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**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6391
January 16, 2024
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 6391: 2023-2024 Capital Project Update	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Receive report. No action necessary.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Alaine Sommargren, Deputy Public Works Director Patrick Yamashita, Deputy Public Works Director/City Engineer
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
CITY COUNCIL PRIORITY:	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to provide the City Council with an update on the 2023-2024 Capital Program.

- As part of the biennial budget process, the City adopts a six-year Capital Improvement Program (CIP). The CIP outlines the City’s strategic financial plan to acquire, expand, or rehabilitate public infrastructure. Work to build the six-year CIP begins every other spring, culminating with the adoption of the biennial budget.
- The City Council will hold a Planning Session on March 1, 2024 to begin planning for the 2025-2026 budget, which includes setting the next biennial work program and adoption of the next six-year CIP.
- The purpose of this presentation is to provide an update on capital projects that were completed in 2023, and a look ahead to the project work plan for 2024. This presentation also provides a foundation for the capital budget planning work anticipated later this year.
- The City is managing a significant capital program, perhaps one of the most significant in City history with critical investments being made in all areas of City infrastructure. In 2024, the City is managing more than 70 active capital projects.

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- The unexpected closure of City Hall in 2023 (see [AB 6351](#)) has had an impact on the capital program, including redirecting staff resources and adding new work items and projects to the schedule. Some rebalancing of the work plan will be necessary to address these unexpected work items.
- One item for City Council consideration is to postpone the Mercedale Park Master Plan to a future year to free up staff capacity for other priorities, primarily planning for the City Hall closure.

This presentation is for discussion only, any feedback will be used to inform the City Council Planning Session discussion on March 1, 2024.

BACKGROUND

As part of the biennial budget process, staff develops a six-year Capital Improvement Program (CIP). The CIP outlines the City's strategic financial plan to acquire, expand, or rehabilitate public infrastructure. Work to build the six-year CIP begins every other spring, culminating with the adoption of the biennial budget. For the current biennium, the City is managing more than 70 active capital projects in 2024.

Taken collectively, all capital projects fall into four programmatic areas:

1. Parks, Recreation, and Open Space
2. Streets, Pedestrian, and Bicycle Facilities
3. General Government (Equipment, Public Buildings, and Technology)
4. Utilities (Sewer, Stormwater, and Water)

The Water System Plan, the General Sewer Plan, and the Comprehensive Basin Plan are the guiding planning documents used to develop and propose utility capital projects. The adopted 2022 Parks, Recreation and Open Space (PROS) Plan and the adopted Transportation Improvement Program (TIP) are the guiding planning documents used in developing park, street, bicycle, and pedestrian projects in the CIP.

In addition, staff utilizes information from the City's asset management system, water system hydraulic modeling, video inspections of sewer and drainage pipes, periodic assessment of changing conditions in storm basins/ravines, maintenance history (ex: main and pipe breaks), and other information from field operations to aid in capital project identification and development.

City Hall Closure

The unexpected closure of City Hall in 2023 (see [AB 6351](#)) has had an impact on the capital program, including redirecting staff resources and adding new work items and projects to the schedule. The history of closure below explains why rebalancing of the work plan will be necessary to address these unexpected work items.

In April 2023, staff visually identified broken floor tiles and flooring adhesive in the basement mechanical room at the Mercer Island City Hall. Immediate testing of the materials confirmed that both the tiles and the adhesive contained asbestos. This mechanical room houses one of the building's two primary air handling units, a key component of the HVAC system. To ensure the safety of City staff and visitors, City Hall was immediately closed while further testing was conducted to determine if asbestos fibers were present in other areas of the facility.

From April through July 2023, the City worked with PBS Engineering and Environmental to conduct comprehensive asbestos testing of the City Hall building, which included air sample, settled dust, and bulk material testing, with a focus on the HVAC system. Fortunately, no asbestos fibers were identified in any air samples, but settled dust tests did confirm asbestos is present above background levels (which requires

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abatement) in several segments of the HVAC system. Based on these findings, the HVAC system was turned off and has been inoperable since mid-May 2023.

City staff and consultants provided a comprehensive report to the City Council on these findings at the July 18, 2023 City Council meeting, (see [AB 6308](#)).

The preliminary cost estimate to re-occupy City Hall was estimated to be in excess of \$10 million, with a timeline of nearly two years to complete the work. Staff and consultants evaluated alternatives to full building occupancy, such as re-occupancy of the police portion of the building only, and those costs were estimated to be in excess of \$4 million. While these costs alone likely exceed the anticipated return on investment, there are other factors that were considered in the decision to permanently close City Hall.

City Hall was built in 1957 and has been repaired and renovated over the years, with the last major renovation occurring in the late 1980s. Prior to the asbestos situation, the City Council recognized the need for a replacement strategy for this building, and in early 2023, the City began working on a Facilities Conditions Assessment to guide long-term decisions. The initial assessment work highlighted the many other matters of concern related to the long-term use of City Hall. The building suffers from structural and seismic deficiencies. Almost all the interior walls have been identified as lacking lateral bracing and, unless reinforced, are at risk of failure in the event of seismic activity, potentially rendering the building inoperable. Additionally, the building does not conform with current energy or building code requirements, and multiple building systems are failing or need to be substantially replaced.

Given this additional information and the anticipated investment needed to re-occupy City Hall and bring it up to current standards, the decision was made to permanently close the building and turn our attention to identifying a replacement strategy.

At the October 3, 2023 City Council meeting, the Council passed [Resolution No. 1650](#) voting to permanently close City Hall. The facility closure and the associated work items (both short-term and long-term) have had an impact on the capital program, including redirecting staff resources and adding new work items and projects to the schedule. Some adjustments to the work plan will be needed this year and in future years to ensure resources are available to address these new priorities. The City Manager is planning to discuss with the City Council the recommendations to re-balance the work program at the upcoming City Council Planning Session on March 1, 2024.

ISSUE/DISCUSSION

2023-2024 CAPITAL IMPROVEMENT PROGRAM UPDATE

The following list highlights notable projects completed in 2023 and other large projects planned for 2024 within the Water, Sewer, Storm Water, Transportation, and Parks project categories.

Water

A total of 15 water system improvement projects were identified in the 2023-2024 CIP, with a total funding allocation of \$25.3 million. Several large capital projects that began in 2023 are nearly complete or in the design phase, with construction anticipated in 2024. Major projects include:

- **2023 Water System Improvements (WU0130)** – Over 6,500 feet of older water mains are being replaced at multiple locations on the north end of the Island. Construction began in Q3 2023 and will continue into Q2 2024. Public agencies and contractors continue to experience long lead times to obtain materials such as ductile iron pipe and brass water service parts. These delays have affected

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2023 work as well as the 2022 Water System Improvements project, which was completed in Q2 2023. The 2022 work replaced over 4,000 feet of old water mains in the Madrona Crest neighborhood.

- **Booster Chlorination System (WU0101)** – This project includes the design and installation of a chlorine monitoring and injection system, which will improve water quality for the entire water system. Work involved construction of a chlorine generation and injection system, installation of mixing equipment in the reservoir tanks, and multiple modifications to the large diameter piping entering and exiting the water reservoir site. While construction began in Q1 2022, numerous delays in obtaining equipment as well as minor design changes increased the duration of the project. As of January 2024, construction work is finished, system testing is complete, and only minor punch list work remains until startup (anticipated Q1 2024).
- **Water Meter Replacement Project (WU0117)** – All of the City’s 7,800 residential and commercial water meters will be replaced with an advanced metering infrastructure (AMI) system. Meter replacement work will begin in Q2 2024 and is expected to be completed by the end of this year. Staff will present information on options for data collection base stations at the March 5, 2024 City Council meeting. Once base stations are installed, the new meters will automatically transmit data wirelessly through the AMI system, allowing customers to track and manage their water use in a new online portal. Features include trackable water usage, leak alerts, and other notifications.
- **Reservoir Improvements (WU0103)** – Replacement of the aging generator serving the reservoir booster pump station is projected to be complete in Q3. Construction on the north and south reservoir tanks, including interior and exterior coating replacements, safety improvements (new roof perimeter railings and exterior stairways to replace ladders), and improved access for maintenance, began in Q3 2023 and will be complete in Q2 2025. Design work for booster pump replacements (WU0128) is currently underway.
- **2024 AC Main Replacement (WU0135)** – This project initiates the first year of a six-year plan to remove the remaining five miles of asbestos-cement (AC) water main in the water distribution system. AC pipe is a material known for developing leaks and breaks as it nears the latter part of its expected life. The majority of AC pipe on Mercer Island was installed in the late 1950s to early 1960s. In 2024, over 5,000 feet of AC water main will be replaced with ductile iron pipe.
- **2024 Water System Improvements (WU0131)** – This project is a continuation of the City’s annual program to systematically replace portions of the 113 miles of water distribution system. Work will occur in three neighborhoods to replace over 6,000 feet of cast iron water main.
- **Pressure Reducing Valve Station Replacements (WU0140)** – Three to four of the water system’s 85 pressure reducing valve (PRV) stations will be replaced this year as the start of a long-term effort to replace aging PRV stations.

Sewer

Capital improvements planned for 2023-2024 include 10 projects totaling \$7.9 million. Several 2023 projects are nearly completed and multiple 2024 projects are currently in the design phase. Major projects include:

- **Basin 40 CIPP Sewer Lining Project – Phases 1 and 2 (SU0108)** – Construction of most of Mercer Island’s sanitary sewer system occurred in the 1950s and 1960s. Given the sewer system’s age, groundwater seepage (infiltration) and stormwater runoff (inflow), known collectively as inflow and infiltration (I/I), is prevalent in the sewer system. The trenchless technology of cured-in-place-pipe (CIPP) lining is an efficient and cost-effective way to reduce I/I from aging pipes by relining them. Phase 1 is complete and lined over 4,000 feet of sewer mains in the Basin 40 Mercerwood neighborhood. Phase 2 is underway and will line an additional 12,000 feet in the neighborhood. Construction began in Q3 2023 and will be complete in Q1 2024.

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- **Sewer Pipe Replacements and Upsizing (SU0115)** – This project will replace and upsize aging and undersized sewer main adjacent to and across Merceddale Park. Construction will be coordinated to reduce impacts to park users where possible and will not begin until later summer. Due to the projected footprint of the work, the asphalt trail through the park will be replaced, as well as other localized improvements such as irrigation, drainage, and electrical following the sewer pipe replacement. A new flagpole will also be installed in the Merceddale Park plaza.
- **SCADA Sewer Equipment Replacement (SU0113)** – The sewer collection system is monitored and controlled remotely by equipment commonly referred to as Supervisory Control and Data Acquisition (SCADA). Upgrading SCADA will provide reliable, centralized monitoring of the sewer system. Although this project was awarded for construction in Q1, the contractor has not started to install equipment due to material supply shortages. Construction is estimated to start in Q3 2024 and continue through 2025.

Storm Water

Fifteen storm water projects totaling \$2.5 million are included in the 2023-2024 biennium. Several of these projects are in the design phase and several are in the permitting process. Storm water projects are frequently linked to other CIP work, such as street paving projects or park projects (e.g. the recently completed Lincoln Landing street-end park renovation). Major projects include:

- **Street Related Storm Drainage Improvements (SW0137)** – This project involved installing new storm drainage infrastructure and performing repairs to existing storm drainage ahead of the 2023 Residential Street Overlays project. This work occurred in Q2 and Q3 2023.
- **Watercourse Stabilization Projects (SW0101 and SW0132)** – Most of the watercourses on the island also convey stormwater runoff. Many have eroded over time due to high flows during and following heavy rains. These projects intend to stabilize watercourses to minimize future erosion.
 - Sub-basin 22.1 near the 4300 block of West Mercer Way is awaiting a permit from the Army Corps of Engineers and is expected to be constructed in summer 2024.
 - Sub-basin 23.2 near the 4800 block of West Mercer Way is expected to be constructed in summer 2024.
- **Sub-Basin 18C Drainage Improvement (SW0128)** –The piped drainage system along SE 32nd Street, east of 60th Avenue SE, will be modified to improve system efficiency and capacity. Construction is expected to be complete in Q3 2024.
- **Sub-Basin 32B SE 72nd Street Drainage Capacity Improvement (SW0130)** – Construction in this sub-basin will increase the capacity of the piped conveyance system on SE 72nd Street, east of West Mercer Way, to reduce the chance of roadway ponding during heavy rains. Construction will take place in Q3 2024.
- **Sub-Basin 25B Neighborhood Drainage Improvement (SW0129)** – Construction in this sub-basin will improve system efficiency and capacity along SE 47th Street and 84th Avenue SE and is expected to be completed in Q3 2024. This project has been timed in coordination with the 2024 Water System Improvements occurring in the same neighborhood.

Streets, Pedestrian, and Bicycle Facilities

There are 18 planned transportation projects in the CIP, with a total budget of \$9.3 million in the current biennium. These projects are focused on making improvements to roads, pedestrian, and bicycle facilities across Mercer Island. Several transportation projects were completed in 2023 and several are currently in the design phase and slated for construction in 2024. Projects include:

- **Sunset Highway/77th Avenue SE Improvements (SP0120)** - A major safety improvement project was completed in June 2023 at this intersection featuring a raised intersection for traffic calming, colored

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concrete pavement and crosswalks, widened ADA-compliant sidewalk landings, Rapid Rectangular Flashing Beacons (RRFBs) to alert drivers to pedestrian activity, bike lanes extending to SE 27th Street, and landscaping. In addition, a new Mid-Block Crosswalk on 76th Avenue (SP0121) with RRFBs was installed in the 2400 block in fall of 2022. Both projects were funded with Sound Transit Mitigation Funds.

- **2023 Residential Street Overlays (SP0100)** – Madrona Crest, one of the oldest neighborhoods on the Island, was resurfaced with hot mix asphalt this summer. These roadways were last resurfaced in the late 1980s with a chip seal and were in poor condition. Prior to street repaving, water mains were replaced (in 2016 and 2023) and significant repairs were made to the storm drainage system (summer 2023). City staff strive to complete major underground utility work ahead of major street pavement reconstruction.
- **4004 Island Crest Way Parcel (SP0129)**– This parcel was purchased by the City for future transportation needs. In November, significant improvements were made to the parcel including a new sidewalk along Island Crest Way, pedestrian access into the lot, and new landscaping with an irrigation system. The project was completed at the end of December.
- **West Mercer Way Roadside Shoulder Improvements Phase 4 (SP0114)** – The roadside shoulder development program was established in 2002 to create paved shoulders suitable for pedestrian and bicycle uses on the Mercer Ways. Phase 4 is the last segment of West Mercer Way that remains without a paved shoulder. Construction will be complete in Q2 2024. The remaining segment of East Mercer Way that does not have a shoulder is programmed in the six-year TIP for 2026.
- **2024 Residential Street Overlays (SP0100)** – This annual program repairs and resurfaces residential streets through hot mix asphalt (HMA) overlays and chip sealing. Work in 2024 will focus on HMA overlays on roadways in the south end neighborhood of Island Point and SE 78th Street in front of Lakeridge Elementary School. Portions of SE 27th Street and 74th Avenue SE will be repaved following water main replacement work.
- **80th Avenue SE Pedestrian Improvements (SP0111)** – This project will reconstruct curbs, sidewalks, and ADA ramps along the east side of 80th Avenue from SE 27th to SE 32nd Streets. Work will also include lighting improvements and replacement of street trees with a design that will allow space for trees to mature without damaging the new sidewalk. Construction is expected to begin in Q2 and continue through 2024.
- **Island Crest Way Corridor Improvements (SP0135)** – The scope of this project was shaped by the results of the Island Crest Way Corridor Safety Analysis in 2022 and includes a feasibility assessment and preliminary design of a shared-use path for pedestrians and cyclists. The City Council will receive a project update and presentation of preliminary draft alternatives in Q1 2024. Design and construction activities for 2024 will focus on crosswalk improvements in three locations: Island Park Elementary School, SE 62nd Street, and SE 63rd Street. Feasibility evaluation and conceptual design will proceed on intersection modifications at SE 53rd Place and SE 68th Street.

Parks, Recreation, and Open Space

There are 23 active parks capital projects with a total budget of \$15.9 million planned in the 2023-2024 biennium. These projects are staggered throughout the biennium: several have already been completed, some are about to start construction, and a few are still in the design phase. Major projects include:

- **Luther Burbank South Shoreline Restoration (PA0136)** – This project constructed an accessible trail between the Luther Burbank Park swim beach, the fishing pier, and the Boiler Building. It also repaired eroding shoreline and enhanced nearshore fish habitat with the installation of spawning gravel and large woody debris. Work began in May and the project was substantially complete in September. In October, an Arbor Day volunteer planting event was held at the trail site. Construction

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of this project was completely funded by the King County Parks and Recreation Proposition No. 1 Parks Levy, King Conservation District, King County Wastewater Treatment Division, and King County Flood Control District/WRIA 8.

- **Bike Skills Area (PA0165)** – This project created a new bike skill-building area within Deane’s Children’s Park to replace the informal facility that had existed in the Upper Luther Burbank Park open space. Public Works staff and contractors partnered to construct the project, which was designed to preserve the existing forested area and utilize the rolling terrain of the park. Construction began in Q3, and the Bike Skills Area was opened to the public on November 15, 2023, at a well-attended celebration. Volunteers, led by Parks staff, have replanted the site over several events and will continue to steward native plantings in the area.
- **Luther Burbank Sport Court Renovation (PA0143)** – This project will convert the existing tennis courts to pickleball courts. The existing surface, which has been extensively damaged by roots, will be repaved with asphalt. In addition, drainage issues on the court will be resolved, and new coatings, lines, and nets will be installed. Design is in the final stages and construction is expected to begin in Q2 2024.
- **Luther Burbank Docks and Adjacent Waterfront Renovation and Upgrade**
 - **Boiler Building Phase 1 (PA0124)** – The City Council awarded the low bid to Feguson Construction on January 2, 2024. Construction will start in Q1 and be complete by the end of Q3. Work includes seismic retrofits and a new roof for the Boiler Building, plus renovations of the restrooms and concession stand. The top ten feet of the brick chimney will be removed, and the remaining portion reinforced.
 - **Waterfront and Docks (PA0122)** – Design and permitting continues for the waterfront and dock improvements. The scope includes replacing the south piers with floating docks, renovating the north pier, expanding the cobble beach, and improving the plaza with permeable paving, landscaping, furnishings, and art. Construction is planned for completion in Q3 2025.
- **Island Crest Park Athletic Fields (PA0117)** – The update on this project is included in AB 6351.

MAJOR PLANNING PROJECTS

Facilities Conditions Assessment

In early 2023, the City of Mercer Island began working on Facilities Conditions Assessments to guide future investment decisions for City facilities and the development of a Long-Range Facilities Plan. These assessments included Mercer Island City Hall, the Public Works Building, the Mercer Island Community and Event Center Annex Building, the Luther Burbank Administrative Building, the Mercer Island Thrift Shop building, and the former Tully’s Building. A second phase of Facility Conditions Assessments is planned for Fire Station 91, Fire Station 92, and the Mercer Island Community and Event Center. The assessments will be used to develop a comprehensive plan to maintain, repair or replace these buildings to ensure City facilities can deliver municipal programs and services for the next 50 years.

As previously noted, the unexpected closure of City Hall in April 2023 impacted the facilities planning work and redirected staff and consultant resources. The top priority has been seeking alternative work areas for the Municipal Court and the Police Department, both transitions are underway. Work is still underway to address short-term accommodations for other displaced staff. The City has also been working on decommissioning the City Hall building including turning off water and securing the building.

In 2024, the work will continue on the Facilities Conditions Assessments, as initially planned in 2023 with a primary focus on the Public Works Building. Meanwhile, the City will likely undertake a planning exercise to

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consider building replacement strategies for City Hall. The approach is to be confirmed with the City Council in early 2024.

Clarke and Groveland Beach Park Joint Master Plan (PA0157)

The docks and waterfront infrastructure are aging at Clarke and Groveland Beach Parks. If the docks deteriorate to unsafe conditions and must be removed, it will be difficult to replace them due to permitting requirements. Planning for beach sites and shoreline areas requires technical expertise, and efficiencies can be achieved in planning for these parks through a joint master plan.

In 2022, the City Council appropriated \$300,000 to complete this project. Preliminary work began in August 2023 with Berger Partnership to assess the overwater structures, restrooms, and other facilities as well as to survey the parks and identify challenges and opportunities for the joint master plan. Staff anticipate beginning the community engagement process for this project in summer 2024 when park usage is at its peak at both locations.

Mercerdale Park Master Plan

Master planning for Mercerdale Park was first completed in the late 1990s/early 2000s. Most of the projects identified in the early master plan have been completed, and the City needs a new Plan to set a vision for future park improvements. The original intent was to complete the master planning process for Mercerdale Park ahead of the sewer line replacement project. Unfortunately, the current capital workload and unexpected closure of City Hall have delayed a number of projects, including this master plan.

The City Manager's recommendation is to postpone the Mercerdale Park Master Plan and this recommendation will be presented at the City Council Planning Session on March 1, 2024 as part of the overall work plan update. In the meantime, the sewer project at Mercerdale Park, described previously (SU0115), will move forward and includes replacing and upsizing an undersized sewer main adjacent to and across Mercerdale Park. Due to the projected footprint of the work, the asphalt trail through the park will be replaced, as well as other localized improvements such as irrigation and drainage following the sewer pipe replacement.

NEXT STEPS

The City Council will hold a Planning Session on March 1, 2024 to begin planning for the 2025-2026 budget, which includes setting the next biennial work program and adoption of the six-year CIP. The information in this presentation will support that discussion.

RECOMMENDED ACTION

Receive report. No action necessary.