



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

**AB 6840  
January 16, 2026  
PLANNING SESSION**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6840: Next Steps for City Facilities Work Session	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Receive Report. No action necessary.	

<b>DEPARTMENT:</b>	City Manager
<b>STAFF:</b>	Jessi Bon, City Manager Jason Kintner, Chief of Operations Kellye Hilde, Public Works Deputy Director Robbie Cunningham Adams, Senior Management Analyst
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Presentation ( <i>Available by Noon on January 14, 2026</i> )
<b>CITY COUNCIL PRIORITY:</b>	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

<b>AMOUNT OF EXPENDITURE</b>	\$ N/A
<b>AMOUNT BUDGETED</b>	\$ N/A
<b>APPROPRIATION REQUIRED</b>	\$ N/A

**EXECUTIVE SUMMARY**

The purpose of this agenda item is to begin discussions with the City Council on facility planning next steps following the outcome of Proposition No. 1 in November 2025.

- At the March 1, 2024, Planning Session, the City Council directed the City Manager to commence planning for a new Public Safety and Maintenance Facility (PSM Facility) on the current City Hall Campus ([AB 6420](#)).
- The extensive history related to the planning and design of the PSM Facility is included in the background section below.
- Proposition No. 1, included on the November 4, 2025, General Election ballot to fund the PSM Facility received [54.61](#) 54.24% voter approval, which was short of the 60% needed for a successful bond measure.
- At the end of 2025, staff began reassessing facility replacement strategies to inform future policy direction and decision-making by the City Council. To support this work, the City Manager recommended that the City Council hold a Planning Session in early January to allow sufficient time to prepare for a potential second bond measure, should the Council choose to pursue that direction. The earliest feasible ballot would be November 2026.

- On January 6, 2026, the Council authorized the City Manager to conduct a statistically valid survey of Mercer Island residents to collect community input on the recent Public Safety and Maintenance Facility Bond Measure to inform priorities for future City facility planning (see [AB 6844](#)). Results of the community survey will be available in early March 2026.
- At this work session, the City Council will be asked to provide initial feedback on the framework to guide the facility planning work anticipated this year. The Council will also have an opportunity to review and provide feedback on the draft community survey questions, which were still in development at the time of packet publication.

The accompanying presentation (see Exhibit 1) will be published by noon on January 14, 2026.

## **BACKGROUND**

### **Long-Range Facility Planning Begins in 2023**

In early 2023, the City began a planning process to complete a Facilities Conditions Assessment for various municipal buildings and to develop a Long-Range Facilities Plan for select City facilities.

The Long-Range Facility Planning project was intended to be completed in two phases, the first phase focusing on a comprehensive Facilities Conditions Assessment (FCAs) for six buildings in 2023: 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, and the former Tully's Building. A second phase will include Facility Conditions Assessments for Fire Station 91, Fire Station 92, and the Mercer Island Community and Event Center.

The purpose of an FCA is to inventory and evaluate building and site infrastructure conditions, document observed deficiencies and develop a recommended strategy to ensure continuity of services, extend the life of each facility, or alternatively prepare to replace existing assets.

The second phase of facilities planning work included developing a Long-Range Facilities Plan for these six facilities based on assessment and data collected from the FCA process. The Long-Range Planning Work was intended to be completed in 2024 and anticipated an extensive public engagement process. Unfortunately, just as the facilities planning work was kicking off in early 2023, City Hall was closed due to asbestos contamination.

### **City Hall Permanently Closed in 2023**

In April 2023, City Hall was temporarily closed after asbestos was detected in several locations in the building, including in the HVAC system. Although airborne asbestos was not detected during air quality tests, abatement at City Hall would be required to re-open the facility. City staff and outside experts worked extensively to identify solutions to address the asbestos contamination and evaluate the best path forward for City Hall. Two scenarios for re-occupying the City Hall building, either fully or partially, were evaluated for timeline, preliminary costs, and impact to City operations. Unfortunately, the cost of both scenarios to re-occupy City Hall exceeded the benefits due to the age and condition of the building. On October 2, 2023, [Resolution No. 1650](#) was approved to cease City operations at City Hall and permanently close the building.

### **Facility Conditions Assessment Completed on Public Works Building in 2024**

Given the age and condition of the Public Works Building, the City Manager directed the staff and consulting teams to proceed with the facilities conditions assessment (FCA) for this building. The Preliminary Facility Conditions Assessment for the Public Works building was presented to the City Council on February 6, 2024 ([AB 6402](#)). The FCA identified multiple systems that are failing or in need of significant repair or investment. Based on these findings, the City Manager recommended the City Council prioritize the Public Works Building for replacement. The Public Works building houses many essential services and some short-term reinvestment was needed to extend the life of the building until a replacement strategy was identified as discussed in [AB 6477](#) at the May 21, 2024 City Council meeting.

At the July 16, 2024 City Council meeting, the City Council appropriated funds and authorized staff to proceed with seismic repairs to the Public Works Building that were necessary to keep the building safely operating in the short-term ([AB 6517](#)).

### **Public Safety and Maintenance Building Pre-Design Phase Completed in 2024**

During the March 1, 2024 Planning Session, the City Council contemplated the replacement strategy for City Hall and the Public Works Building. The City Council directed the City Manager to commence planning for a new Public Safety and Maintenance Facility (PSM) on the current City Hall Campus ([AB 6420](#)). This new facility was intended to replace the existing Public Works Building and provide a new combined home for the City's Public Works teams, Police Department, Emergency Operations Center, and the IT and GIS team.

City staff provided a design progress update on the PSM Facility during the May 21, 2024 City Council meeting ([AB 6476](#)). This presentation provided an overview of the workshops conducted with the staff teams expected to be housed in the future facility, highlighted how a combined facility for these teams would provide operational efficiencies, and explained why the new building is intended to be a Level IV Risk Category Building.

Pre-design work was completed during the summer of 2024, confirming the programming and conceptual framework for the PSM Facility. During this initial planning phase, the City Manager also directed the Project Team to include an expanded customer service area at the main PSM Building to house the City's Customer Service team. This was to ensure that the City had a "store front" given that no other City facilities were suited for this type of function.

### **Public Safety and Maintenance Facility Schematic Design Phase Begins in 2024**

Design work for the PSM Facility shifted to the schematic design phase in fall of 2024. Schematic design is the first step in developing a concept into a specific design plan, including architectural drawings and a site plan. During this time the Project Team also toured other public safety and maintenance buildings in the region, completed numerous site visits to City facilities, and held ongoing design meetings with staff.

Specifically, the Project Team and select Councilmembers participated in tours of the Shoreline, University of Washington, and Kirkland police departments in October 2024. The team heard about both successes and "lessons learned" from the construction or renovation of these police facilities to help inform the design work on the PSM Facility. The Project Team and select Councilmembers also attended a tour of the Kitsap County Public Works facility in December of 2024. This tour included the workspace and training space layout, ingress/egress for large vehicles and equipment, covered storage, lighting, security, and staff amenity spaces.

### **PSM Schematic Design Updates at City Council Meetings - February and March 2025**

During the February 4, 2025 City Council Planning Session, the Project Team presented the initial design concept and preliminary cost estimate for the PSM Facility ([AB 6604](#)). The Project Team also previewed the likely need for a rezone of the property.

During the March 4, 2025, City Council meeting, the Project Team presented a progress update on the PSM Facility ([AB 6634](#)). City staff and City Council discussed moving the main PSM Building forward (north) on the property to expanding the capacity of the secure areas (parking and maintenance yard) behind the main PSM Building.

### **Updated Public Safety and Maintenance Facility Sizing, Placement, and Zoning – April 2025**

At the April 15, 2025, City Council meeting, the Project Team presented a recommended change to the site layout that would move the PSM Building (main administrative building) and the Operations Building north on the site ([AB 6656](#)), reducing construction costs, improving efficiency, and increasing future flexibility of the properties.

The proposed PSM Facility layout included the placement of the Operations Building on top of the property line between the existing City Hall and Public Works parcels. The Project Team recommended a boundary line adjustment to move the parcel line north - closer to SE 36th St.

Additionally, both parcels comprising the current City Hall Campus had the correct comprehensive plan land use designation, which is “Public Facility.” The zoning, however, was different and this was identified for resolution as part of the PSM Facility development process. The City Manager recommended the new south parcel created by the boundary line adjustment be re-zoned to “Public Institution” (PI), consistent with other public facilities on Mercer Island. The north parcel was recommended to remain as CO to preserve flexibility for its future use.

The City Council approved the revised PSM Facility site layout and directed the City Manager to pursue a boundary line adjustment between the City Hall and Public Works parcels based on the final site layout and directed the City Manager to prepare and submit an application for a re-zone of the south City Hall parcel to Public Institution (PI).

### **Council Direction on PSM Design Choices – May 2025**

During the May 6, 2025 City Council meeting, the Project Team provided follow-up analysis on roof-mounted solar panels for on-site energy generation, rainwater harvesting for on-site use, potable water storage for emergency operations, and facility structural systems initially presented during the February 4, 2025 City Council meeting. The City Council directed to staff to include a rainwater harvesting system and potable water storage in the schematic design ([AB 6677](#)).

### **Council Review of PSM Schematic Design – June 2025**

During the June 3, 2025 City Council meeting, the Project Team presented the schematic design and updated cost estimate for the PSM Facility, highlighting how the proposed design aligned with core objectives and supported public safety and maintenance operations ([AB 6701](#)). The Project Team also reported on the outcomes of the retention of an independent peer-review group to conduct a value methodology-based review (aka value engineering) aimed at optimizing the PSM Facility design. Many of the value engineering

team's recommendations were incorporated into the schematic design, resulting in reduced project costs and an improved design. The estimated cost of the PSM Facility project was \$103,900,000.

At the June 17, 2025 City Council meeting, staff addressed City Council questions raised during the prior meeting including questions about the schematic design of the Operations Building and 1% for Art in Public Spaces ([AB 6712](#)). At the meeting the City Council unanimously approved the project scope and budget and directed the City Manager to prepare a bond measure ordinance for first reading at the July 1, 2025, Council meeting. The City Council also directed staff to commence recruitment of a Pro and Con Committee to prepare respective statements and rebuttals for inclusion in the election guidebook.

During the June 17, 2025 City Council meeting staff also reviewed the 1% for the Arts program requirements for the PSM Facility, which would entail a \$739,633 contribution to the Fund. Under the current City code, there was not an option for an exemption for this project.

The City Council directed the City Manager to prepare an ordinance modifying the 1% for the Arts code to allow the City Council to fully or partially exempt projects from the 1% for the Arts requirements.

### **9655 Building Acquisition – June 2025**

In early June 2025, the City announced the strategic acquisition of the 22,000 square-foot commercial office building located at 9655 SE 36<sup>th</sup> Street (adjacent to the City Hall Campus). The City acquired the building for \$9.06 million. The City closed on the property in the summer of 2025 and with the conclusion of the lease for the prior tenant at the end of September 2025, is now fully in possession of the building.

Before opening the 9655 Building for City use, several improvement projects are needed to ensure the space is ready to support the staff and the community. The near-term and long-term occupancy of the building will be discussed and re-evaluated as a result of the outcome of the Proposition 1 in November 2025. The building will likely house the Community Planning and Development Department, the Public Works Capital Projects and Engineering teams, the Youth and Family Services Department, the Customer Service Team, and other services.

The acquisition of the 9655 Building was funded primarily with available funds and \$1.5 million through outside financing. No new taxes were used to acquire the building. The available funds are the result of years of conservative budgeting, disciplined spending, and prior year savings.

### **City Council First Reading of Bond Ordinance – July 1, 2025**

At the July 1, 2025 City Council meeting, Ordinance No. 25-13 related to the Public Safety and Maintenance Facility Bonds was presented to the City Council for first reading. Staff received City Council feedback on draft Ordinance No. 25-13, which included the ballot title, ballot description, and the length of the repayments scheduled for the Bonds ([AB 6715](#)).

With the passage of the 1% for Art in Public Places Fund Code Amendments ([AB 6725](#)) earlier in the meeting, the City Council directed staff to fully exempt the PSM Facility from the 1% for Art contribution requirement. This reduced the project budget by an estimated \$740,000, from \$103,900,000 to a total project budget of \$103,160,000.

The City Council approved unanimously a motion to schedule Ordinance No. 25-13 for second reading at the July 15, 2025, Council meeting.

### **City Council Approval of Bond Ordinance – July 15, 2025**

At its regular meeting on July 15, 2025, the City Council adopted an ordinance providing for the submission of a ballot measure in the November 2025 election 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.

### **Updated Council Direction on PSM Facility Site Zoning – September 2025**

During the September 16, 2025 City Council meeting staff informed the Council that the revised site plan confirmed that the full 13.62 acres of the City Hall campus were needed to accommodate the relocated PSM Building, Operations Building, associated parking, and maintenance and operations activities. Earlier site plan versions left some portions of the property outside the core functional footprint, but the northward migration of the buildings made clear that the entire property is integral to the long-term functioning of the civic campus.

For this reason, it was no longer practical to retain any portion of the City Hall parcel in the CO zone. The Council directed the City Manager to submit an application to rezone both parcels to Public Institution (PI) zone ([AB 6779](#)).

### **PSM Proposition No. 1 Result – November 2025**

During the November 4, 2025 General Election the City held an election on Proposition No. 1 related to the proposed [Public Safety and Maintenance Facility](#). Proposition No. 1 received [54.61](#) 54.24% voter approval, which fell short of the 60% required for approval of a bond measure.

At the end of 2025, staff began reassessing facility replacement strategies to inform future policy direction and decision-making by the City Council. To support this work, the City Manager recommended that the Council hold a Planning Session in early January to allow sufficient time to prepare for a potential second bond measure in November 2026, should the Council choose to pursue that direction.

### **City Council Approves Rezone of City Hall and Public Works Building Parcels – December 2025**

During the December 2, 2025 City Council meeting the Council approved the re-zone application of both City Hall and Public Works Building parcels to Public Institution (PI) ([AB 6827](#)).

### **City Facilities Survey – January 2026**

During the January 6, 2026 City Council meeting, the Council authorized the City Manager to conduct a statistically valid survey of Mercer Island residents to collect community input on the recent Public Safety and Maintenance Facility Bond Measure to inform priorities for future City facility planning ([AB 6844](#)). City Council also formed an ad-hoc committee to review and draft potential survey questions to be reviewed with City Council during the January 16 Planning Session. Staff expect to be back with the final results and analysis of the survey at the first Council meeting in March 2026.

## **ISSUE/DISCUSSION**

This meeting marks the first in a series of discussions with the City Council and the community to inform a revised plan to replace City Hall and the Public Works Building following the outcome of Proposition No. 1 in November 2025.

Should the City Council wish to consider returning to the voters with a future bond measure, the earliest feasible ballot would be November 2026. Doing so would require retooling the project, carefully evaluating opportunities to optimize use of the 9655 Building, engaging in meaningful community dialogue, and establishing a focused work plan and schedule.

This work session provides an opportunity for the City Council to debrief the prior bond measure, engage in open dialogue and feedback, and begin shaping next steps. The City Council will be asked to provide initial feedback on the framework to guide the facility planning work anticipated this year. The City Council will also have an opportunity to review and provide feedback on the draft community survey questions, which were still in development at the time of packet publication.

The accompanying presentation (see Exhibit 1) will be published by noon on January 14, 2026.

## **NEXT STEPS**

City staff will take feedback given by the City Council on a City Facilities strategy and begin taking action to implement this strategy in the coming months. This will include designing and initiating a community engagement strategy to inform residents about City facilities, gather input, and build shared understanding prior to returning to City Council with recommended actions, timelines, and decision points.

## **RECOMMENDED ACTION**

Receive Report. No action necessary.