

City of SeaTac

Council Study Session Minutes Synopsis

September 13, 2016
5:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Study Session (CSS) was called to order by Mayor Michael Siefkes at 5:01 p.m.

COUNCIL PRESENT: Mayor Michael J. Siefkes, Councilmembers (CMs) Rick Forschler, Kathryn Campbell, Peter Kwon, Tony Anderson, and Erin Sitterley. Excused Absent: Deputy Mayor (DM) Pam Fernald.

STAFF PRESENT: Acting City Manager Joe Scorcio, Senior Assistant City Attorney Mark Johnsen, City Clerk Kristina Gregg, Public Works (PW) Director Will Appleton, Acting Finance Director Gwen Pilo, Acting Community & Economic Development (CED) Director/Economic Development (ED) Manager Jeff Robinson, Senior Planner Al Torrico, Planning Manager Steve Pilcher, Parks & Recreation (P&R) Director Lawrence Ellis, Acting Finance Director Gwen Pilo, Police Chief Lisa Mulligan, GIS Analyst Anna Yost, Recreation & Cultural Service Manager Brian Tomisser, Community Service Officer Sana Toutai-Wight, Associate Planner Brianna Burroughs, and Judicial Support Specialist Nelda Medina.

PUBLIC COMMENTS (related to the agenda items listed below): Earl Gipson spoke regarding Low Impact Development (LID).

PRESENTATIONS - INFORMATION ONLY:

Introduction of New/Promoted City Employee: GIS Analyst Anna Yost, Recreation & Cultural Service Manager Brian Tomisser, Community Service Officer Sana Toutai-Wight, Associate Planner Brianna Burroughs, and Judicial Support Specialist Nelda Medina

Acting City Manager Scorcio introduced the new and promoted employees.

AGENDA BILLS:

Agenda Bill #4428; A Resolution authorizing the City Manager to execute an amendment to extend a Development Agreement (DA) with Equitable Capital, LLC/South 200th Street LLC.

Summary: Equitable Capital/South 200th Street LLC ("Equitable Capital") currently has a DA with the City for their property located adjacent to the Angle Lake Light Rail Station. This DA allows for a deviation of the City's internal landscaping requirements for the park and fly operation on the property. Currently, the DA provides that internal landscaping needs to be constructed on the property within one year of the opening of the Angle Lake Light Rail Station. Since it is highly likely that the property will be redeveloped now that the Light Rail Station is opening, an extension of the current agreement makes sense to both the property owner and the City.

In February 2016, the City acquired a portion of the property owned by Equitable Capital through eminent domain proceedings as part of the City's Connecting 28th/24th Road Improvement Project. When acquiring property through eminent domain, the City is required to pay the property owner just compensation. In this case, the City and Equitable Capital attended mediation in June 2016, with further negotiations continuing through the end of July. The City and Equitable Capital have agreed to settle the case. The agreed settlement provides that the City will compensate Equitable Capital \$724,950 for the value of the underlying land, a temporary construction easement, and the impact and damage to the property. In addition, the City agrees to extend the current DA for 10 years. City Council action is required to approve the DA. This Resolution approves the extension of the DA. All other DA terms remain in effect.

A public hearing (PH) is required before City Council action. Therefore, this matter will come before the Council for a PH and Council action at the September 27, 2016 Regular Council Meeting (RCM). Without approval of the DA extension, the City and Equitable Capital will need to continue negotiations to resolve the eminent domain action, which could result in the City paying higher monetary compensation for the acquired property. Both parties believe that the monetary payment and the extension of the DA is a fair compromise to resolve this case.

Passage of this Resolution does not have a direct fiscal impact. However, a key portion of the negotiated settlement of the pending condemnation action is tied to the extension of the DA.

Senior Assistant City Attorney Johnsen reviewed the agenda bill summary.

AGENDA BILLS (continued):

Agenda Bill #4428 (continued): Council and staff discussion ensued regarding the 10-year extension term.

Council consensus: Refer to the 09/27/16 RCM PH and Council action

Agenda Bill #4425; A Resolution approving application to the Port of Seattle (POS) Economic Development (ED) Partnership Program in the amount of \$27,650 for an upgrade to the City's ED website.

Summary: In June 2016, the POS announced the 2016 ED Partnership Program. This is a grant program with the objective of helping "fund local ED initiatives across KC" to support City specific projects that create jobs, foster business growth, and support the Port's interests. The grant funds cannot be used for capital projects. The fund allocation to each City is based on a \$1 per capita distribution formula and the amount established for SeaTac is \$27,650. The grant requires a 50% match which equates to \$13,825. These matching funds would be provided by the Hotel/Motel (H/M) Tax Fund 107, which has sufficient 2016 revenue allocated to Brand Development and Marketing and Professional Services to meet the match requirement.

Based upon conversations with Port staff, it was determined that an update to the City's ED website would be an eligible use of the allocated funds. The format and functionality of this website has not been updated since it was created in 2008. This project will be synchronized with a long planned comprehensive re-design and update to the City's main website.

The grant provides \$27,650 for the redesign and development of the City's ED web pages. The H/M Tax Fund 107 has approximately \$60,000 available in Brand Development and Marketing to provide the required 50% match of \$13,825.

Acting CED Director/ED Manager Robinson reviewed the agenda bill summary.

Discussion ensued regarding the costs and benefits of this upgrade. Mr. Robinson stated that the grant was based per capita.

Council consensus: Refer to the 09/27/16 RCM Consent Agenda

Agenda Bill #4423; A Motion amending the Low Impact Development (LID) Code Integration Contract with Herrera Environmental.

Summary: The proposed amendment to the City's LID Code Integration professional services agreement with Herrera Environmental Consultants will expand the terms of the agreement to address additional work necessary for an expanded public process given the concerns raised about the LID Code Integration Project. Specifically, the proposed contract amendment will allow for four additional public meetings not included in the original contract. These public meetings include: one additional Planning Commission (PC) Meeting; two Transportation and Public Works (T&PW) Committee Meetings; and one additional Council Study Session (CSS).

The contract amendment will increase the previous contract amount from \$49,954 to \$56,526, a \$6,572 increase. The amended 2015-2016 biennial budget includes an additional \$34,000 appropriation for professional services for the LID Code Integration Project. This funding, plus a \$25,000 Stormwater Capacity Grant received from the Washington State Department of Ecology provides a total of \$59,000 in funding available for this project. See summary below:

Project Budget	Anticipated Project Costs
\$34,000 Professional Services	\$49,954 Original Contract
\$25,000 Ecology Grant	\$6,572 Contract Amendment
\$59,000 Total Budget	\$56,526 Total Anticipated Costs

PW Director Appleton reviewed the agenda bill summary.

Council discussion ensued regarding why these issues weren't foreseen earlier. Some CMs commented they do not feel the City should pay Herrera additional money for what they feel should have been foreseen.

Council consensus: Refer to the 09/27/16 RCM Action Item

AGENDA BILLS (continued):

Agenda Bill #4426; A Resolution stating the City Council's intent to amend the City's Municipal Code related to parking and the Commercial Parking Tax.

Summary: This Resolution states the City Council's intent to consider Ordinances within the next several months related to the Commercial Parking Tax and Parking. These Ordinances would address the following specific issues:

1. Whether the Commercial Parking Tax rate should increase, especially related to short term parking;
2. Whether the Commercial Parking Tax should automatically increase periodically based on the rate of inflation or other factors deemed appropriate by the City Council;
3. Whether paid "local employee parking" should be exempt from the Commercial Parking Tax;
4. Whether a parking permit program should be created in order to mitigate the impacts of Sea-Tac International Airport and Sound Transit light rail stations on the City's streets, especially in residential neighborhoods.

This Resolution does not bind the City Council to any decisions regarding the above items. Rather, it simply states the Council's intent to consider legislation regarding these issues. If passed, a copy of this Resolution will be provided to the Airport Director at Sea-Tac Airport, the POS Commission, the Sound Transit Director, park and fly businesses, hotels, and other known businesses subject to the Commercial Parking Tax.

This item was discussed by the Administration & Finance (A&F) Committee on August 29, 2016, and the committee recommended approval.

Acting City Manager Scorcio reviewed the agenda bill summary.

Discussion ensued regarding the intent of this Resolution, POS performance standards, and employer paid parking not paying parking tax.

Council consensus: Refer to the 09/27/16 RCM Consent Agenda

Agenda Bill #4321; An Ordinance repealing Chapter 5.05 of the SeaTac Municipal Code (SMC) relating to Business Licenses and Regulations and replacing it with a new Chapter 5.05.

Summary: There were two parts to the business license improvement project. The first looked at streamlining the review of business licenses to reduce the amount of time it took to issue business licenses. This component is complete and has been implemented. The second part, which is the focus of this agenda bill, reviewed and proposes revisions to the business license ordinance. The majority of the existing Chapter 5.05 was a product of King County's (KC) Business License regulations which were adopted when the City incorporated in 1990. A process improvement team (primarily staff from Community and ED and Finance Departments) conducted a full analysis and review of the existing regulations. This review resulted in the removal of dated references and language that is no longer applicable and revised the remaining language to align with the streamlined business license review process. The following is a summary of the major changes to Chapter 5.05 Business Licenses and Regulations:

- Failure to renew or obtain a business license within the prescribed amount of time will result in following the procedures for a "Notice of Infraction" and a hearing before the Municipal Judge.
- Applicants are given 30 days to renew their business license, rather than the 60 days in the current ordinance.
- Appeal of a Notice of Denial, Suspension or Revocation remains under the Hearing Examiner to hear the case, but it has been revised to include an appeal process, time to respond and make corrective action.
- Penalties for late applications have been streamlined in Section 5.05.110 in the proposed ordinance.
- Pawnbrokers remain in the new ordinance in Section 5.05.210 and "Charitable Solicitations" was kept in the proposed ordinance, because a different area of the SMC makes references to the section.
- Section II. County Provisions Adopted by Reference in the existing Ordinance has been deleted because KC issues those licenses.

Senior Planner Torrico and Acting Finance Director Pilo reviewed the agenda bill summary and changes made since the last Council review.

CM Sitterley stated the A&F Committee reviewed this item and recommended approval.

Council and staff discussion ensued regarding whether this document covers everything and is enforceable, non-profits, penalties, dormant businesses not needing to pay for license, web based process, considering additional

AGENDA BILLS (continued):

Agenda Bill #4321 (continued): categories (other “c” categories) for no fee or reduced rate, and rates needing to be reviewed prior to installing penalties. A question was also raised as to whether the city needs to require an affirmation letter for non-profits prior to processing a business license application.

Council consensus: Refer to future Administration & Finance (A&F) Committee Meeting

Agenda Bill #4358; An Ordinance amending Chapter 15.700 of the SeaTac Municipal Code (SMC) related to environmentally sensitive (critical) areas.

Summary: The proposed amendments (which do not exceed the minimum state standards) update sections of regulations governing development around wetlands and wetland buffers, include a new section on wetland identification and rating, and update the section on wetland mitigation. The proposed amendments also update regulations protecting groundwater resources used for potable water, including wellhead protection areas. There are also some updates to existing definitions, proposed definitions for terms not currently defined, and some existing regulations are amended to resolve conflicts or to simplify language for clarity. The section specifying the required contents of a Sensitive Area Special Study is amended to include the use of Best Available Science (BAS), and the term "Environmentally Sensitive Area" or "Sensitive Area" is amended throughout to "Critical Area" for consistency with state and local usage.

The PC forwarded a draft of the proposed amendments to the Council following their May 17, 2016 PH. That draft included language addressing comments and concerns raised at the PH.

At the May 24, 2016 CSS, the Council sent that draft to the Land Use and Parks (LUP) Committee for further review. After extensive review and discussion, the LUP Committee recommends additional amendments, including:

- Modifying the definition of “Alteration;”
- Including a "hydrogeologist licensed in the state of Washington” as a qualified professional for wetland studies;
- Including a provision to allow crediting of the cost of critical area studies against permit fees, if a required Critical Area Report concludes that there is no critical area on a site;
- Expanding the list of uses allowed in a wetland or wetland buffer to include (among other things) normal and routine maintenance of existing facilities and redevelopment of portions of a buffer occupied by legally established non-conforming uses and structures.

If the City does not complete this required update, the City would be non-compliant with the Growth Management Act (GMA) and potentially ineligible to receive certain grants and loans from the state for certain projects such as water pollution control funds. The statutory due date was June 30, 2016. However, per advice from the Department of Commerce, the Council adopted a resolution at the June 28, 2016 RCM committing to completing this work by September 30, 2016.

There is no direct fiscal impact. However, the proposed amendments would eliminate the current practice of collecting funds for and administering consultant contracts for critical area studies, by allowing property owners to select a qualified professional from an approved list.

Planning Manager Pilcher reviewed the agenda bill summary.

Discussion ensued regarding concerns with this process and the need for a scientist to provide input.

Council stated their understanding of the need for this to be approved before the end of September but requested review and revision to this ordinance within the next 12 months. The LUP Committee will continue to review this issue.

Acting City Manager Scorcio stated that there’s not that much activity related to wetlands. There have only been two wetland developments in the past three years.

Council consensus: Refer to the 09/27/16 RCM Consent Agenda

ADJOURNED: Mayor Siefkes adjourned the Council Study Session at 6:35 p.m.