

# City of SeaTac

## Council Study Session Minutes Synopsis

October 25, 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 5:00 p.m.

**COUNCIL PRESENT:** Mayor Michael J. Siefkes, Deputy Mayor (DM) Pam Fernald, Councilmembers (CMs) Rick Forschler, Kathryn Campbell, Peter Kwon, Tony Anderson (*arrived at 5:13 p.m.*), and Erin Sitterley.

**STAFF PRESENT:** Acting City Manager Joe Scorcio, Senior Assistant City Attorney Mark Johnsen, City Clerk Kristina Gregg, Parks, Community Programs, & Services Director Lawrence Ellis, Police Chief Lisa Mulligan, Acting Community & Economic Development (CED) Director/Economic Development (ED) Manager Jeff Robinson, Senior Planner Anita Woodmass, Senior Planner Al Torrico, Acting Finance Director Gwen Pilo, Public Works (PW) Director Will Appleton, and Deputy Fire Chief Brian Wiwel.

**PUBLIC COMMENTS (related to the agenda items listed below):** There were no public comments.

### AGENDA BILLS:

#### **Agenda Bill #4444; A Motion approving the Fiscal Year 2017 Budget for the Seattle Southside Regional Tourism Authority (SSRTA).**

**Summary:** In 2014, the SSRTA was formed. The main purpose of creating the SSRTA was to allow for hotels with 90 or more rooms to collect a special assessment of \$2.00 per night, which would be used to expand tourism promotion services by Seattle Southside Visitor Services. When the SSRTA was formed, the SeaTac City Council was designated as its Legislative Authority. One of the responsibilities of the Legislative Authority is the approval of a budget for the expenditure of the special assessments, which is a requirement of State Law and was set forth by Interlocal Agreement (ILA) and the SSRTA Charter. The ILA and Charter for the SSRTA provides that the special assessments can be used for the following purposes: (a) The general promotion of tourism within the Seattle Southside Tourism Promotion Area (TPA) as specified in the business plan of the SSRTA; (b) The marketing of convention and trade shows that benefit local tourism and the Lodging Businesses in the Seattle Southside TPA; (c) The marketing of the Seattle Southside TPA region to the travel industry in order to benefit local tourism and the lodging businesses in the Seattle Southside TPA; (d) The marketing of the Seattle Southside TPA region to recruit sporting events in order to promote local tourism and to benefit the Lodging Businesses and tourism industry within the Seattle Southside TPA; and (e) Direct administration, operation, formation, and start-up costs associated with the Seattle Southside TPA and the ongoing management and maintenance of the Seattle Southside TPA program, including but not limited to staff costs, public notice advertising, legal costs, accounting and auditing (including audits of the Parties and the SSRTA as they relate to this Agreement), as approved by the SSRTA Board of Directors, provided no funds will be used for costs not directly related to the operation of the Seattle Southside TPA, this Agreement, or the SSRTA. The proposed Motion approves the 2017 budget for the SSRTA, so that funds received from the special assessments can be expended. This budget was created by the SSRTA, and the SSRTA is solely responsible for the expenditure of these revenues. Since these assessments are collected by the Department of Revenue, and disbursed directly to the SSRTA, the City's role is one of general oversight by approving their budget. The RTA Budget also includes Lodging Tax funds awarded by jurisdictions which comprise the TPA.

This Budget approval does not have any financial impact on the City's overall budget or balance sheet. The SSRTA Budget is only included as a specific Component Unit of the City's Financial Statement.

Acting CED Director Robinson reviewed the agenda bill summary.

Seattle Southside RTA President/CEO Katherine Kertzman briefed on the budget with a projection of \$4,698,000 for revenues and \$5,917,579 in expenditures.

CFO Brenda Rolph stated the RTA board passed a resolution establishing a minimum net position reserve with two parts: (1) 2 months minimum operating reserve, but exceeding that with almost 3.5 months, and (2) a recession reserve of 11% of annual Tourism Promotion Area Special Assessment.

**AGENDA BILLS (continued):**

**Agenda Bill #4444 (continued):** Discussion ensued regarding the funding for SSRTA and the SSRTA footprint. Funding comes from the lodging tax and TPA assessment and in order to increase the footprint, additional cities would need to be added. SSRTA chose to just focus on the three cities of Tukwila, Des Moines, and SeaTac. Currently, any hotel within the three cities with 90+ rooms are already included.

**Council consensus:** Refer to the 11/08/16 RCM Consent Agenda

Ms. Kertzman presented the 2016-2021 Strategic Plan overview, Seattle's Backyard campaign, and 2017 Workplan.

*CM Anderson arrived at this point in the meeting.*

Council discussion ensued regarding the Strategic Plan, campaign, and workplan.

**Agenda Bill #4445; A Motion adopting the 2017 City of SeaTac Legislative Agenda.**

**Summary:** Each Fall, prior to the State Legislative session, the City adopts the agendas to guide the work of staff and government affairs representatives in Olympia and elsewhere during the upcoming Legislative session which begins in January. These agendas were developed with input from the City Council, staff, and the City's Government Affairs consultant / lobbyist, as well as being reviewed and revised by the A&F Committee on September 26, 2016.

Acting CED Director Robinson reviewed the agenda bill summary.

Gordon Thomas Honeywell Vice President of Governmental Affairs Briahna Murray introduced Consultant Chelsea Hager who detailed what to expect in the next session: begins January 9, 2017, two-year biennial cycle, and primary task is to develop a budget for July 1, 2017 – June 30, 2019.

Ms. Murray stated there will be many new legislators, potential for narrow majorities and shift in majorities, McCleary Deadline, and beginning of the two-year cycle – budget opportunities.

Ms. Murray briefed on the city's proposed 2017 Legislative Agendas, external and internal.

Discussion ensued regarding the agendas, SR 509 scheduling, housing affordability, and infrastructure funding.

Next steps: pre-session meetings in November and December, goal was to schedule meetings with legislators after election.

**Council consensus:** Refer to the A&F Committee and 11/08/16 RCM Action Item

**Agenda Bill #4470; A Motion authorizing the Acting City Manager to negotiate a final Term Sheet between the City of SeaTac and Sound Transit related to the Federal Way Link Extension (FWLE) Project.**

**Summary:** The Federal Way Link Extension Project (Project) is part of the Sound Transit 2 (ST2) Plan, for which voters approved financing in 2008. It is also an element of Sound Transit's Long Range Transit Plan.

In July 2015, the Sound Transit Board identified a Preferred Alternative to extend light rail to Federal Way. The Project would start from the Angle Lake Station and transition east to travel south along Interstate 5. In the Kent/Des Moines area, the alignment would transition west to be close to Highline College with a station located west of 30th Avenue South. The alignment would then continue south along I-5 with stations at the South 272nd Star Lake park and ride and at the Federal Way Transit Center, along the west side of 23rd Avenue South.

Sound Transit is conducting environmental review for the Project in accordance with the National and State Environmental Policy Acts (NEPA and SEPA). The Sound Transit Board is expected to make a final decision on the project to be built in early 2017, after publication and consideration of the Final EIS.

This motion authorizes the Acting City Manager to negotiate a final Term Sheet with Sound Transit which is intended by the Parties to serve as a non-binding statement of the Parties' progress toward goals identified by the Sound Transit Board in their Motion M2015-56 and goals identified by the City.

**AGENDA BILLS (continued):**

**Agenda Bill #4470 (continued):** These goals include establishing a consolidated permitting process, resolving how conflicting code requirements may be resolved, vesting and reimbursement of staff time.

Additional issues not addressed in this Term Sheet will be identified and included in a Development Agreement and future agreements. The City and Sound Transit recognize that future agreements will be subject to approval by the City Council and Sound Transit Board and must comply with applicable state and federal regulations.

It is staff's recommendation that a Term Sheet be signed by December 31, 2016.

The City has been tracking time spent working on the FWLE Project and will incorporate a reimbursement provision into the Term Sheet, development agreement and any other agreements. This is consistent with prior agreements dealing with the Airport Station and Angle Lake Station projects.

Senior Planner Woodmass reviewed the agenda bill summary.

Council discussion ensued as to why this is needed and whether a precedent has been set. Mr. Scorcio stated term sheets are a high level agreement. Staff wants to make sure to set the stage based on lessons learned from previous agreements.

A question was also raised regarding safety for business owners. Mr. Robinson stated that will be considered as part of the DA.

**Council consensus:** Refer to the 11/08/16 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 Business License regulations which were adopted when the City incorporated in 1990. A process improvement team (primarily staff from Community and Economic Development 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:

- (1) 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.
- (2) The 30 day grace period was removed.
- (3) Business license fees have been REMOVED from the ordinance and are located in the "City's Schedule of License Fees, Permit Fees, Other Fees and Charges for City Services".
- (4) 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.
- (5) Penalties for late applications have been streamlined in Section 5.05.110 in the proposed ordinance.
- (6) Non-Profit Organization was revised to include providing proof of 501(c)(3) status.
- (7) "Dormant Status" was added to Term and Renewal of License.
- (8) 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 Municipal Code (SMC 5.10 Solicitors & Canvassers) makes references to the section.
- (9) Section II. County Provisions Adopted by Reference in the existing Ordinance has been deleted because King County issues those licenses.

Senior Planner Torrico and Acting Finance Director Pilo reviewed the agenda bill summary.

**AGENDA BILLS (continued):**

**Agenda Bill #4321 (continued):** Discussion ensued regarding fees, which have been included in the City's fee schedule instead of within the code. The fee schedule will be presented at the November 7 Budget Workshop 4.

CM Sitterley stated the A&F committee has reviewed this item three times and recommends it for approval.

**Council consensus:** Refer to the 11/08/16 RCM Consent Agenda

**Agenda Bill #4466; An Ordinance authorizing special legal service expenditures for outside counsel and amending the City's 2015-2016 Biennial Budget.**

**Summary:** This Ordinance authorizes special legal service expenditures for outside legal counsel in excess of the City Manager's contracting authority. The law firm Gordon Tilden Thomas & Cordell represents the City with respect to litigation between the City and Traveler's Insurance. The law firm Gordon Thomas Honeywell is representing the City regarding the payment of surface water management fees by the Port of Seattle. Adoption of this Ordinance is necessary in order to continue the City's legal representation by outside counsel.

Second, this Ordinance authorizes a transfer of up to \$50,000 from the SWM Fund to the General Fund through 2016. This will provide that the SWM Fund, rather than the General Fund, cover the cost of outside legal representation for the SWM fees issue with the Port. The actual amount transferred will depend on the actual billings through 2016. The 2017-2018 proposed budget provides that the SWM Fund will pay these expenses directly.

The actual expenditure will depend on actual billings. However, adoption of this Ordinance will provide that legal expenses related to the SWM Fund are borne by that fund, and not the General Fund.

Senior Assistant City Attorney Johnsen reviewed the agenda bill summary.

**Council consensus:** Refer to the 11/08/16 RCM Consent Agenda

**PRESENTATIONS - INFORMATION ONLY:**

**Quarterly Public Safety Statistics**

Deputy Fire Chief Wiwel presented third quarter 2016 statistics: Top 10 call type in SeaTac – medical calls are down slightly and traumatic calls are up slightly, which isn't unusual for the summer time; Fire vs. EMS calls, responses by station – almost 4,000 calls this year which is up about 16%, CARES Response, Fire Prevention – retroactive fire alarm program, Noteworthy calls, and WSRB Upgrade – improved rating from Class 4 to 3.

Discussion ensued regarding the retro fire alarm program, brush fires, and insurance rating.

Questions were posed related to the commercial business inspections. Mr. Wiwel stated those inspections were not included in the Interlocal Agreement (ILA). Mr. Scorcio stated the reason it wasn't included was due to the high cost factor because there is no cost recovery model. This topic is being considered as part of an overall strategy including code compliance.

Mr. Wiwel provided a review of the Cascadia Rising, a Catastrophic Earthquake and Tsunami functional Exercise that was held June 7 – 10. He encouraged everyone to be prepared to take care of themselves for at least two weeks. There is a website called "Prepare in a Year" by the Washington Military Department.

**ADJOURNED:** Mayor Siefkes adjourned the CSS at 6:44 p.m.