

AB 6736

Second Reading of Ord. No. 25-13

Bond Ballot Measure for the PSM Facility

July 15, 2025



Background

July 1 meeting the City Council

- ❑ First reading of Ord. No. 25-13 of Public Safety & Maintenance (PSM) Facility Bond Levy Ballot Measure.
- ❑ City Council feedback on the length of the repayment schedule for the Bonds.
- ❑ Council formed an ad-hoc working group comprised of Mayor Nice, Deputy Mayor Rosenbaum, and Councilmember Reynolds to work with staff and legal counsel to review the ballot language and Explanatory Statement and provide a final recommendation to the City Council this evening.

Background

July 1 meeting the City Council

- ❑ Council exempted PSM Facility from 1% for Art contribution requirement, reducing the project budget from \$103,900,000 to \$103,160,000.
- ❑ City Council unanimously approved Ordinance No. 25-13 for second reading at tonight's meeting.

Action Items this Evening

**Adoption of Ordinance No. 25-13 and Explanatory
Statement Language**

Bond Ordinance No. 25-13

- ❑ Outlines the purpose of the bonds – pay for PSM Facility from concept through completion.
- ❑ Limits eligible uses to designing, constructing, and equipping the PSM Facility.
- ❑ Levies excess property taxes to pay the bonds.

Bond Ordinance No. 25-13

- ❑ The ad-hoc working group met with staff and legal counsel to finalize the recommended ballot title language.
- ❑ The ballot measure title includes:
 - ❑ Ballot caption. *Name of jurisdiction and subject matter statement.*
 - ❑ Concise description of the measure. *Limited to 75 words.*
 - ❑ A question to voters.

Bond Ordinance No. 25-13

- ❑ Establishes the not-to-exceed amount of the Bonds and the length of the repayment schedule to:
 - ❑ Aggregate principal amount of \$103,160,000.
 - ❑ 25-year repayment schedule.

PSM Bond Financial Impact

Length of Bond Repayment Schedule	25 Years
Final Maturity	12/1/2050
All-In True Interest Cost (TIC) ¹	4.52%
Total Debt ²	\$174,185,543
City Average Annual Debt Service	\$7,011,830
Household Financial Impact per Month³	\$55

1 Market conditions as of July 8, 2025.

2 Source: Piper Sandler & Co.

3 Assumes a home with a \$2,000,000 assessed value in 2025.

Ad-Hoc Working Group

- ❑ Finalized the recommended Ballot Proposition and Explanatory Statement for Council's review.
- ❑ Ballot proposition outlined in Ordinance No. 25-13.
- ❑ Explanatory statement will be included in the November 4, 2025 General Election voter pamphlet. States the anticipated effect if the measure passes.

Ballot Measure

Ballot Proposition

CITY OF MERCER ISLAND PROPOSITION NO. 1 PUBLIC SAFETY AND MAINTENANCE FACILITY BONDS

The City Council of the City of Mercer Island passed Ordinance 25-13 concerning a proposition to finance a Public Safety and Maintenance Facility. If approved, this proposition authorizes the City to design, construct, and equip seismically resilient Risk Category IV buildings to house the Police Department, Public Works Maintenance teams, Emergency Operations Center, Information Technology, Geographic and Information Systems, and Customer Service teams; issue up to \$103,160,000 of general obligation bonds maturing within a maximum term of 25 years; and levy annual excess property taxes to repay the bonds, as provided in Ordinance 25-13.

Should this proposition be approved:

YES? ☐

NO? ☐

Explanatory Statement

Proposition No. 1
Submitted by City of Mercer Island, Washington

PUBLIC SAFETY AND MAINTENANCE FACILITY BONDS

Permanent facilities for the City of Mercer Island's essential services are aging and/or failing and require replacement. These facilities are critical for public safety, emergency and storm response, well maintained and safe streets, water and sewer maintenance, snow and ice removal, and safe and clean parks, open space areas, and trails.

Proposition 1 authorizes the City to issue bonds to fund the design and construction of a Public Safety and Maintenance Facility that will replace the existing Public Works building, maintenance yard, and temporary police facilities. The new facilities will provide a permanent location for the City's Police Department, Public Works Maintenance teams, Emergency Operations Center, Information Technology, Geographic Information Systems, and Customer Service teams.

The project will be constructed on City land at the site of the existing City Hall and Public Works Building, and includes a police precinct and office building, a maintenance building, an operations yard, decant and wash bay facilities, and covered vehicle, equipment, and materials storage. The buildings are designed to Risk Category IV to withstand seismic events. The facilities will support increased operational efficiencies, extend vehicle and equipment lifespans, improve emergency response, and restore in-person customer service.

Proposition 1 authorizes the issuance of up to \$103,160,000 of general obligation bonds and the levy of excess property taxes to repay the bonds over 25 years. This amounts to about \$55 per month for a \$2,000,000 home.

Next Steps

- ❑ Upon council approval of Ordinance No. 25-13, the City Clerk will submit the Ordinance and the Explanatory Statement to King County Elections by the August 5, 2025 deadline for inclusion on the November 4, 2025 General Election ballot

Staff Recommendation

1. Adopt Ordinance No. 25-13, providing for the submission on the November 4, 2025 election, a ballot measure for the Public Safety and Maintenance Facility Bonds.

Questions

Jessi Bon, City Manager

Matt Mornick, Finance Director

Robbie Cunningham Adams, Senior Management Analyst

Deanna Gregory, Partner, Pacific Law Group

Justin Monwai, Senior Vice President, Piper Sandler & Co.

