



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

**AB 6736
July 15, 2025
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 6736: Second Reading and Adoption of Ordinance No. 25-13 Related to the Public Safety and Maintenance Facility Bonds Ballot Measure	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Adopt Ordinance No. 25-13, providing for the submission on the November 4, 2025 election, a ballot measure for the Public Safety and Maintenance Facility Bonds.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Matt Mornick, Finance Director Robbie Cunningham Adams, Senior Management Analyst
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 25-13 – Bond Ballot Measure 2. Explanatory Statement
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 adopt Ordinance No. 25-13 (Exhibit 1), providing for the submission on the November 4, 2025 general election, a ballot measure for the Public Safety and Maintenance Facility Bonds. Exhibit 1 contains the ballot proposition, outlines the purpose of the bond and excess levy, and eligible uses of the bond proceeds.

- On June 17, staff presented the City Council with follow up information regarding the Public Safety and Maintenance (PSM) Facility and sought Council’s direction on the schematic design, budget, and other final components of the project ([AB 6712](#)). The City Council unanimously:
 - Approved the final schematic design for the PSM Facility.
 - Approved the PSM Facility project budget in the amount not to exceed \$103,900,000.
 - Directed the City Manager to prepare a bond ordinance for first reading at the City Council meeting on July 1, 2025.

- Directed staff to solicit community members to serve on the Pro and Con Committees to prepare respective statements (and rebuttals) for inclusion in the election guidebook. City Council will review and appoint potential applicants at the July 15, 2025, City Council meeting.
- At the July 1, 2025, City Council meeting, Ordinance No. 25-13 related to the bond measure for the Public Safety and Maintenance Facility was presented to the City Council for first reading. Staff provided an overview of the elements of City bond ordinances and the current status of City debt. Staff received City Council feedback on draft Ordinance No. 25-13, which includes the ballot title, ballot description, and the length of the repayments scheduled for the bonds ([AB 6715](#)).
- The City Council formed an ad-hoc working group comprised of Mayor Nice, Deputy Mayor Rosenbaum, and Councilmember Reynolds to work with staff and legal counsel to review the ballot language and Explanatory Statement and provide a final recommendation to the City Council for consideration at the July 15, 2025 Council meeting.
- City Council directed staff to fully exempt the PSM Facility from the 1% for the Arts contribution requirement. This reduces the project budget by an estimated \$740,000 from \$103,900,000 to a total project budget of \$103,160,000.
- If approved by Mercer Island voters on the November 4, 2025 general election ballot, the Bond measure would authorize the issuance of \$103,160,000 in unlimited tax general obligation bonds (the “Bonds”) to finance the complete design, construction, and equipping of the PSM Facility. The resulting excess levy lid lift would pay the debt service over the life of the Bonds.
- Upon receiving feedback from the City Council at the July 1 meeting and the ad-hoc committee, staff included final versions of the bond ordinance (Exhibit 1) and explanatory statement (Exhibit 2).
- Staff seeks City Council adoption of Ordinance No. 25-13, providing for the submission on the November 4, 2025 election, a ballot measure for the Public Safety and Maintenance Facility Bonds.

BACKGROUND

LONG-RANGE FACILITY PLANNING BEGINS IN 2023

In early 2023, the City began a planning process to develop a Facilities Condition Assessment for various municipal buildings and 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. 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

Due to the age and condition of the Public Works building, the City Manager directed staff and the 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). It identified multiple systems that were 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 limited short-term reinvestment was required 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 Public Works building safely operating in the near-term ([AB 6517](#)).

PUBLIC SAFETY AND MAINTENANCE BUILDING PRE-DESIGN PHASE COMPLETED IN 2024

During the March 1, 2024 Planning Session, the City Council considered a 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 Information Technology (IT) and Geographic Information Systems (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 design, staff needs in a new facility, how a combined facility could 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.

PUBLIC SAFETY AND MAINTENANCE FACILITY SCHEMATIC DESIGN PHASE BEGINS IN 2024

Work on 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. Efforts included 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 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 and previewed the likely need to rezone the property.

During the March 4, 2025 City Council meeting, the 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 PSM 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 site layout revision reduced construction costs, increased operational effectiveness, and left space for future additional operational capacity as needed to ensure the City Hall campus 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 PSM 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” (PF). 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 Commercial Office (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 prepare and submit a re-zone application 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 PSM 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. Council directed 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 PSM 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 (see [AB 6701](#) and corresponding presentation [deck](#))

The PSM Design Team reported outcomes from the independent peer-review group that conducted 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 resulting cost of the PSM Facility project is \$103,900,000. This cost estimate establishes the maximum amount of a Bond Measure outlined in Ordinance No. 25-13 (Exhibit 1).

At the June 17, 2025 City Council meeting, staff addressed City Council questions raised during the prior meeting including schematic design of the Operations Building and 1% for Art in Public Spaces ([AB 6712](#)). At the meeting the City Council unanimously:

- Approved the final schematic design for the PSM Facility.
- Approved the PSM Facility project budget in the amount not to exceed \$103,900,000.
- Direct the City Manager to prepare a bond ordinance for first reading at the City Council meeting on July 1, 2025.
- Directed staff to solicit community members to serve on the Pro and Con Committees to prepare respective statements (and rebuttals) for inclusion in the election guidebook. The City Council will review and appoint potential applicants at the July 15, 2025 Council meeting.

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 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.

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. That ordinance was scheduled for first reading and adoption on July 1, 2025 ([AB 6725](#)).

COUNCIL FIRST READING OF BOND ORDINANCE

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 provided an overview of the elements of City bond ordinances and the current status of City debt. Staff received City Council feedback on draft Ordinance No. 25-13, which includes the ballot title, ballot description, and the length of the repayments scheduled for the Bonds ([AB 6715](#)).

The City Council formed an ad-hoc working group comprised of Mayor Nice, Deputy Mayor Rosenbaum, and Councilmember Reynolds to work with staff and legal counsel to review the ballot language and Explanatory Statement and provide a final recommendation to the City Council for consideration at the July 15, 2025 Council meeting.

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 reduces the project budget by an estimated \$740,000 from \$103,900,000 to a total project budget of \$103,160,000.

City Council approved unanimously a motion to schedule Ordinance No. 25-13 for second reading at the July 15, 2025, Council meeting. The City Council will also appoint members to the Pro and Con Committees to prepare materials for the voters' pamphlet at the July 15, 2025 meeting.

ISSUE/DISCUSSION

BALLOT MEASURE ORDINANCE/BALLOT TITLE

Ordinance No. 25-13 (Exhibit 1) includes the PSM Facility Bonds ballot title, which consists of three elements: ballot caption (name of jurisdiction and a statement of the subject matter), a concise description of the measure, and a question. The concise description must not exceed seventy-five words. The ad-hoc working group met with staff and legal counsel to finalize the recommendation on the ballot title language.

Ordinance No. 25-13 further establishes the not-to-exceed amount of the Bonds and the length of the repayment schedule based on the following parameters:

- Aggregate principal (face) amount not-to-exceed \$103,160,000.
- The final repayment schedule of the Bonds may not exceed 25 years in length.

Staff have prepared an updated financial impact table below reflecting the selection of a not-to-exceed 25-year repayment schedule and the updated not-to-exceed principal amount, which adheres to the City Council direction provided at the July 1, 2025 Council meeting. Figure 1 illustrates the approximate financial impacts resulting from the Bonds.

Figure 1: Length of Bond Issue (years)	25
Final Maturity	12/1/2050
All-In True Interest Cost (TIC) ¹	4.52%
Total Debt	\$174,185,543
Average Annual Debt Service	\$7,011,830
Household Financial Impact per Month²	\$55

¹ Market conditions as of July 8, 2025.

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

EXPLANATORY STATEMENT

The ad-hoc working group also finalized the Explanatory Statement (Exhibit 2). It will be included in the voters' pamphlet for the November 4, 2025 General Election and states the anticipated effect of the measure if it passes. 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 prepared by the jurisdiction, signed off by the jurisdiction's attorney, and submitted by 4:30 p.m. on August 8, 2025 to King County Elections.

NEXT STEPS

SUBMISSION OF BOND ORDINANCE AND EXPLANATORY STATEMENT TO KING COUNTY ELECTIONS

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

CREATION OF A BALLOT MEASURE FACT SHEET

City staff will develop a fact sheet related to the PSM Facility Bonds ballot measure later this summer. The Washington State Public Disclosure Commission, which has jurisdiction over local election and campaign matters, has routinely advised and held that with respect to election-related publications, one jurisdiction-wide objective and fair presentation of the facts per ballot measure may be distributed. This information will be distributed through normal City communication channels.

RECOMMENDED ACTION

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

CITY OF MERCER ISLAND, WASHINGTON

ORDINANCE NO. 25-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, PROVIDING FOR THE FORM OF THE BALLOT PROPOSITION AND SPECIFYING CERTAIN OTHER DETAILS CONCERNING SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY AT A GENERAL ELECTION TO BE HELD THEREIN ON NOVEMBER 4, 2025, OF A PROPOSITION FOR THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$103,160,000, OR SO MUCH THEREOF AS MAY BE ISSUED UNDER THE LAWS GOVERNING THE INDEBTEDNESS OF CITIES FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE DESIGN, CONSTRUCTION, AND EQUIPPING OF A PUBLIC SAFETY AND MAINTENANCE FACILITY FOR THE CITY'S POLICE DEPARTMENT, PUBLIC WORKS MAINTENANCE TEAMS, EMERGENCY OPERATIONS CENTER, INFORMATION TECHNOLOGY, GEOGRAPHIC INFORMATION SYSTEMS (GIS), AND CUSTOMER SERVICE TEAMS, AND LEVY EXCESS PROPERTY TAXES TO PAY THE BONDS.

WHEREAS, in October 2023, the City Council of the City of Mercer Island, Washington (the "City") determined to permanently close City Hall due to discovery of structural and seismic deficiencies in the building, as well as the presence of asbestos in the HVAC system; and

WHEREAS, the closure of City Hall has displaced essential public safety operations, including the Police Department and Emergency Operations Center, and the identification of a long-term facility solution for these services is necessary for the provision of public safety services on Mercer Island; and

WHEREAS, City has been exploring options related to and developing a long-term replacement strategy for City facilities that will result in a responsible, efficient, and sustainable future for a significant portion of City operations; and

WHEREAS, given the age and condition of the current Public Works Building, the City Council directed the completion of a Facilities Conditions Assessment for this building and the assessment identified multiple systems that are failing or in need of significant repair or investment; and

WHEREAS, adequate and efficient Public Works facilities are vital for maintaining essential services such as water and sewer access, stormwater conveyance, emergency storm response, snow and ice removal, safe streets, public facilities, and clean, well-maintained parks, open spaces, and trails; and

WHEREAS, after considering a wide range of options, in March 2024, the City Council directed the City Manager to commence planning and design for a new Public Safety and Maintenance Facility (“PSM Facility”) on the current City Hall campus; and

WHEREAS, the City has conducted the pre-design and schematic design phase for the PSM Facility; and

WHEREAS, once constructed, the proposed PSM Facility will replace the existing Public Works building, maintenance yard, and temporary police facilities. The new facilities will provide a permanent location for the City’s Police Department, Public Works Maintenance teams, Emergency Operations Center, Information Technology, Geographic Information Systems, and Customer Service teams. The project will be constructed on City land at the site of the existing City Hall and Public Works building, and includes a police precinct and office building, a maintenance building, an operations yard, decant and wash bay facilities, and covered vehicle, equipment, and materials storage; and

WHEREAS, the PSM Facility represents a vital investment in City infrastructure and will support essential municipal functions; and

WHEREAS, to finance capital costs associated with the final design, construction, and equipping of the proposed PSM Facility, it is deemed necessary and advisable by the City Council that the City issue and sell one or more series of unlimited tax general obligation bonds in the principal amount of not to exceed \$103,160,000 (the “Bonds”); and

WHEREAS, the Constitution and laws of the State of Washington provide that the question of whether such Bonds may be issued and sold for such purposes and taxes levied to pay such Bonds must be submitted to the qualified electors of the City for their ratification or rejection;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council hereby finds that the best interests of the residents of the City require the City to construct, develop, improve, and equip new facilities for City operations, including but not limited to facilities to house the Police Department, Public Works Maintenance teams, Emergency Operations Center, Information Technology, Geographic Information Systems, and Customer Service teams (the “Project”). Costs of the Project, which are estimated to be more than \$103,160,000, will be paid from proceeds of the Bonds authorized herein and other available funds of the City.

The cost of all necessary design, appraisals, negotiation, property acquisition, closing, architectural, engineering, project management, financial, legal and other consulting services, inspection and testing, demolition, relocation, administrative and relocation expenses, permitting, mitigation, construction, building ingress and egress, and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Project. Such Project shall be complete with all necessary design, renovation, real property, equipment, furniture, parking, open spaces, landscaping, and appurtenances.

The City Council shall determine the exact specifications and the components for the Project, as well as the timing, order and manner of completing the Project. The City Council may alter, make substitutions to, and amend such components as it determines are in the best interests of the City and consistent with the general descriptions provided herein. The City Council shall determine the application of moneys available for the various components of the Project so as to accomplish, as nearly as may be, the entire Project.

If the City Council shall determine that it has become impractical to design, construct, improve, obtain permits, renovate, acquire, develop, or furnish all or any component of the Project by reason of changed conditions, incompatible development, costs substantially in excess of the amount of Bond proceeds or City funds estimated to be available, or acquisition by or dependence on a superior governmental authority, the City shall not be required to provide such component or components. If the Project has been constructed or acquired or duly provided for, or is found to be impractical, the City may apply remaining proceeds of the Bonds authorized herein (including interest earnings on such proceeds) or any portion thereof to other City administrative facilities or to the redemption of the Bonds as the City Council, in its discretion, shall determine.

In the event that the proceeds from the sale of the Bonds, plus any other money of the City legally available for such purpose, are insufficient to accomplish the complete Project, the City shall use the available funds to pay the costs of those portions of the Project deemed by the City Council most necessary and in the best interest of the City.

To the extent the City makes preliminary and capital expenditures for the Project prior to the date the Bonds are issued, the City intends to reimburse all or a portion of those preliminary and capital expenditures out of proceeds of the Bonds as permitted by U.S. Treasury Regulation 1.150-2(d).

Section 2. Authorization of Bonds. For the purpose of providing all or a portion of the funds necessary to finance the costs of the Project, together with incidental costs and costs of issuance of the Bonds, the City shall issue and sell its unlimited tax general obligation bonds in the aggregate principal amount of not to exceed \$103,160,000 (the “Bonds”). The Bonds shall be issued in a principal (face) amount not exceeding the amount approved by the electors of the City and not exceeding the amount permitted by the Constitution and laws of the State of Washington. In the event that the Bonds are sold at a net premium, any premium in excess of the principal amount approved by the electors (\$103,160,000) shall be used for costs of the Project, costs of

issuance or to capitalize interest on the Bonds, provided that the project fund deposit shall not exceed the amount approved by the electors. The balance, if any, of the cost of the Project shall be paid out of any other legally available funds. The Bond proceeds (and interest earnings thereon) shall be used to finance the costs of the Project, together with incidental costs and costs related to the sale and issuance of the Bonds and shall not be used for the replacement of equipment or for a purpose other than a capital purpose.

Section 3. Details of the Bonds. The Bonds provided for in Section 2 hereof shall be issued in such amounts and at such time or times as deemed necessary and advisable by the City Council and as permitted by law. The Bonds may be issued in one or more series and shall bear interest payable at a rate or rates authorized by the City Council. The Bonds shall mature in such amounts and at such times within a maximum term of 25 years from date of issue of a series, all as authorized by the City Council and as provided by law. The Bonds shall be unlimited tax general obligations of the City and, unless paid from other sources, both principal of and interest on the Bonds shall be payable out of annual tax levies to be made upon all the taxable property within the City without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms, maturities, covenants and manner of sale of the Bonds shall be as hereafter fixed by ordinance or ordinances of the City Council.

In anticipation of the issuance of the Bonds, the City may issue short-term obligations as otherwise authorized by chapter 39.50 RCW. Such obligations may be paid or refunded with proceeds of the Bonds. As set forth above, the proceeds of the Bonds may also be used to reimburse the City for preliminary and capital expenditures previously made for the Project.

Section 4. Bond Election. It is hereby found that the best interests of the inhabitants of the City require the submission to the qualified electors of the City of a proposition authorizing the City to issue Bonds for the purpose of financing costs of the Project, at an election to be held on November 4, 2025. The Director of King County Elections (the “Director”), as *ex officio* supervisor of elections in King County, Washington, is hereby requested to assume jurisdiction of and to call and conduct the election to be held within the City and to submit to the qualified electors of the City the proposition hereinafter set forth. Such election shall be conducted by mail.

The City Clerk is hereby authorized and directed to certify the proposition to the Director in substantially the following form:

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

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

Should this proposition be approved:

YES?

NO?

For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the City Council hereby designates: (a) the City Manager and (b) the City Attorney, as the individuals to whom such notice should be provided. The City Attorney and City Manager are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Director.

Upon approval of the City Attorney and bond counsel to the City, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

The proper City officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the Bonds shall be issued, as provided in this ordinance, to the electors at the November 4, 2025 election.

Section 5. Voters' Pamphlet. The preparation and distribution of a local voters' pamphlet providing information on the foregoing ballot measure is hereby authorized. The pamphlet shall

include arguments advocating approval and disapproval of the ballot measure. In accordance with RCW 29A.32.280, the arguments advocating approval and rejection of the ballot measure shall be prepared by committees appointed by the City Council. Each committee shall be composed of not more than three persons; however, a committee may seek the advice of any person or persons. The committee advocating approval shall be composed of persons known to favor the ballot measure, and the committee advocating rejection shall be composed of persons known to oppose the ballot measure.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 7. Publication and Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five days after the date of publication.

PASSED by the City Council of the City of Mercer Island, Washington, at a regular meeting of the City Council held on _____, 2025.

CITY OF MERCER ISLAND,
WASHINGTON

Salim Nice, Mayor

ATTEST:

Andrea Larson, City Clerk

Approved as to form:

Bio Park, City Attorney

PACIFICA LAW GROUP LLP

Bond Counsel

Published: _____

CERTIFICATE

I, the undersigned, City Clerk of the City of Mercer Island, Washington, and keeper of the records of the City Council, DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. 25-13 of the City (the “Ordinance”), as finally passed at a [regular/special] meeting of the City Council held on ____ ____, 2025, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this ____ day of _____, 2025.

CITY OF MERCER ISLAND, WASHINGTON

Andrea Larson, City Clerk

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

PUBLIC SAFETY AND MAINTENANCE FACILITY BONDS

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

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

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

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