

Question & Answer Matrix
September 1, 2026 - City Council Meeting

Log #	AB No.	Received From	Question	Staff Response
1	6971	Reynolds	Under the LOCAL funding arrangement, when would funds have been released to the city? What was the rate on that loan? Same questions on the Municipal Asset Management option?	The LOCAL Program releases funds after the City takes receipt of the apparatus, which is estimated 14-19 months after the purchase agreement with Hughes Fire Equipment is signed. Because interest rates are set when the LOCAL program completes an issuance in 2028, the exact interest rate is not guaranteed today. By contrast, Municipal Asset Management (MAM) releases funds upon execution of the property schedule, securing a 4.97% interest rate and enabling the City to take advantage of a \$29,000 pre-payment discount from Hughes Fire Equipment. Staff evaluated financing through the LOCAL Program to pay upon delivery. Assuming the LOCAL Program secures a 3.50% interest rate in 2028, the net savings over the 9-year lease term would be roughly \$23,000. The City recommends securing outside financing with Municipal Asset Management, Inc., eliminating fluctuations in interest rates, and securing a \$29,000 pre-purchase discount.
2	6971	Reynolds	When do we have to pay Hughes to get the \$29,000 prepayment discount? If we are willing to forego the discount, when do we have to pay?	The pricing in the quote from Hughes is valid until October 16, 2026. Once the purchase agreement is signed, Hughes will provide an invoice for the full pre-payment. Upon receipt of the invoice, payment must be made within 30 days. If the City elects not to pre-pay, payment can either be made prior to the apparatus leaving the factory for a partial discount, or within 30 days after the apparatus leaves the factory (no discount).
3	6971	Becker	Which station is the new apparatus for?	The new apparatus will be assigned to Fire Station 91. Vehicles can be rotated between stations to help level miles on the vehicles and maintenance schedules.

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4	6971	Becker	In the unlikely event we separated from EF&R before delivery of the apparatus, would that be a problem?	No. Per the interlocal agreement with EF&R, the City owns its fire engines. Should the City separate from EF&R, the City will still own its fire engines.
5	6987	Reynolds	What is the motivation for switching to month-to-month?	The office lease is part of a broader set of three interlocal agreements between Mercer Island and the City of Newcastle, which also cover municipal court services and prisoner transports. Staff from both jurisdictions are actively reviewing and updating all three agreements. Transitioning to a month-to-month office lease provides necessary flexibility without committing either city to long-term agreements mid-review.
6	6987	Reynolds	How do I reconcile the statement in the “issue / discussion” that “Either party may terminate the agreement by providing 180 days' prior written notice” With the statement in the recitals of the amendment that the amendment is “terminable by either Party upon sixty (60) days' prior written notice”. More generally, what does it mean to be “month-to-month” when more than one month of notice is required?	The 180-day notice applies to the agreement for municipal court services and chamber use. The 60-day notice applies to the office lease space. It takes significant time to coordinate the logistics involved in relocating court services, so the termination notice timelines are designed to provide enough lead time for planning a move, if necessary. The 180-day termination notice for the interlocal agreement to use the Newcastle Council Chambers is the same as the notice required to terminate the interlocal agreement for providing municipal court services to Newcastle. The intent is that if either city issues an 180-day termination notice, both cities will have sufficient time to identify alternative arrangements for court services. During that transition, Mercer Island would still hold court for both Mercer Island and Newcastle in the Newcastle Council Chambers. The original office-space lease was a four-year term ending December 31, 2026. The amendment converts the lease to a month-to-month agreement that continues indefinitely as long as rent is paid, and no termination notice is issued. It also shortens the termination notice to 30–60 days. Although a 60-day notice may seem counterintuitive for a month-to-month lease, this timeframe is necessary to allow court staff adequate time to secure a new workspace.

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7	6988	Reynolds	Help me to understand the apparent contradictions embedded in this statement <i>“in cases where both a comprehensive plan amendment and an area-wide rezone are required, both shall be considered together. However, applications for comprehensive plan amendments and rezones follow two different review processes.”</i> Further, the rest of that paragraph then seems to suggest that the rezone comes at a later time, which seems contradictory to “considered together”.	The first procedural step for the two applications are different (CPA25-002 must receive a recommendation from the Planning Commission and RZN25-002 must receive a recommendation from the Hearing Examiner). The two applications will be considered together when they come back to City Council together for second reading. If one application is denied, the other one cannot be approved.
8	6988	Reynolds	What are the implications of the disagreement about the 2017 development standards? Does the proposal still address “changing circumstances of the city as a whole”?	Yes, the proposal still addresses changing circumstances of the city as a whole, as described in the Staff Analysis: “The changing circumstances of the city as a whole are more accurately described as an increased demand of a facility that is at the end of its useful life and which demand cannot be accommodated under the current provisions allowed for intentional exterior alteration or enlargement of a legally nonconforming structure in MICC 19.01.050(D)(3). To meet these increased demands, a remodel or enlargement that would likely exceed 50 percent of the structure’s assessed value would likely be necessary, which would in turn result in the loss of legal nonconforming status, and the whole site would be required to come into compliance with the development standards in the single-family residential zoning designation. The currently applicable standards are, as the name suggests, written for single-family residential development with no provisions that address facilities that need a larger footprint or gross floor area to accommodate the demand required by the community.”
9	6988	Reynolds	Does staff agree with these applicant statements: “All SJCC uses are allowable uses in the CO zone. Any development proposal would be subject to design review.”	Allowed uses in the CO zone include office uses, places of worship, civic and social organizations, and public and private schools. These uses appear to align with the future use of the properties as described by the SJCC. Uses will be reviewed for consistency with all applicable development standards during review of a formal development proposal.

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10	6988	Reynolds	What are the rational and implications of changing the designation of “small portion of 2655500115” rather than the whole thing?	The remaining portion of parcel 2655500115 is already designated CO. The small portion of the parcel that would be redesignated in CPA25-002 would rectify the existing split zone designation.
11	6988	Reynolds	If the comp plan amendment is approved, as well as the associated rezone, am I correct that the new zone will apply to both the current owner and any new owner and new use and will not be limited to the current owner or proposed construction / design plan?	Yes, that is correct.
12	6988	Reynolds	Please provide a brief recap of significant CO zone site rules (height limits, lot coverage, GFA, setbacks, allowable uses, parking, etc.)	Not applicable to CPA25-002. Development standards in the CO zoning designation can be found in MICC 19.04.020 .
13	6988	Reynolds	Please describe the process that would be followed for any development of the site at a later date. Would there be required public engagement or council / Planning commission involvement, or would permit approval be an administrative / staff matter?	If the Comprehensive Plan Amendment and Rezone proposals are adopted by the City Council a development application for the redevelopment of the parcels would undergo project-level SEPA review, Transportation Concurrency Review, Design Review with the Hearing Examiner, and Critical Area Review. The following information is based on the City’s preliminary knowledge of the proposed scope of the redevelopment project. The project-level SEPA review, Design Review, and Critical Area Review processes require 30-day public comment periods. The Hearing Examiner Design Review process requires a public hearing followed by a decision by the Hearing Examiner. A development application will require a major Building Permit, which would include a 30-day public notice of application.

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14	6988	Reynolds	Will there be an update to the packet information to include e-mails into the record that came in in the last few days and before the meeting? It seems no comments were provided from after August 4?	Comments provided before the closure of the public hearing on August 5 are included in the CPA25-002 Staff Report in Exhibit 11. Comments received after the close of the public hearing are not part of the official record, but are available here: permitbulletin.mercerisland.gov - /public/cpa25-002/Additional Public Comments/
15	6988	Reynolds	What is the significance of the “strike through” of almost all of the answers on the SEPA application (EX013)	This is a formatting issue. The lines on the PDF do not line up with the spacing formatting in the text box provided on the form. This was resolved in a January 2026 form update; however, this application was received prior to the update.
16	6988	Becker	If a future council wanted to create a new zoning class for community facilities (churches etc), could this property be included even if this proposal is adopted now?	Yes.
17	6989	Becker	Where do you anticipate the KC Parks Levy funds being used for the remaining term of the levy?	The current King County Levy runs through 2031. The 2026 and 2027 King County Levy Funds will support the Luther Burbank Park Waterfront Improvements Project. In 2028, funds are proposed to be used for Deane’s Children’s Playground Improvements and that will be part of the 2027-2028 preliminary biennial budget recommendation presented to the City Council later this month. Use of the 2029 & 2030 Levy Funds will be determined when the 2029-2030 biennial budget is developed.

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18	6989	Becker	The AB names 6 specific factors that “contributed to the increase in overall project budget”: Soil Remediation, Sanitary Sewer Lift Station and Vault, Upgraded Electrical Supply, North Beach Revised Design, Irrigation Line Expansion, and Derelict Dock Removal. It also mentions permitting delays. The soil remediation is identified as \$1,010,000, but I do not see dollar amounts for the rest – is there a general sense of cost for each, or can you at least identify which items were the most significant factors?	The additional project elements were included in the final project design and included in the scope of work that went to bid, so the precise breakdown of costs for each item is not known. Staff did, however, prepare cost <u>estimates</u> to address this question, summarized below: • Fire Suppression System – Boiler Building = \$170,000 (dock portion supported by grant funding; boiler building portion funded by the City) • Sanitary Sewer Lift Station and Vault = \$100,000 • Upgraded Electrical Service = \$180,000 • North Beach Revised Design = \$300,000 • Irrigation Expansion = \$155,000 • City Float Repairs = \$90,000 • Derelict Dock Removal = \$7,000 Total estimated cost of additional project elements = \$1,002,0000 Added and modified elements also incurred design, permitting, cultural resources review, and other project development costs. These costs are included in the appropriation request but not reflected in the figures above. Construction of this project was delayed by approximately one year due to permitting-driven design changes. The extended schedule resulted in increased construction costs due to market escalation and inflationary factors, which are reflected in the amended project budget.
19	6989	Becker	Is it common for previous owners of a site to share the cost burden for soil contamination?”	The ability for the current owner to recover contamination clean-up costs from previous owners is provided by State law. Under WA’s Model Toxics Control Act, previous owners are liable for hazardous substance releases that occurred during their time of ownership.