficient in language use overall...and are more likely to have satisfactory or outstanding grades in math or language arts by third grade."

And finally, the Health Council reports that "Children who are exposed to preschool enter school ready and eager to learn and with a solid foundation of social and behavior-management skills. Considering the many benefits, preschool is worth the investment." (Children's Health Council) (<http://www.chconline.org/the-importance-of-preschool>)

In the finding of yet another research study of early education on later success involving 12,000 children who were interviewed at age 30, the "adults who did better in preschool were more likely to go to college, were less likely to be single parents, and were more likely to save for retirement than those with similar backgrounds who did not do as well in preschool. Teaching quality turned out to be a particularly important factor in preschool performance." (<http://www.psychologytoday.com/blog/beautiful-minds/201007/the-magic-of-preschool>).

A study by the National Institute for Early Education Research finds that the benefits of full-day preschool over half-day programs are significant and concludes that "policy makers should strongly consider implementation of full-day preschool....Results show that children attending full-day programs did better on mathematics and literacy tests than children in a 2.5-3 hour public preschool program and the achievement gains continued at least until the end of first grade."

In addition, a Swedish study of 119 children comparing home care, part day care, and all day care found that "children who began center care early were cognitively and socially more competent than children in the other...groups. They performed better on aptitude tests. Teachers gave them better ratings in the various school subjects. Teachers also considered them as more socially confident and secure in the school situation..[with] a better ability to express themselves and make themselves understood, and were more persistent, independent, and assertive. For them, the transition from preschool to school was easy and problem-free." (ERIC Number: ED282650, 1987, The Importance of Public Day Care for Preschool Children's Later Development).

"93% of Seattle Public Elementary Schools have on site care programs. Programs offer fee-based before and after school, school break and (usually) summer care for elementary school-aged children. Many also offer preschool for 3-5 year olds (full or part-day)." These school based programs are operated by licensed community care providers or by Seattle Parks and Recreation." (<http://www.seattleschools.org/modules/groups/homepagefiles/cms/1583136/File/Departmental%20Content/ocl/pdf/sbsdletter.pdf> )