



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6712
June 17, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6712: Approval of Public Safety and Maintenance Facility Schematic Design and Integration of 9655 Building	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve the Public Safety and Maintenance Facility Schematic Design and set the project budget at \$103,900,000 and direct the City Manager to prepare a bond ordinance for first reading at the July 1, 2025, City Council meeting.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Robbie Cunningham Adams, Senior Management Analyst
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Diagram of 9655 Building Integration into PSM Facility 2. Sample Pro and Con Committees Recruitment Language
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 seek City Council approval of the PSM Facility schematic design, establish the project budget, and direct the preparation of a bond measure ordinance.

- 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](#)).
- Design work for the PSM Facility shifted to the schematic design phase in the fall of 2024. Schematic design is the first step in taking a concept and turning it into a specific design plan, including architectural drawings and a site plan. The design work is nearing the conclusion of this stage.
- This agenda item is a follow-up to the material presented to the City Council on June 3, 2025 (see [AB 6701](#)) and addresses questions related to the Operations Building, 1% for the Arts, and Sales Tax.
- Staff are seeking City Council approval of the PSM Facility Schematic Design, approval of a project budget of \$103,900,000 for the PSM Facility, and direction to prepare a bond ordinance for first reading at the July 1, 2025, City Council meeting.

- In anticipation of the upcoming bond measure, staff are also requesting City Council direction to proceed with recruitment for the Pro and Con Committees. The City Council will make appointments to the respective committee at the July 15, 2025 meeting.
- The presentation will also include a discussion of the proposed acquisition and integration of the building located at 9655 SE 36th Street, which is covered in detail in AB 6714 (see also Exhibit 1).

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. Northwest Studio was selected as the consultant for this project and is supported by a variety of specialized consultants.

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 is needed to extend the life of the building until a replacement strategy is 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 are necessary to keep the Public Works 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 will 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 outlined how staff and the City's architectural consultant team, Northwest Studio, conducted workshops with the staff teams expected to be housed in the future PSM Facility to inform the ongoing design work, needs for each staff in a new facility, how a combined facility for these teams would provide operational efficiencies, and 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 Design Team to include an expanded customer service area at the main PSM building to house the City's Customer Service team. This is to ensure that the City has a "store front" given that no other City facilities are suited for this type of function. The customer service area addition will be discussed further during the presentation.

Public Safety and Maintenance Facility Schematic Design Phase Begins in 2024

Design work of 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. The design work remains in this stage. Recent Design Team actions include tours of other public safety and maintenance buildings in the region, site visits to City facilities, and ongoing design meetings with staff.

The Design Team and select Councilmembers conducted 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 Design Team and select Councilmembers also conducted a tour of the Kitsap County Public Works facility in December of 2024. This tour featured 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

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

During the March 4, 2025 City Council meeting, the PSM Design Team presented a progress update on the Public Safety and Maintenance Facility (PSM Facility) design in addition to addressing questions from the prior City Council meeting ([AB 6634](#)). The Design Team presented information on the following thematic areas:

- Planning for Potential Future Operational Capacity needs at the PSM Facility
- Functions and Uses of the Operations Building and Yard
- Alternative Construction Delivery Methods.

City staff and City Council discussed moving the siting of the main PSM Building forward (north) on the property to expand the capacity of the secure areas (parking and maintenance yard) behind the main PSM Building. Staff said this was an idea worth investigating further and committed to coming back with additional information at a future Council meeting.

Updated Public Safety and Maintenance Facility Sizing, Placement, and Zoning

Following feedback from the City Council and Police, Public Works, Emergency Operations, and IT/GIS staff, during the April 15, 2025 City Council meeting, the PSM Design 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](#)). This proposed revision to the site layout would reduce construction costs, increase operational effectiveness, and leave room for potential future operational capacity to ensure that this facility is positioned to serve the city over the next 50-plus years.

The proposed PSM Facility layout includes the placement of the Operations Building on top of the property line between the existing City Hall and Public Works parcels. The Design 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 have the correct comprehensive plan land use designation, which is "Public Facility." The zoning, however, is 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 is recommended to remain as CO to preserve flexibility for its future use. The proposed rezone is site-specific and requires approval through a quasi-judicial process.

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

During the May 6, 2025 City Council meeting the Design 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

During the June 3, 2025 City Council meeting, the Design Team presented the schematic design and updated cost estimate for the PSM Facility, highlighting how the proposed design aligns with core objectives and

supports public safety and maintenance operations ([AB 6701](#)). See the presentation deck [linked here](#) for additional information. The Design 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 is \$103,900,000. This estimate will be used as the basis for a potential bond measure that may go before Mercer Island voters in the November 2025 election to fund the project.

ISSUE/DISCUSSION

At the June 3, 2025 City Council meeting, the Design Team presented the PSM Facility schematic design and cost estimate to the City Council. The following information is provided to address questions posed by the City Council at that meeting.

Follow-up Questions on PSM Schematic Design and Cost Estimate from the June 3, 2025, City Council Meeting

- 1. The City Council expressed an interest in better understanding how the proposed Operations Building and Yard at the new PSM Facility will be used to deliver maintenance services to the community. The following narrative summarizes the maintenance functions and staff are preparing an accompanying slide deck with images and graphics to better illustrate the operations.**

The proposed Operations Building, located behind the main PSM Building, serves as the central hub for all Public Works field operations including water, sewer, stormwater, streets, parks, open space, facilities, custodial services, fleet and warehouse functions. This facility supports over 50 staff who provide essential services and operations 24 hours a day, 7 days a week, 365 days a year. Equipment and materials are stored on-site to respond to emergencies, which frequently occur outside of standard work hours and demand quick and efficient action.

City of Mercer Island maintenance field operations rely on large, specialized equipment such as snowplows, street sweepers, hydro-excavators, brush mowers, and ballfield rakes as well as bulk materials like gravel, sand, salt, soils, compost, catch basins, water meters, pipes, park furniture, and other operational supplies. Daily operations also involve the use of smaller, specialized equipment that requires dedicated storage and workspace, including small park mowers, weed eaters, generators, hand tools, blowers, and more. While much of the equipment and materials are shared across multiple disciplines and work groups, the nature of the work requires access to a wide variety of assets. Centralizing storage and access to these items in the PSM Facility Operations Building enhances efficiency, improves emergency response times, reduces unnecessary weather degradation, and extends the expected useful life of this equipment.

While the Operations Building and Yard will be primarily used by City staff, outside vendors and deliveries present potential conflicts among users, requiring a design that supports a large volume of activity and vehicle movement. The yard is designed to accommodate vehicle staging, fueling, rinsing, and appropriate loading zones to reduce these conflicts and maintain safe and efficient operations.

Operations within the Stormwater and Sewer Utilities also requires a specialized waste-handling area, known as a decant facility, which separates and disposes of waste materials properly. The decant facility

requires dedicated space in the PSM Facility Yard as it is a required design element supporting stormwater, sewer, and parks maintenance operations.

The warehouse function of the PSM Facility is essential to ensure an adequate supply of materials to support a variety of daily functions, including custodial products for park restrooms and City facilities, repair parts for utilities, street signs and pavement markings as well other specialized products. This availability of a warehouse function reduces crew travel times, allows for bulk purchasing of products, and ensures the necessary materials are available to support emergency operations.

2. What amount of Sales Tax from the PSM Facility will be returned to Mercer Island?

Of the 10.20% sales tax rate on Mercer Island, 0.85% is remitted to the City, with the remainder distributed to the State (6.5%), King County (1.35%), and other public agencies (1.5%). The City also receives a portion the criminal justice sales tax (0.1%) – a King County voter approved optional sales tax limited to funding criminal justice initiatives. The State collects this optional tax and retains a 1.5% administration fee. Of the amount remaining, 10% is distributed to the county and 90% is distributed to cities based on population.

Of the \$7,544,644 sales tax estimated to result from the PSM facility project, 0.85% or \$641,295, is estimated to be remitted to the City of Mercer Island over the life of the project.

3. Can the City Council exempt this project from the 1% for the Arts requirement?

Background on City 1% for the Arts Program

In 1993, the Mercer Island City Council adopted [Ord. No. A-108](#), establishing the 1% for Art in Public Places Fund (1% Fund) to support the acquisition and maintenance of visual artworks for the public realm ([AB 2578](#)). Today, the City's public art collection includes more than 60 works of art installed in public facilities and parks around Mercer Island.

The 1% Fund is established by [MICC 4.40.200](#), which requires all qualifying capital improvement projects to set aside 1% of the total project cost to support permanent public art installations. Qualifying capital improvement projects are defined as:

Projects funded wholly or in part by the City to construct or remodel any public project, including buildings, decorative or commemorative structures, parks or any portion thereof; and projects involving the construction, renovation or repair of public streets, sidewalks, and parking facilities.

A capital improvement project's 1% Fund contribution may be used to integrate a public art project into the capital project or transferred to the 1% Fund for future use. The PSM Facility would qualify under this definition, and staff have included an estimated \$739,633 contribution to the 1% Fund in the project cost estimate presented at the June 3, 2025 City Council meeting. It is important to note that any City-funded amount for the acquisition of real property or equipment or for demolition shall be excluded from the 1% for Art in Public Places contribution calculation.

[MICC 3.55.050](#) states that the Mercer Island Arts Council (MIAC) shall recommend projects to the City Council, using appropriations from the 1% Fund. [MICC 4.40.200\(F\)](#) notes that the 1% Fund shall be used for:

- Selection, acquisition and installation or display of original works of visual art which may be an integral part of the project, or be placed in, on or about the project or in another public facility; and
- Repairs and maintenance of public art acquired with 1% for the Art in Public Places Fund; and
- Other project-specific expenses of selection and acquisition, provided that no part of the funds shall be used to pay administrative staffing expenses of the program.

Potential Exemption of PSM Facility from 1% for Art in Public Places Contribution

City Council asked staff during the discussion at the June 3, 2025 City Council meeting if it was possible for the PSM Facility project to be exempted from the 1% for Arts Fund contribution requirements. Under the current City code, there is not an option for an exemption for this project or other projects. Consequently, an exemption for this project would require a change to the city code.

Should the City Council wish to pursue an exemption from the 1% for the Arts Fund for the PSM Facility project, staff have included an optional motion below.

The motion would direct staff to prepare an ordinance allowing the City Council by motion to fully exempt or cap a project's contribution to the 1% for the Arts Fund. For example, a code change could allow the City Council to exempt the PSM Facility project from contributing to the 1% for the Arts entirely or limit the contribution to \$50,000.

Re-location of Existing City Hall Art to the PSM Facility

It is the intent of City staff and the Design Team to relocate the existing art pieces from the old City Hall building and integrate them into the PSM Facility. Final details and placement of the art pieces will be determined during subsequent phases of design.

Integration of the 9655 Building with the Proposed PSM Facility

The City of Mercer Island is planning to acquire a 22,000 square foot commercial office building to address critical facility and operational needs. Located at 9655 SE 36th Street, the building was constructed in 1998 and shares a parcel with the building occupied by Mercer Island Pediatrics (see Exhibit 1). The City has proposed acquiring the building for \$9.06 million through eminent domain, a legal process necessary to facilitate the creation of two distinct parcels.

The purchase will be funded primarily through existing City reserves, supplemented by limited external financing. These resources reflect years of responsible budgeting, careful revenue forecasting, and prudent spending, meaning no additional taxes or revenue increases are required.

Combined with the new Public Safety & Maintenance Facility, currently under design, these buildings will serve as the new home for the departments currently housed in the aging Public Works Building and other departments displaced due to the permanent closure of City Hall.

Pending approval of the acquisition, the City expects to take ownership of the property by Fall 2025. Before opening the building for City use, a number of improvements are needed to ensure the space is ready to

support the staff and the community. The commercial building will eventually serve as the permanent location for the Community Planning and Development Department, the Public Works Capital Projects and Engineering teams, and the Youth and Family Services Department.

Pro and Con Committee Recruitment

In anticipation of the upcoming bond measure, staff are also requesting City Council direction to proceed with recruitment for the Pro and Con Committees.

Although it is not a legal requirement, the entity placing a bond measure on the ballot typically facilitates the formation of a Pro and Con committee to prepare respective statements (and rebuttals) for inclusion in the voters' pamphlet.

Upon receiving direction from the City Council to prepare a bond measure, the City Manager will solicit applicants from the community to serve on the Pro and Con committees. The solicitation will be similar to what is typically done for board and commission recruitments, with recruitment announcements provided across multiple communication channels. The applications received from the community will be presented to the City Council at the July 15, 2025 City Council meeting and the City Council will make appointments to each of the committees. The committees will be comprised of a maximum of three individuals.

For the November 4, 2025 General Election, Pro and Con Statements are due to King County Elections by August 12, 2025 and Rebuttals are due by August 14, 2025. Sample recruitment language to serve on the Pro or Con committee is attached as Exhibit 2.

NEXT STEPS

PSM Facility Bond Measure Timeline

Should the City Council approve a motion for staff to return to Council with a bond ordinance for City Council consideration, the first reading of that bond ordinance will be scheduled for the July 1, 2025 City Council meeting, with a second reading and adoption scheduled on July 15, 2025. Adoption of this ordinance would initiate the process necessary to hold an election for consideration of the PSM Facility Bond during the November 4, 2025 General Election.

In addition to the bond ordinance, there are several other items related to administering the election that will require City Council action in July - the appointment of pro and con committees and the approval of an explanatory statement for the voter guide.

The ordinance and other election related materials are due to King County Elections by 4:30 p.m. on August 5, 2025. See the [King County Elections 2025 Jurisdiction Manual](#) for additional information.

Explanatory Statement

City staff, with support from legal counsel, will prepare an Explanatory Statement for inclusion in the agenda bill for the first reading of the bond ordinance for the July 1, 2025 City Council meeting. Staff will seek City Council review and feedback on the wording of the Explanatory Statement before returning for final approval of the Explanatory Statement from Council during the July 15, 2025, City Council meeting.

The Explanatory Statement states the effect of a ballot measure if passed into law and only covers the anticipated effect of the measure should it be passed into law. The statement must not be an argument in favor of or in opposition to the measure. An explanatory statement is limited to 250 words and no more than five paragraphs. The explanatory statement must be submitted by 4:30 p.m. on August 8, 2025 to King County Elections.

PSM Facility Project Timeline After Schematic Design

From July to November, the Design Team will pause design of the PSM Facility, pending the outcome of the bond measure. During this time the staff will complete the evaluation of the alternative construction delivery method (GC/CM) and submit an application to the State. The staff will also begin work on the property re-zone.

If the bond measure passes in November of 2025, the Design Team will proceed to the next phase of design on the PSM Facility, which is expected to continue through 2026. Other expected items in 2026 include the potential selection of a GC/CM contractor, the demolition and abatement of the old City Hall building and site, and the start of the permitting process.

In 2027, the Design Team anticipates receiving final permitting approval for a groundbreaking that would occur in Q2 2027, with project construction anticipated to be 18 to 24 months following groundbreaking. Depending on the construction phasing plan, the PSM Building would potentially open first in late 2028 with the Operations Building being completed in early 2029.

RECOMMENDED ACTIONS

1. Approve the Public Safety and Maintenance Facility Schematic Design, set the project budget at \$103,900,000 and direct the City Manager to prepare a bond ordinance for first reading at the City Council meeting on July 1, 2025.
2. Direct the City Manager to commence recruitment for a Pro and Con Committee to prepare the election materials for the Voters Pamphlet.

Optional Motion:

3. Direct 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.

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