



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6665
April 15, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6665: 2026-2031 Transportation Improvement Program (TIP) Preview and Public Hearing	<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 comments from public hearing and provide feedback to staff.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Matt Mornick, Finance Director Patrick Yamashita, City Engineer Clint Morris, Capital Division Manager Rebecca Corigliano, Transportation Engineer Ian Powell, Street Engineer
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Summary of Public Comments Received Prior to April 15 2. Detail of Proposed TIP Expenditures 2026-2031 3. Project Descriptions 4. Map of Proposed Roadway and PBF Improvements 5. Map of Mercer Way Shoulder Improvements
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 conduct a public hearing on the 2026-2031 Transportation Improvement Program (TIP) and for the City Council to provide staff with feedback. Adoption of the TIP is scheduled for June 17.

- RCW 35.77.010 requires cities to formally adopt a TIP annually and submit it to WSDOT and the Puget Sound Regional Council (PSRC) by July 1.
- A Public Hearing on the draft TIP is a requirement of State law and is incorporated as part of the City Council meeting.
- Once the TIP is adopted, projects are budgeted and funded through the City's Capital Improvement Program (CIP) during the biennial budget process.
- The 2025-2030 TIP was adopted by the Council on June 18, 2024.

- The public comment period for the 2026-2031 TIP is March 11 to June 17, 2025.
- A public hearing is scheduled for the April 15, 2025 City Council Meeting and will be continued to June 17, when the City Council is scheduled to adopt the TIP.
- An update on the status of current construction projects will be included in the staff presentation to City Council.
- The draft TIP includes projects and programs in the following categories: Residential and Arterial Street Improvements, Pedestrian and Bicycle Facilities, and other projects.
- Projects pertaining to the Americans with Disabilities Act (ADA) Transition Plan are included in the TIP.
- Priority for resurfacing projects is determined by the pavement condition index (PCI), a score from “Good” to “Failed” based on data collected over the entire roadway network every three years. The PCI was last updated in 2022. Street resurfacing programmed in 2031 will be determined during the development of the TIP in 2026 following PCI data collection in summer 2025.

Staff will incorporate City Council feedback and return at the June 17 City Council Meeting for continuation of the Public Hearing and adoption of the 2026-2031 TIP.

BACKGROUND

The Six-Year TIP is a planning tool used to identify specific projects that serve to maintain, preserve, and maximize use of the existing roadway and trail systems. The TIP balances revenues and expenditures within the Street Fund through programming and phasing of construction projects over a six-year period.

RCW 35.77.010 requires cities to formally adopt a TIP annually and submit it to WSDOT and the Puget Sound Regional Council (PSRC) by July 1. A Public Hearing on the draft TIP is a requirement of State law and is incorporated as part of the City Council meeting. Once the TIP is adopted, projects are budgeted and funded through the City’s Capital Improvement Program (CIP) during the biennial budget process.

The TIP is also used to coordinate future transportation projects with needed underground utility improvements so that utility work is budgeted and programmed to occur prior to or in conjunction with roadway projects. All arterial street and pedestrian and bicycle facility (PBF) projects must be included in the TIP to be eligible for State and Federal funding.

The draft 2026-2031 TIP is an update of the 2025-2030 TIP ([AB 6499](#)) adopted by the City Council in June 2024. Individual projects and programs are combined, where feasible, to create economies of scale for construction. The draft TIP includes transportation improvement projects and programs in the following categories:

- A. Residential Street Preservation Program
- B. Arterial Street Improvements
- C. Pedestrian and Bicycle Facilities (PBF) – New Facilities
- D. Other

At the April 15, 2025 Meeting, the City Council will conduct a Public Hearing on the draft 2026-2031 TIP and provide feedback to staff to guide development of the final TIP. An updated version of the 2026-2031 TIP will be presented for review and adoption at the June 17, 2025 City Council meeting.

ISSUE/DISCUSSION

PUBLIC COMMENTS

The 2025 public comment period runs for fourteen weeks from March 11 to June 17, when the City Council adopts the TIP. Notices advertising the opportunity for public comment were posted on the City's website, in the Mercer Island Reporter (March 12), the City's weekly newsletter (MI Weekly), and on Let's Talk. Additional information is available on the City's TIP webpage (www.mercergov.org/TIP). Let's Talk and the City's TIP webpage provide users with access to TIP maps, FAQs, and related information to learn more about the TIP process and to submit comments online.

Prior to the public hearing, four public comments were received. These comments are summarized in Exhibit 1. Staff will continue to review, log, and consider all public comments submitted between the public hearing and TIP adoption.

STREET FUNDING

Street Fund revenues support the planning work reflected in the TIP. Staff is developing the Street Fund forecast and will provide an update to the City Council on June 17.

Resources that fund TIP projects include:

- Real Estate Excise Taxes (REET) Revenues
- State-shared Motor Vehicle Fuel Taxes (MVFT)
- State-shared Multimodal Transportation Fees
- MI Transportation Benefit District
- Transportation Impact Fees
- Grants (when available)
- Interfund Transfers (Utility work within street projects)

Real Estate Excise Taxes (REET) Revenues

Except for REET funding, all revenues noted above are dedicated to the Street Fund. One hundred percent of REET-1 revenues go to the Capital Improvement Fund to fund capital improvements including parks, open space, and public building maintenance projects. REET-2 revenues are split differently. Ten percent of REET-2 revenues are directed to the Capital Improvement Fund. The remaining 90 percent is committed to the Street Fund for construction and maintenance of streets and pedestrian and bicycle facilities.

State-shared Motor Vehicle Fuel Taxes (MVFT)

MVFT is a fixed tax, currently making up 49.4 cents of the per gallon price of gasoline, diesel, and other fuels. It is not based on the dollar amount of the fuel, but rather on the volume of fuel sold. Hence, there is no revenue benefit from higher gas prices. The state shared revenue is distributed based on population and other set allocation methods.

MVFT is to be spent on salaries and wages, material, supplies, equipment, purchase or condemnation of right-of-way, engineering or any other proper highway or street purpose in connection with the construction, alteration, repair, improvement, or maintenance of any city street, bridge, viaduct, or under passage along, upon, or across such streets. The share of the motor vehicle fuel tax distributed to the City of Mercer Island is projected to decline over time.

State-shared Multimodal Transportation Fees

Like MVFT, Multimodal Transportation funds are a state shared revenue. Distributions are shared equally between cities and counties. The City portion is made on a per capita basis. In general, Mercer Island's population grows at a slower rate than surrounding cities, so this revenue is projected to remain relatively flat over time.

MI Transportation Benefit District

City Council adopted [Ordinance No. 14C-11](#), which directs vehicle license fees collected under the Transportation Benefit District (TBD) to the operation, preservation, and maintenance of principal arterials of regional significance, high-capacity transportation, and/or public transportation. Street Right of Way Maintenance and Operations, and arterial street improvements are the kind of projects typically funded with vehicle license fees.

Transportation Impact Fees

Washington State law (RCW 82.02.050) specifies that Transportation Impact Fees are to be spent on "system improvements", which can include physical or operational changes to existing roadways, as well as new roadway connections. These are generally projects that add capacity (new streets, additional lanes, widening, signalization, etc.), but can also include bicycle, pedestrian, and transit-supportive projects that provide capacity for future growth and are within the right of way of 'streets and roads' as defined by the Growth Management Act.

Past practice with funding transportation infrastructure improvements has been to utilize the more restrictive resources in the Street Fund – such as transportation impact fees – before using the less restrictive resources (such as REET-2 or revenues from the State's Motor Vehicle Fuel Tax). This practice will continue as the Street Fund forecast is developed and shared with the City Council on June 17.

Grants

In 2023, staff secured a U.S. Department of Transportation (USDOT) Safe Streets and Roads for All (SS4A) grant in the amount of \$160,000 to develop a Transportation Action Plan (Action Plan). Once developed, the Action Plan will serve as a building block to improve roadway safety. It will also allow staff to apply for implementation or planning and demonstration grants based off the Action Plan's projects and strategies that address roadway safety problems.

In 2024, staff secured a SS4A supplemental planning grant in the amount of \$320,000 to develop a new Pedestrian and Bicycle Facilities (PBF) Plan. Ultimately, the PBF Plan will inform and support the Action Plan.

Also in 2024, staff secured a Transportation Improvement Board (TIB) grant in the amount of \$850,000 to design and construct the ICW Shared Use Path Phase 1. This allows construction to be accelerated from 2030 to 2027. Staff may continue to pursue TIB funds for additional ICW Corridor Improvement (90.20.0013) project elements.

Staff will pursue WSDOT's Safe Routes to School (SRTS) grant to improve safety and mobility for children by providing safe walking and bicycle routes to school. Projects that may be eligible for SRTS funding in Exhibit 3 include 84th Avenue SE Pedestrian Improvements (90.20.0025), 78th Avenue SE Sidewalk Improvements (90.20.0029), Mercerwood Drive Pedestrian Improvements (90.20.0030), and ICW Crosswalk Enhancement (90.20.0031).

Staff will also pursue WSDOT's Pedestrian and Bicycle Program (PBP) to enhance safety and mobility for people who choose to walk or bike. The Aubrey Davis Trail Mountains to Sound Trail Lighting (Island Crest Way to Shorewood Drive) may be eligible for PBP funding. The SRTS and PBP discretionary programs call for projects on a biennial basis.

PROGRAM ELEMENTS

Below are descriptions of TIP categories which follow the same order as the Detail of Expenditures in Exhibit 2. The proposed TIP projects fall under two main categories – “Preservation & Maintenance Projects” and “New Construction Projects.” The Capital Improvement Program includes a budget policy that prioritizes capital reinvestment projects (preservation & maintenance) over capital facilities projects (new facilities). Staff utilizes this policy when prioritizing projects in the TIP to maintain a positive Street Fund balance. Refer to the [City's website](#) for more information about the Street Resurfacing Program and how streets are prioritized. For specific project descriptions, refer to Exhibit 3. For a map of these projects, refer to Exhibit 4.

Preservation & Maintenance Projects

Residential Street Preservation Program

This program restores and resurfaces the City's 58.2 miles of public residential streets on an approximate 35- to 40-year cycle. Over the last 15 years, just under 17 miles of residential streets have been resurfaced with a Hot Mix Asphalt (“HMA”) overlay and 2.8 miles have been resurfaced with a chip seal. This combined 19.6 miles accounts for almost 34% of the residential street network. The residential program also improves substandard streets in public right-of-way at the rate of roughly one per biennium, as the need arises. Selection and timing of residential resurfacing work is based on Pavement Condition Index (“PCI”) ratings performed every three years, as well as planned water, sewer, and storm drainage utility work. The most recent PCI ratings were collected in 2022 and are scheduled to be updated again in summer 2025, for use in the update of the TIP in 2026 and 2027.

Arterial Street Improvements

This category provides preservation and improvement of the City's 25.4 miles of arterial streets on an approximate 25- to 30-year cycle. This includes the 2.6 miles of Town Center arterial streets. Over the last 15 years, 10 miles of arterial roadways (nearly 40%) have been resurfaced. Project priorities are based on PCI, the need for underground utility improvements, condition of pedestrian and bicycle facilities, and timing of other large projects. These projects incorporate reinvestment in existing pedestrian and bicycle facilities. Residential street overlays are linked when feasible to arterial street projects to create an economy of scale. In the next six years, resurfacing projects are planned on portions of North Mercer Way, East Mercer Way, West Mercer Way, Gallagher Hill Road, SE 36th Street, SE 40th Street, SE 27th Street, 76th Avenue SE, 78th Avenue SE, and SE 24th Street.

New Construction Projects

Pedestrian and Bicycle Facilities (“PBF”)

This category improves and adds to the pedestrian and bicycle facilities network. Specific projects are based primarily on those identified in the [2010 PBF Plan](#), with input from the community and the School District. PBF “reinvestment” projects, such as asphalt overlays of existing pedestrian paths adjacent to arterial street improvements, are not included in this category. Rather, they are included in the scopes of their associated arterial street improvement projects. This category also includes ongoing program funding to implement smaller scale PBF improvements and Americans with Disabilities Act (ADA) compliance improvements guided by the [ADA Transition Plan](#).

The Roadside Shoulder Development Program was established in 2002 to create new paved shoulders suitable for pedestrian and bicycle use on the Mercer Ways. Since that time, numerous phases of work have been completed. While most of these have been on East Mercer Way, improvements have also been made on North and West Mercer Ways. Exhibit 5 shows the status of the Roadside Shoulder Development Program.

Since 2003, the City has constructed at least one shoulder project per biennium. The East Mercer Way Roadside Shoulders Phase 11 project scheduled for 2027 will complete the Roadside Shoulder Development Program, for a lifetime program cost of approximately \$5.3 million.

NEW PROJECTS AND CHANGES TO CONSIDER FROM THE PREVIOUS TIP

The following is a summary of the noteworthy changes incorporated into the draft 2026-2031 TIP. Refer to Exhibit 3 for a description of the projects in the draft 2026-2031 TIP.

Water Supply Line Replacement

In April 2024, the Seattle Public Utilities (SPU) water supply line showed evidence of leaking near SE 40th Street and 95th Court SE. Repairs were successfully completed by SPU in 2024, and a Water Supply Line project was included in the 2025-2026 capital improvement program budget (90.40.0032). The Water Supply Line project constructs approximately 5,000 feet of new City-owned 24-inch water pipeline starting at East Mercer Way, near the Boat Launch Access Road, proceeding northward along East Mercer Way, then west along SE 36th Street, up SE Gallagher Hill Road, and then east along SE 40th Street to 92nd Avenue. Construction is anticipated to begin in late 2025.

There are several TIP projects impacted by the new Water Supply Line work, including: Gallagher Hill Road Overlay and Sidewalk Improvements (SE 36th Street to SE 40th Street), SE 40th Street Overlay (88th to 93rd Avenue SE), and SE 40th Street Sidewalk Improvements (Gallagher Hill Road to 93rd Avenue SE), and SE 36th Street Overlay (Gallagher Hill Road to East Mercer Way). Therefore, staff reprogrammed construction of these surface improvements to 2026, which will align with completion of the underground water supply line work.

Arterial Street Improvements

Arterial projects can vary in scope from substantial reconstruction (as seen on SE 40th Street in 2018), to hot mix asphalt overlays (East Mercer Way in 2019 and 2021), to chip seals (East Mercer Way in 2018). Staff utilize PCI data to help determine the scope, resurfacing method, and timing of arterial street projects. Arterial work for the next six years continues to focus on preserving existing facilities through hot mix asphalt (HMA) overlays which have service lives of 25 to 30 years.

- **90.20.0008: Gallagher Hill Road Overlay (SE 36th to SE 40th Street)** – Construction is moved to start in 2026 to immediately follow underground water supply line work on Gallagher Hill Road.
- **90.20.0010: SE 40th Street Overlay (88th to 93rd Avenue SE)** – Construction is moved to start in 2026 to immediately follow underground water supply line work on SE 40th Street.
- **90.20.0015: North Mercer Way Overlay (8400 Block to SE 35th Street)** – Design and construction moved to 2027 to match the adopted 2025-2026 Capital Improvement Program budget.
- **90.20.0023: SE 36th Street Overlay (Gallagher Hill Road to East Mercer Way)** - Construction is moved to start in 2026 to immediately follow underground water supply line work on SE 36th Street.

- **90.20.00XX: 2031 Arterial Street Improvements** – This new project will resurface an arterial street with HMA overlay. The specific location will be determined in 2026 based on the results of the PCI data collection scheduled for summer 2025.

Pedestrian and Bicycle Facilities (PBF)

- **90.20.0006: SE 40th Street Sidewalk Improvements (Gallagher Hill to 93rd Avenue SE)** – Construction is moved to start in 2026 to immediately follow underground water supply line work on SE 40th Street.
- **90.20.0007: 78th Avenue SE Sidewalk Improvements (SE 32nd Street to SE 34th Street)** – Design for this project is moved from starting in 2025 to 2026 to allow Mercedale Sewer Upsizing work to be completed, and to match the adopted 2025-2026 Capital Improvement Program budget.
- **90.20.0009: Gallagher Hill Road Sidewalk Improvements (SE 36th Street to SE 40th Street)** – Construction is moved to start in 2026 to immediately follow underground water supply line work on Gallagher Hill Road.
- **90.20.0016: East Mercer Way Roadside Shoulders – Phase 11 (SE 79th Street to 8400 Block)** – Design and construction moved to 2026-2027 to match the adopted 2025-2026 Capital Improvement Program budget.

Other

- **90.20.0013: ICW Corridor Improvements (SE 68th Street to SE 53rd Place)** – Shared Use Path Phase 1 construction is removed from 2030 now that grant funding is secured. The 2030 budget only captures SE 53rd Place intersection safety improvement construction. A new project is created for ICW Shared Use Path Phase 1 construction (see project 90.20.00XX).
- **90.20.00XX: ICW Shared Use Path Phase 1** – This accelerated project will construct the initial phase of the shared use path from SE 60th Street to Island Park Elementary in 2027. Funding includes a \$743,007 Washington State Transportation Improvement Board (TIB) grant.
- **90.20.00XX: Transportation Action Plan** – This new project, mostly grant funded, is a planning effort proposed for 2027-2028 to recommend projects and strategies to improve roadway safety on Mercer Island. Findings from 90.20.0018 will inform development of the Transportation Action Plan.
- **90.25.0008: Aubrey Davis Trail Mountains to Sound Trail Lighting: Island Crest Way to Shorewood Drive** – Design and construction moved to 2027-2028 to match the adopted 2025-2026 Capital Improvement Program budget.

LOOKING AHEAD – UNFUNDED PEDESTRIAN AND BICYCLE FACILITIES (“PBF”) PROJECTS BEYOND 2031

Several PBF projects are unfunded pending further evaluation of scope, confirmation of need, and availability of funding. They include:

- **86th Avenue SE Sidewalk Improvement (SE 42nd Street to Island Crest Way)** – Install curb, gutter, sidewalk, ADA-compliant ramps, and cycle track along the east side of 86th Avenue SE where no walkway currently exists. Replace speed humps, signage, and pavement marking. This project would fill a current gap in the PBF network. The estimated cost is approximately \$2.6M.
- **Merrimount Drive (Island Crest Way to West Mercer Way)** – Construct sidewalk improvements on both sides of the roadway to support Safe Routes to School. The estimated cost is approximately \$960,000.
- **92nd Avenue SE Sidewalk Improvements (SE 40th Street to SE 41st Street)** – Install curb, gutter, sidewalk, and ADA-compliant ramps along the west side of 92nd Avenue SE to provide a “safe walk route” for Northwood Elementary and the High School, as well as a bus stop location for Islander

Middle School. The estimated cost is \$800,000. This project will complete a missing link on 92nd Avenue by connecting with sidewalks along the High School frontage, creating a continuous sidewalk from SE 40th to SE 42nd Streets. This project may be eligible for Transportation Improvement Board or Safe Routes to School Grant funding. City and District staff will monitor the need and propose this work in a future TIP if warranted.

- **SE 34th Street Sidewalk Improvement (78th Avenue SE to 80th Avenue SE)** – Reconstruct curbs, sidewalk, ADA-compliant ramps, and street trees with silva cells along the north side of SE 34th Street where the existing sidewalk currently has significant root damage and heaving due to nearby street trees. This project will improve pedestrian mobility in Town Center. The estimated cost is approximately \$1M.
- **Mercerwood Drive Pedestrian Improvements (96th Avenue SE to East Mercer Way)** – Install a pedestrian facility on both sides of Mercerwood Drive, extending from the Mercerwood Drive sidewalk project planned in 2029-2030 (90.20.0030) to East Mercer Way. This project will improve pedestrian safety, especially for students and families accessing schools and other gathering places on SE 40th Street and East Mercer Way. This pedestrian improvement is included in the 2010 PBF Plan. The estimated cost is approximately \$1.7M.

MOBILE ASSET DATA COLLECTION & PAVEMENT CONDITION RATINGS

As part of the ongoing effort to cost-effectively maintain the City's street network, staff have contracted for pavement condition assessment of City roadways at regular intervals (completed in 2013, 2016, 2019, and 2022). The data collected produces a Pavement Condition Index (PCI) value for each of the over 700 segments of pavement within the City's 83.6-mile public road network. This rating process is based on collecting visual pavement distress information and computing it into numerical deduction values which are subtracted from a highest possible score of 100, resulting in a PCI score between 0 and 100. These numerical scores are bracketed into six condition ranges: Good (PCI 100-86), Satisfactory (85-71), Fair (70-56), Poor (55-41), Very Poor (40-26), and Failed (25-0).

The overall health of Mercer Island's road network can be determined by three general indicators: the average network PCI, the amount of network backlog (defined as a PCI below 40), and the amount of network in Good condition (PCI of 100-86).

PCI data from 2022 gave the City's road network an average PCI of 75. This is considered a slightly above-average grade in the pavement rating industry. The backlog was 4.0%, which is considered low (below 15% is desirable) and the amount of good condition streets at 25% was considered somewhat high (should be at least 15%). Over the last six years, road projects have repaved numerous streets in the Poor and Failed categories, which has significantly lowered the backlog.

Staff uses PCI information as the primary basis for prioritizing street resurfacing projects within the TIP. Other factors that are considered when scheduling roads for repaving are upcoming utility projects (storm drainage, water mains, natural gas work) and coupling with PBF improvements. Because pavement conditions change over time, data collection needs to be an ongoing process. Staff is planning to collect PCI data again in the summer of 2025. Street resurfacing to occur in 2031 will be determined, using 2025 PCI data, during the development of the TIP in 2026.

NEXT STEPS

Develop the final 2026-2031 TIP based on feedback from the Council. Continue public hearing and present the updated TIP to the Council on June 17, 2025 for adoption.

RECOMMENDED ACTION

Receive comments on the 2026-2031 TIP from the public hearing and provide feedback to staff.