



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6687
May 20, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6687: Public Hearing on a King County Public Benefit Rating System (PBRs) Application (Resolution No. 1674)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
RECOMMENDED ACTION:	Conduct public hearing and approve Resolution No. 1674.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Community Planning and Development Director Grace Manahan, Code Compliance Planner
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Resolution No. 1674 2. Public Benefit Rating System Application Materials
CITY COUNCIL PRIORITY:	n/a

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

EXECUTIVE SUMMARY

The purpose of this agenda item is to conduct a public hearing on a King County Public Benefit Rating System (PBRs) Application and consider approval of Resolution No. 1674 (Exhibit 1) for a PBRs current use assessment for a portion of the property located at 5045 Forest Ave SE, Mercer Island, WA.

- The Public Benefit Rating System (PBRs) offers an incentive to preserve open space on private property in King County by providing a tax reduction.
- The subject property is owned by the TN-7747-ANSNS-GNRRN Trust and is developed with an existing single-family residence and cabin.
- The subject property is currently enrolled in King County's PBRs program as authorized under [RCW 84.34](#) and [KCC 20.36](#). The subject property was enrolled in the PBRs program in 1997.
- The subject property is 4.09 acres in area; the PBRs tax reduction affects 2.91 acres of the site (Exhibit 2).
- The trustee of the TN-7747-ANSNS-GNRRN Trust, Joseph D. Supple, has requested approval of additional tax relief by updating their PBRs Resource Inventory (Exhibit 2).
- The application must be reviewed and approved by both the Mercer Island City Council and the King County Council to receive the requested tax reduction. Both granting authorities are required to act on the application before July 1, 2025 for the tax reduction to take effect for the 2026 fiscal year.

BACKGROUND

The Washington State Open Space Taxation Act, [RCW 84.34](#), provides for assessment practices to reflect current use of property, rather than “highest and best use,” as an incentive for property owners to retain large tracts of open space and to provide public access to open space. The Open Space Taxation Act provides for three current use classifications: open space land, farm and agricultural land, and timber land. This open space current use taxation program is implemented in King County through the PBRS program, which provides a point system to rate properties.

If land contains one or more open space resources as defined by the PBRS and is enrolled in the PBRS, then the King County Assessor will assess the land at “current use” value instead of at its highest and best use. The annual tax reduction ranges from 50% to 90% for the property enrolled. PBRS lists 20 categories of open space resources that could be generally grouped as recreational, natural or scenic, trail linkage, historic/archaeological, farm/rural, shorelines, or urban open space. The reduction in property tax is based upon the accrual of “points” under the program; a summary of the point system is contained in the King County staff report (Exhibit 2).

The last PBRS application was received by the City of Mercer Island in 2017. A public hearing was conducted under [AB 5303](#) and [Resolution No. 1531](#) was approved.

ISSUE/DISCUSSION

Joesph D. Supple (applicant) submitted a request for approval of additional tax relief, which was received on January 14, 2025 (Exhibit 2). Mr. Supple is seeking to increase their property tax reduction from 80% to 90%. If approved, the property will receive a lower tax assessment than property that is similarly zoned.

The application was forwarded to the City from the King County Department of Natural Resources and Parks (King County file No. E24CT005MI). The application must be reviewed and approved by both the Mercer Island City Council and the King County Council to receive the requested tax reduction. Both granting authorities are required to act on the application before July 1, 2025 for the tax reduction to take effect for the 2026 fiscal year.

King County held a public hearing for this application on March 20, 2025. The King County staff report (Exhibit 2) describes the subject site’s compliance with the applicable King County Code, and the staff report recommends approval of this application. If approved by both granting authorities, an Open Space Taxation Agreement will be produced for the subject property later this summer, which must be signed by the Chair of the County Council and all owners then recorded. The Agreement should be recorded by June 30, 2025.

The subject property is currently participating in the PBRS open space (Exhibit 2) because of open space resources associated with the property such as:

1. Significant plant, wildlife, or salmonid habitat
2. Surface water quality buffer
3. Urban or growth area open space
4. Conservation easement
5. Limited public access

The applicant’s property is currently entitled to 20 points under the PBRS program. This allows assessment of

the eligible open space at 20% of the market value, a reduction of 80% in taxable value for the portion of the land enrolled in the program.

The applicant is requesting approval of additional tax relief because of open space resources associated with the property including:

1. Watershed protection area
2. Surface water quality buffer
3. Urban open space
4. Conservation easement

If the updated resources of the applicant's property are approved, the property would be entitled to 36 points under the PBRS program. This allows assessment of the eligible open space at 10% of the market value, a reduction of 90% in taxable value for the portion of the land enrolled in the program.

Participation in the PBRS reduces the appraised land value for the portion of the property enrolled resulting in a lower taxable value. Parcel #242404-9035 appraised value for 2024 (based on Assessor's information dated 3/6/2025):

	Land	Improvements	Total
Assessed Value	\$5,152,000	\$5,814,000	\$10,966,000
Tax Applied	\$33,714	\$38,046	\$71,760
Tax applied with 80% PBRS Reduction	\$14,524	\$38,046	\$52,570

According to the King County Assessor's Office, the City's share of the property tax is approximately 10.9% of the total tax collected. Therefore, the City received approximately \$2,090 less in 2024 tax revenue specific to this property's current 80% reduction.

NEXT STEPS

If the PBRS application is approved by the City Council, the tax reduction will take effect for the 2026 fiscal year. After approval, an Open Space Taxation Agreement will be produced for the subject property later this summer, which must be signed by the Chair of the County Council and all owners then recorded no later than June 30, 2025.

RECOMMENDED ACTION

1. Conduct the Public Hearing for the proposed property tax reduction.
2. Approve Resolution No. 1674 for the proposed public benefit rating system current use assessment for 2.91 acres of the property located at 5045 Forest Ave SE, Mercer Island, WA.