



Planning and Economic Development Committee Minutes

Thursday, September 20, 2018

6:00 PM

SeaTac City Hall – Council Chambers

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| Members: | Present: | Absent: | Commence: | 6:05 P.M. |
| | | | Adjourn: | 7:47 P.M. |
| Rick Forschler, Chair | X | | | |
| Peter Kwon | X | | | |

Other Councilmembers: Deputy Mayor Erin Sitterley; Pam Fernald; Clyde Hill; Joel Wachtel

Staff Present: City Manager Joe Scorcio; City Attorney Mary Mirante Bartolo; Sr. Assistant City Attorney Mark Johnsen; Steve Pilcher, CED Director; Aleksandr Yeremeyev, Economic Development Strategist; Police Chief Carl Cole; Executive Assistant Lesa Ellis; Parks Director Lawrence Ellis

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| <p>1. Introductory comments and public comments</p> | <p>Chair Forschler explained he will call on people as time allows during the course of discussion.</p> <p>City Manager Joe Scorcio explained what is being discussed by the committee: the proposals to purchase and develop three City-owned properties. The Committee is reviewing responses to the proposals that were submitted by the deadline and is being asked to make a recommendation to full Council of whether to enter into negotiations with any of the parties who submitted a proposal. The City can only negotiate with one party at a time.</p> <p>Abshir Mohamed, SeaTac Market, stated that he wants to continue the immigrant businesses and not be displaced. They would like to partner with City, with a commitment of no displacement. He stated the International</p> |
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| | <p>Market would fulfill several policies of the City and take advantage of State funding. Further explained the nature of the SeaTac Community Coalition proposal.</p> <p>Anab Abid spoke as a representative of the Bakaro Mall and the Coalition. She explained what the various businesses do for the community: opportunities for women & minority owned businesses.</p> <p>Lynne Behar of LIHI spoke of the success as an affordable housing developer in the State. Affordable housing will serve people earning \$64K or less, which includes people working at the airport, schools, etc. LIHI has other successes in the area that are similar to what is being proposed for the two fire station sites.</p> <p>Aneelah Afzali urged the Council to negotiate with the community, including those most impacted. She stated the community is ready to negotiate for a way for the market and immigrant businesses to remain.</p> |
| <p>2. Fire Station 45 site</p> | <p><u>X</u> Recommendation</p> <p>City Manager Scorcio stated that the staff panel had reviewed the proposals as to how they matched the RFPs' requests for information. Staff did not rate the proposal on their merits. There were two proposals for this site, with the main difference being the degree of completeness of the two proposals. A primary question was to provide workforce development. Mr. Scorcio noted that the Josan proposal had some "zero" ratings due to lack of response. He reminded the Committee that the City Manager has responsibility to negotiate a contract per direction from Council.</p> <p>Sr. Assistant Attorney Mark Johnsen stated that this land would become taxable upon sale to private developer. Affordable housing may be taxable, depending upon affordability mix.</p> <p>Lynne Behar noted that future tenants are taxpayers and that this building, as proposed, would be paying property taxes.</p> <p>CM Kwon inquired about the status of the Sound Transit triangle next to the Angle Lake Station parking garage. Mr. Scorcio responded that their timeline remains unknown at this time.</p> <p>Chair Forschler stated that it's premature to begin discussions with any of the sites under consideration this evening. Transit stations are opportunity for getting travelers to the airport without using a car. He stated that TOD is different here than in other communities. Opportunity zones are now in SeaTac, but the federal government hasn't yet defined the rules. Foreign trade zones another issue worth exploring. This offers economic advantages for any</p> |

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| | <p>City-owned properties. He would like to see proposals that do not destroy existing markets that already are found in these areas.</p> <p>CM Kwon stated he would like to see the Sound Transit property get on the market first, prior to City negotiating with any purchaser. City could purchase the site at low price if used for affordable housing.</p> <p>Chair Forschler raised the issue of lodging taxes. He cited Bellevue’s development of Meydenbauer Center as a good example of how the City could grow and develop. He believes the City can get more lodging tax funds from the State.</p> <p>The Committee voted 2-0 to recommend Council not proceed further with potential sale of this property at this time.</p> |
| <p>3. SeaTac Center property</p> | <p><u> X </u> Recommendation</p> <p>Mr. Scorcio noted the City has received two proposals, one from the Inland Group and one from the SeaTac Community Coalition. He reviewed staff’s rating of the proposals. He noted that the Coalition does not propose to purchase the entire property, which resulted in lower scoring than Inland. He also noted there were bonus points for incorporating the existing businesses.</p> <p>Aneelha Aflazi stated that the rating form is about completeness, not specifics. The Coalition doesn’t understand why they only received 3 bonus points.</p> <p>Keith James with the Inland Group stated that the Station Area Plan supports their development concept. TOD need in SeaTac is similar to other cities. Their proposal is for a mix of affordable and market rate housing. Inland would consider working with the City on a phased sale of the property; however, that comes with challenges. Their proposals includes closing on the entire parcel.</p> <p>CM Wachtel stated that although the two groups could seek common ground, he favors selling the entire property. The City shouldn’t be a landlord.</p> <p>Chair Forschler stated he would like to see a project that covers both FS 47 & this site. He prefers to not move forward at this time. Would like to look at a community process & plan for the future.</p> <p>CM Kwon stated that he likes the intent of the Inland Group and recommends proceeding to negotiate.</p> <p>Aneelha Aflazi stated the Inland Group proposal would destroy the business community and asked the Committee to allow the two groups to negotiate with each other.</p> <p>Keith James replied that Inland Group is not suggesting they change their proposal, but they are open to negotiations to look at ways to maintain the existing businesses.</p> |

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| | <p>Chair Forschler reiterated his position to not begin negotiation with either this site or FS 47.</p> <p>A split recommendation will be forwarded to the Council.</p> |
| <p>4. Fire Station 47 site</p> | <p><u> X </u> Recommendation</p> <p>Mr. Scorcio stated the City had received one proposal, from LIHI. It is basically the same development concept as FS 45. Sites have small differences in zoning regulations. Staff rated it as a complete proposal.</p> <p>CM Kwon noted this site is zoned for housing, not commercial (like FS 45). He is in favor of proceeding to negotiating with LIHI.</p> <p>Chair Forschler proposed to not proceed further at this time.</p> <p>A split recommendation will be forwarded to the Council.</p> <p>Chair Forschler indicated he will ask Council to refer the matter back to the Committee.</p> |
| <p>5. Adjourn</p> | <p><i>The meeting adjourned at 7:47 p.m.</i></p> |