



STAFF REPORT AND RECOMMENDATION

Reclassification of Property (Rezone) RZN25-001 – Exhibit 1

Project Number:	RZN25-001	
Project Name:	City of Mercer Island Public Works and City Hall Rezone	
Review Type:	Quasi-judicial	
Description:	A request for a reclassification of property (rezone) of two City-owned properties from Commercial Office (C-O) and Single-Family Residential (R-8.4) to Public Institution (PI). Both sites are designated as Public Facility in the City’s Comprehensive Plan.	
Applicant/Owner:	City of Mercer Island / Kellye Hilde, City of Mercer Island Public Works Deputy Director	
Address:	9601 & 9611 SE 36th St, Mercer Island, WA 98040 King County Assessor tax parcel numbers: 965550-0185; 265550-0075	
Zoning Designation:	Commercial Office (C-O); Single-Family Residential (R-8.4)	
Staff Contacts:	Molly McGuire, Senior Planner Jeff Thomas, Director	
Key Project Dates:	Date of Application:	September 17, 2025
	Determined to be Complete:	September 19, 2025
	Notice of Application Bulletin Published:	September 29, 2025
	Notice of Application Mailed:	September 29, 2025
	Notice of Application Posted on Site:	September 29, 2025
	Comment Period Ended:	Close of Public Hearing on November 19, 2025
	Notice of Public Hearing Bulletin Published:	September 29, 2025
	Notice of Public Hearing Mailed:	September 29, 2025
	Notice of Public Hearing Posted on Site:	September 29, 2025
	Notice of Public Hearing Published in Mercer Island Reporter:	October 1, 2025
	Date of Open Record Public Hearing:	November 19, 2025 at approximately 6:00PM

Exhibits:

1. Staff Report, dated November 19, 2025
2. Development Application
3. Reclassification of Property Application
4. Project Narrative and Criteria Compliance Narrative
5. Title Report for 9601, dated August 25, 2025
6. Title Report for 9611, dated August 25, 2025
7. Vicinity Map
8. Zoning Map, generated by the City of Mercer Island on October 8, 2025
9. Existing and Proposed Zoning Map, generated by the City of Mercer Island on September 30, 2025
10. Transportation Concurrency Certificate (TCC25-018), issued by the City of Mercer Island on November 10, 2025
11. Determination of Complete Application, issued by the City of Mercer Island on September 19, 2025
12. RZN25-001 Combined Notice of Application and Notice of Public Hearing, dated September 29, 2025
13. RZN25-001 Mercer Island Reporter Publishing Proof, dated September 25, 2025
14. Public Comments
 - 14.1. Ryan Callahan and Jennifer Hart, received September 30, 2025
 - 14.2. Robert Johnson, received October 8, 2025
 - 14.3. State of Washington Department of Fish and Wildlife (WDFW), received October 23, 2025
 - 14.4. Washington State Department of Ecology (Ecology), received October 31, 2025
15. Applicant Response to Public Comments
16. SEPA Checklist, dated September 17, 2025
17. SEPA Determination of Nonsignificance, issued by the City of Mercer Island on November 3, 2025

I. APPLICATION OVERVIEW

1. Overview: The City of Mercer Island Public Works Department requests a zoning reclassification of property for two City-owned properties. Parcel A, located at 9611 SE 36th St, is where City Hall is currently located and is zoned Commercial Office (C-O). Parcel B, located at 9601 SE 36th St, is where the Maintenance and Operations buildings are currently located. Parcel B is split-zoned Single-Family Residential (R-8.4) and Commercial Office (C-O). Pursuant to MICC 19.01.040(G)(2), where a boundary between zones divides a lot into two or more pieces, the entire lot shall be deemed to be located in the first zone on the following list in which any part of the lot is located: R-15, R-12, R-9.6, R-8.4, MF-2L, MF-3, MF-2, OS, PI, PBZ, C-O, TC, and B;

therefore, Parcel B is deemed located in the R-8.4 zone. The proposed rezone would reclassify both properties to the Public Institution (PI) zoning designation.

2. Location: The subject properties are located at 9601 and 9611 SE 36th St, situated in the southeast quarter of Section 7, Township 25 north, and Range 5 west, in the City of Mercer Island, King County, WA 98040.
3. Access: Access to the subject properties is from SE 36th St off E Mercer Way.
4. Existing Conditions: Parcel A contains the City Hall building and a large parking lot with landscaped areas to the north and west sides of the existing building. This property contains seismic geologically hazardous areas and is encumbered by watercourse and wetland buffers from adjacent properties. Parcel B contains the Maintenance and Operations buildings and the Maintenance Shop Road forms a flagpole to SE 36th St, running to the west of Parcel A. This property also contains several critical areas, including seismic, potential slide, and erosion geologically hazardous areas, Type F and piped watercourses, and several Category IV wetlands in the vegetated area to the east of the existing buildings.

The 35,832 square foot City Hall building on Parcel A was constructed in 1957. The City Hall building has not been in use for several years. Parcel B contains two buildings, a 12,752 square foot office and garage service and repair building and a separate 2,480 square foot additional garage service and repair building. These buildings were constructed in 1981 and currently house 110 City employees.

5. Contact Information:

Project Contact:	Applicant:	Engineer:
Kellye Hilde, City of Mercer Island Public Works Deputy Director 9601 SE 36th St, Mercer Island, WA 98040 (206) 275-7806	Same as project contact.	Civil: Justin Jones, JMJ Engineering 905 Main St #200, Sumner, WA 98390 (206) 596-2020

6. Terms Used:

Term:	Refers to, unless otherwise specified:
Applicant	Kellye Hilde, City of Mercer Island Public Works Deputy Director
Proposed development code amendment	Reclassification of two City-owned properties from C-O and R-8.4 to PI
Subject property, site	The subject property or site where the proposed development is located as defined in this staff report

City	City of Mercer Island
MICC	Mercer Island City Code
Code Official	City of Mercer Island Community Planning and Development Director or a duly authorized designee

II. PROCEDURE AND NOTICE REQUIREMENTS

7. Review Type: Applications for reclassifications of property (rezones) are required to be processed as quasi-judicial reviews pursuant to MICC 19.15.260 and Ch. 42.36 RCW. Following the completion of an open record public hearing, the Planning Commission shall consider the proposed amendment for conformance with the criteria listed in MICC 19.15.240. The Planning Commission shall make a written recommendation on the review to the City Council. The City Council shall consider the Planning Commission's recommendation at a public meeting where it may adopt or reject the Planning Commission's recommendation or remand the review back to the Planning Commission.
8. Application: The application for the proposed rezone was submitted on September 17, 2025. On September 19, 2025 the application was deemed complete for the purposes of review, pursuant to MICC 19.15.070 (**Exhibit 11**).
9. Notice of Application: The City issued a combined notice of application and public hearing for the rezone and associated SEPA Review applications on September 29, 2025, consistent with the provisions of MICC 19.15.260, which include the following methods: a mailing sent to neighboring property owners within 300 feet of the subject properties; a notice sign posted on the subject property; publication in the City's weekly permit bulletin; and made available to the general public upon request (**Exhibit 12**). The notice of application and public hearing was also published in the Mercer Island Reporter on October 1, 2025, as required by MICC 19.15.260 (**Exhibit 13**). The notice of application began the 30-day public comment period, which took place on September 29, 2025 through October 31, 2025. However, pursuant to MICC 19.15.260(A)(3), the city shall accept public comments at any time prior to the closing of the record of an open record public hearing.
10. Opportunities for Public Comment: Four public comments were received during the public comment period (**Exhibit 14**).
11. Response to Public Comment: While the City accepts public comments at any time prior to the closing of the open record pre-decision hearing, common practice is to request that the applicant provides responses only to those public comments received within the 30-day public comment period. The code does not require the applicant to respond to any public comments received. The applicant provided responses to the public comments received during the public comment period contained in **Exhibit 15**.
12. State Environmental Policy Act (SEPA) Review: A SEPA Determination of Non-

Significance (DNS) was issued on November 3, 2025. The appeal period closes on November 17, 2025 at 5:00PM.

13. Public Hearing: Pursuant to MICC 19.15.260, a public hearing is required for the proposed reclassification of property. A combined notice of application and notice of public hearing was provided to the public as described in MICC 19.15.260 (**Exhibits 12 and 13**).

III. ZONING AND COMPREHENSIVE PLAN DESIGNATIONS

14. Site Zoning and Land Use: Parcel 2655500075 (Parcel A) is currently zoned Commercial Office (C-O). Parcel 2655500185 (Parcel B) is currently split-zoned Commercial Office (C-O) and Single-Family Residential (R-8.4) (**Exhibit 8**). Pursuant to MICC 19.01.040(G)(2), where a boundary between zones divides a lot into two or more pieces, the entire lot shall be deemed to be located in the first zone on the following list in which any part of the lot is located: R-15, R-12, R-9.6, R-8.4, MF-2L, MF-3, MF-2, OS, PI, PBZ, C-O, TC, and B; therefore, Parcel B is deemed located in the R-8.4 zone. Both properties are designated Public Facility within the Mercer Island 2024 Comprehensive Plan.

15. Comprehensive Plan Policies: The Public Facility land use designation represents land within the City that is intended for public uses, including but not limited to schools, community centers, City Hall, and municipal services.

16. Adjacent Zoning and Comprehensive Plan Designations:

Adjacent Zone	Parcel A	Parcel B
To the North	PI	PI
To the South	R-8.4 (Parcel B)	R-8.4
To the East	C-O (Parcel B)	C-O & R-8.4 (MF-2 beyond)
To the West	C-O	C-O & R-8.4

IV. CONSISTENCY WITH REVIEW CRITERIA FOR RECLASSIFICATION OF PROPERTY (REZONES)

17. MICC 19.15.240 contains the criteria for which the Planning Commission will review the rezone application for compliance with and make a written recommendation to the City Council.
 - A. *Purpose*. The purpose of this section is to establish the process and criteria for a rezone of property from one zoning designation to another.
 - B. *Process*. A rezone shall be considered as provided in MICC 19.15.260 and according to the Appearance of Fairness doctrine statutory requirements.
 - C. *Criteria*. The city council may approve a rezone only if all of the following criteria are met:

- 1) The proposed reclassification is consistent with the policies and provisions of the Mercer Island comprehensive plan;

Staff Finding: Both parcels are designated as Public Facility in the Future Land Use Map of the 2024 Mercer Island Comprehensive Plan, which was adopted on November 19, 2024 by Ordinance No. 24C-16. The Comprehensive Plan states that “[t]he public facility land use designation represents land within the City that is intended for public uses, including but not limited to schools, community centers, City Hall, and municipal services”. Reclassifying these properties to the Public Institution (PI) zoning designation would directly align with the Public Facility Comprehensive Plan designation and would reflect both the current and planned public use of the properties.

The reclassification to the PI zone would support the development of a new Public Safety and Maintenance (PSM) Facility, which would replace the aging City Hall and Public Works buildings with a modern complex housing the City’s Police Department, Emergency Department, Public Works Maintenance Operations, GIS, IT, and Customer Service staff. The City proposes to consolidate these services in a purpose-built facility to ensure efficient land use and reliable delivery of essential public functions.

The proposal is consistent with the following Comprehensive Plan goals and policies:

Capital Facilities Element, Goal 1 – Ensure that capital facilities and public services necessary to support existing and new development are available at locally adopted levels of service. This goal calls for supporting essential public facilities that maintain community safety, health, and livability, directly aligning with the siting of the new PSM Facility.

Capital Facilities Element, Goal 2 – Plan for and replace aging and obsolete public buildings to ensure reliable and efficient delivery of essential services. The proposed replacement of City Hall and the Public Works buildings with the PSM Facility fulfills this goal by addressing outdated infrastructure and providing resilient, long-term civic facilities.

- 2) The proposed reclassification is consistent with the purpose of the Mercer Island development code as set forth in MICC 19.01.010;

Staff Finding: The purpose of the Mercer Island development code as set forth in MICC 19.01.010 is as follows:

The general purpose of this Code is to protect and promote health, safety, and the general welfare through the regulation of development within the city of Mercer Island.

To that end, this Code classifies the land within the city into various zones and establishes the use of land and nature of buildings within those zones; controls the form of plats and subdivisions; regulates the construction of commercial and residential structures; and protects critical and sensitive areas within the city.

The provisions of this Code are designed to consider light, air and access; to conserve and protect natural beauty and other natural resources; to provide coordinated development; to avoid traffic congestion; to prevent overcrowding of land; to facilitate adequate provisions for transportation, water, sewage, schools, parks and other public requirements; and to encourage the use of solar energy practices.

This Code is to be interpreted as a whole, in view of the purpose set out in this section.

If the general purpose of this development code conflicts with the specific purpose of any chapter of this development code, the specific purpose shall control.

The proposed reclassification achieves these purposes by implementing the Comprehensive Plan, which designates the subject properties as Public Facility intended for civic and institutional uses. The reclassification would promote health, safety, and welfare by enabling the construction of the Public Safety and Maintenance (PSM) Facility, which directly supports public health and safety through daily operations in Police, Emergency Management, GIS, IT, and Public Works and Maintenance Operations.

Additionally, the proposed reclassification would apply a single zoning designation to both parcels, one of which is currently split-zoned. The reclassification would allow the all City-owned facilities on these parcels to be reviewed under clear, consistent, and well-established standards and reflect the expectations for civic development.

- 3) The proposed reclassification is an extension of an existing zone, or a logical transition between zones;

Staff Finding: The proposed reclassification would be an extension of the existing Public Institution zoning designation, which covers the area between the north property lines of the subject parcels and the north

side of I-90 (**Exhibit 8**). The reclassification would also provide a logical transition between zones:

Adjacent Zone	Parcel A	Parcel B
To the North	PI	PI
To the South	R-8.4 (Parcel B)	R-8.4
To the East	C-O (Parcel B)	C-O & R-8.4 (MF-2 beyond)
To the West	C-O	C-O & R-8.4

The applicant asserts that Parcel A fronts SE 36th St (zoned PI) to the north and is adjacent to C-O zoning, which is compatible with the PI zone given the shared emphasis on employment, service delivery, and larger building forms. Parcel B abuts SE 40th St to the south and is adjacent to R-8.4 zoning. The PI designation would provide a civic buffer between higher-intensity municipal uses and the surrounding low-density residential neighborhood. Both parcels are bounded by C-O and R-8.4 zones to the east and west, further reinforcing the appropriateness of the PI zone as a unifying classification that bridges residential and commercial contexts. Rezoning the properties to PI would create a clear, predictable, and context-sensitive transition between commercial and residential areas while formalizing the long-established role of this site as Mercer Island’s civic and operational hub.

- 4) The proposed reclassification does not constitute an illegal site-specific rezone;

Staff Finding: The proposed rezone does not constitute an illegal site-specific rezone (spot zone) as the action is not an illegal spot zone. The subject properties are adjacent to SE 36th St, which is zoned PI. Past case law has determined that an illegal site-specific rezone (spot zone) singles out a small area from a larger area or district and specifically zones it for a use classification completely different and not in accord with the surrounding land, or the Comprehensive Plan and is not related to the general plan for the community as a whole. Decision makers must determine whether the zoning action bears a substantial relationship to the general welfare of the affected community.

An illegal spot zone would have some or all of the following characteristics:

1. Carves a small area out of a larger zoning district;

The parcels are adjacent to SE 36th St to the north, which is zoned PI. The proposed rezone would expand the existing PI zone to the south, and create two C-O zones to the east of west of the subject

properties. The R-8.4 zones to the east, west, and south of Parcel B would be maintained. The proposed rezone would not isolate a small property within a larger zoning district or create an island of inconsistent zoning. Instead, rezone involves two contiguous, City-owned parcels that are adjacent to existing PI zoned property.

2. Allows uses of the smaller area that are inconsistent with uses allowed in the remaining larger zoning district;

The types of uses allowed in the PI and C-O zones are similar and both include government services and public and private schools. Public and private schools are also allowed in the single-family residential zones, and government services are allowed as a conditional use. The uses allowed in the PI zone are not inconsistent with the uses allowed in the remaining C-O and R-8.4 zoning districts.

3. Allows a use of the smaller area that is not in accord with the Comprehensive Plan;

The subject properties are designated Public Facility in the Comprehensive Plan. The uses allowed in the PI zone are in accord with the Public Facility Comprehensive Plan designation and are not inconsistent with the uses in the surrounding zoning districts.

4. Is merely for the private gain of one or a group of owners to the detriment of their neighbors without adequate public advantage or justification; and

The applicant asserts that the proposed rezone would confer no private gain and exists solely to support essential government operations. The proposed rezone would benefit the public by enabling the replacement of outdated municipal facilities. The rezone would not be detrimental to the neighborhood, as the properties have been consistently used as municipal services for decades. The proposed rezone would allow the properties to be developed in a manner that provides essential government services with greater coordination and efficiency between departments and, therefore, provides a greater benefit City wide.

5. Has no substantial relationship to the public health, safety, and general welfare.

The proposed rezone would directly support public health, safety and welfare by enabling the replacement of outdated municipal facilities with a modern Public Safety and Maintenance (PSM)

Facility design to enhance the City's ability to deliver essential services. As discussed further below in Section 6, current municipal services are provided out of temporary facilities, which largely include remote offices, combining workspaces in existing buildings, and portable buildings. These facilities are inadequate and hinder the City's ability to provide essential services in an efficient manner. By enabling the City to construct a single, purpose-built facility to improve efficiency, strengthen emergency response, and ensure reliable delivery of essential public services, the rezone would provide a benefit to the public health, safety, and general welfare of the City.

- 5) The proposed reclassification is compatible with surrounding zones and land uses;

Staff Finding: The subject properties currently contain City Hall and the Public Works Maintenance and Operations facilities, both of which are long-standing civic uses that have coexisted compatibly with the adjacent residential and commercial areas for decades. The reclassification would formalize this civic use and align with the Mercer Island 2024 Comprehensive Plan Public Facility designation.

The applicant asserts that the proposed PI zone would be compatible with the C-O zone as both accommodate larger building forms, structured parking, and employment or service-related uses. Staff agree with this assertion. Both the C-O and PI zones allow similar uses at a similar scale. The adjacent R-8.4 zone is a low-density, single-family zone. The proposed PI zone would provide an appropriate civic transition between municipal functions and residential neighborhoods. Compatibility would be reinforced through site design standards.

The PI zone is intended to accommodate government and institutional uses and is applied in multiple locations across Mercer Island where public facilities are located adjacent to residential and commercial districts. The proposed zone reflects the existing civic land use pattern and ensures long-term compatibility with surrounding zones and land uses.

- 6) The proposed reclassification does not adversely affect public health, safety and welfare; and

Staff Finding: The proposed rezone would directly support public health, safety and welfare by enabling the replacement of outdated municipal facilities with a modern Public Safety and Maintenance (PSM) Facility designed to enhance the City's ability to deliver essential services. The proposed rezone is consistent with the Public Facility designation in the Mercer Island 2024 Comprehensive Plan and would

allow the City to consolidate Police, Emergency Management, GIS, IT, and Public Works Maintenance and Operations in a single, purpose-built facility which would improve service coordination, emergency response times, and overall operational efficiency and advance public safety and welfare. These services are currently provided out of temporary facilities, which largely include remote offices, combining workspaces in existing buildings, and portable buildings where the Police operate from the parking lot of City Hall. These facilities are inadequate and hinder the City's ability to provide essential public services in an efficient manner.

Additionally, the Comprehensive Plan Capital Facilities Element, Goal 1 is to ensure that capital facilities and public services necessary to support existing and new development are available at locally adopted levels of services. Providing essential public facilities that maintain community safety, health, and livability would implement this policy directive.

- 7) If a comprehensive plan amendment is required in order to satisfy subsection (C)(1) of this section, approval of the comprehensive plan amendment is required prior to or concurrent with the granting of an approval of the rezone.

Staff Finding: The proposed rezone does not require a comprehensive plan amendment.

V. RECOMMENDED CONDITIONS OF APPROVAL

- 1) Following approval of a rezone, the City shall amend the zoning map to reflect the change in zoning designation. The City shall also indicate on the zoning map the number of the ordinance adopting the rezone.

VI. RECOMMENDATION

Staff reviewed the proposed application in accordance with the criteria for reclassifications of property (rezones). The staff report and findings are based on the application and all supplemental information. The Planning Commission shall consider the proposed amendment for conformance with the criteria listed in the applicable section, the comprehensive plan, and other applicable development standards. Staff recommend that the Planning Commission move to recommend approval of the proposed reclassification of property (rezone), City File Number RZN25-001.

Molly McGuire

Molly McGuire, Senior Planner
City of Mercer Island Community Planning and Development