



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

**AB 6920
May 5, 2026
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 6920: Presentation on the Existing Condition of the Public Works Building	<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:	No action needed. Receive Report.	

DEPARTMENT:	Public Works
STAFF:	Jessi Bon, City Manager Jason Kintner, Chief of Operations Kellye Hilde, Public Works Deputy Director Robbie Cunningham Adams, Senior Management Analyst Connor Dimick, CIP Project Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Draft Public Works Building Update Presentation
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 item is to provide an overview of the existing condition of the Public Works Building, including the previously completed Facility Conditions Assessment (see Exhibit 1 for draft presentation) and to receive feedback from the City Council on next steps.

- The existing Public Works Building, constructed in 1980, is nearly 46 years old and does not meet modern building codes, has failing systems, seismic deficiencies, and houses staff teams the structure was not intended for.
- The City has previously evaluated options to replace the Public Works Building and the associated structures, including presenting a ballot measure to the community in November 2025 for full replacement.
- Proposition No. 1, included on the November 4, 2025, General Election ballot to fund a new Public Safety and Maintenance (PSM) Facility received 54.61% voter approval, which was short of the 60% needed for a successful bond measure.
- During the January 16, 2026, City Council Planning Session, the Council debriefed the bond measure and provided initial direction to guide ongoing facility planning efforts ([AB 6840](#)). In response, staff

are advancing evaluation of existing City-owned facilities to identify near- and long-term solutions for staff placement and operational needs.

- At the April 7, 2026 City Council meeting, staff provided an overview of the existing City Hall facility, revisited prior assessment findings, and presented a full renovation cost estimate ([AB 6891](#)). City Hall has been closed and inoperable since 2023. Following the presentation, the City Council directed the City Manager to prepare a demolition plan for City Hall and return to the Council for review and approval.
- Next for review and consideration is the Public Works Building, which is 15,347 square feet and located behind the existing City Hall facility. This building primarily houses maintenance operations and other Public Works functions. Other ancillary structures such as open-air facilities also support the maintenance functions of the City and are located on the same campus.
- The preliminary cost estimate to fully renovate and update the Public Works Building is \$13.5M to \$16.3M, with details on the scope of the renovation included in Exhibit 1 and to be further discussed at the meeting. This preliminary cost estimate covers the Public Works Building only. Additional improvements or investments in the Public Works Yard and ancillary structures also need to be evaluated.
- Given the condition and limitations of the ancillary facilities, the project team has very preliminarily explored adding a fully conditioned storage space for some Maintenance vehicles such as the vector trucks. The preliminary cost for a structure such as this is \$4.2M to \$4.4M.

The staff is seeking initial feedback from the City Council on these findings to inform next steps.

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 staff to proceed with a Facilities Conditions Assessment (FCA) for the building. The preliminary FCA for the 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 that the City Council prioritize the replacement of the Public Works Building. The Public Works Building houses many essential services and some short-term reinvestment was needed to extend the useful life of the building until a replacement strategy could be 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](#)). The 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 Building 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 Street.

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 a 22,000 square-foot commercial office building located at 9655 SE 36th 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 following the expiration of the prior tenant's lease 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.

For a comprehensive summary of the planning and design of the PSM Facility completed from 2023 through September 2025, please refer to the materials from the City Council Planning Session on January 16, 2026 ([AB 6840](#)).

Public Works Seismic Repairs Completed – July 2025

In response to the facilities condition assessment identifying failing building systems and confirming the facilities functional obsolescence, staff explored how to keep public works operational while planning continued for a long-term facility solution for Public Works operations.

Staff explored the feasibility of fully abandoning the Public Works building and using alternative facilities until the possible opening of a future Public Safety and Maintenance facility. Unfortunately, there were no reasonable alternatives to fully abandon the Public Works building at the time. As a result, City Council directed staff to make the minimum necessary seismic repairs to ensure the Public Works building would operate safely in the near term.

On July 16, 2024, City Council directed staff to proceed with seismic repairs to the Public Works Building ([AB 6517](#)). On February 4, 2025, City Council appropriated \$1,138,420 from the Capital Improvement Fund to the project budget and awarded a public works contract to Casa Bella LLC in an amount not to exceed \$886,887 ([AB 6619](#)). Construction began on February 24, 2025, and final completion was reached on July 2, 2025. The total completed project cost was \$1,011,885 ([AB 6901](#)).

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 Bond was presented to the City Council for first reading. Staff received City Council feedback on the 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 unanimously approved 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% 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 rezone 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](#)).

Post Bond Measure Facility Planning

At the January 16, 2026, City Council Planning Session, the City Council discussed the outcome of the November 2025 Bond Measure for the Public Safety and Maintenance (PSM) Facility and identified next steps for facility planning ([AB 6840](#)). As part of this discussion, the Council reviewed preliminary cost estimates developed in 2023 following the closure of City Hall. While a high-level estimate had been prepared at that time, it was not advanced to a fully developed estimate after early figures indicated that renovation of the existing building would likely be cost prohibitive given its age and condition.

During the January 2026 session, the Council directed staff to revisit and complete the cost estimating exercise to provide a clearer understanding of the building's condition and full renovation costs, and to inform a decision on whether to pursue renovation of the existing facility or construction of a new facility. The Council also provided feedback to guide revisiting the scope and scale of the PSM Facility. To support this work, the City retained an architect to conduct a space planning analysis and review the proposed PSM Facility project, including identifying opportunities to reduce project scope.

City Facility Community Survey Results – March 2026

During the March 3, 2026, City Council meeting, staff presented the results of the statistically valid survey of Mercer Island residents, authorized by the City Council to gather input on the recent Public Safety and Maintenance Facility Bond Measure and to inform priorities for future City facility planning ([AB 6881](#)).

Conducted from January 28 to February 11, 2026, the survey included 400 interviews with a statistically valid and representative sample of Mercer Islanders, resulting in a margin of error of +/- 4.9 points.

In addition to a statistically valid survey, the City offered an 'open' survey that all residents could access through the City's regular communication channels. Results from both surveys were generally similar and will help inform future policy development for facility replacement strategies. Together, these surveys represent one component of the City's broader community engagement strategy for City facilities, with additional opportunities for future public input planned.

City Hall Facility Assessment and Renovation Cost Estimate

At the April 7, 2026, City Council meeting, staff provided an overview of the existing City Hall facility, revisited prior assessment findings, and presented a full renovation cost estimate ([AB 6891](#)). Staff reviewed previous studies, conducted site visits to verify existing conditions, and completed additional analysis to support the estimate. The presentation included a cost breakdown, key findings related to facility deficiencies, seismic risks, and the remaining lifespan of major building systems, as well as a summary of conditions and potential renovation approaches across all major systems. This information was provided to inform Council direction on whether to renovate the building or pursue demolition and alternative facility strategies. Following the presentation, the City Council directed the City Manager to prepare a demolition plan for City Hall and return to Council for review and approval.

ISSUE/DISCUSSION

Following the November 4, 2025, General Election, Proposition No. 1 to fund the Public Safety and Maintenance (PSM) Facility received 54.61% voter approval, falling short of the 60% required for passage. During the January 16, 2026, City Council Planning Session, Council debriefed the bond measure and provided initial direction to guide ongoing facility planning efforts ([AB 6840](#)).

In response, staff are advancing evaluation of existing City-owned facilities to identify near- and long-term solutions for staff placement and operational needs. The findings related to the Public Works Building are included in the presentation attached as Exhibit 1 and summarized as follows:

- The Public Works Building, now approximately 46 years old, does not meet modern building codes, has aging and failing systems, and houses functions beyond its original design capacity.
- The preliminary cost estimate to fully renovate and update the Public Works Building is \$13.5M to \$16.3M, with details on the scope of the renovation included in Exhibit 1 and to be further discussed at the meeting. This preliminary cost estimate covers the Public Works building only. Additional improvements or investments in the Public Works Yard and ancillary structures also needs to be evaluated.
- Given the condition and limitations of the ancillary facilities, the project team has very preliminarily explored adding a fully conditioned storage space for some PW Maintenance vehicles such as the Vactor trucks. The preliminary cost for a structure such as this is \$4.2M to \$4.4M.

This presentation is intended to support City Council discussions and inform direction on how to approach renovation of the existing Public Works Building to maintain operational needs, as well as guide future facility planning strategies.

NEXT STEPS

Staff will gather City Council feedback and questions and prepare a formal recommendation to City Council regarding long-term use of the Public Works Building.

RECOMMENDED ACTION

No action needed. Receive Report.