

City of SeaTac

Special Council Meeting Minutes

August 15, 2018

4:00 PM

City Hall

Council Chambers

The City hired a court approved Somali Interpreter/Translator Ismael Mohamed for this meeting. At the beginning of the meeting it was announced that his service was available. His services were utilized by one attendee.

CALL TO ORDER: Mayor Siefkes called the Special Council Meeting (SCM) to order at 4:04 p.m.

COUNCIL PRESENT: Mayor Michael J. Siefkes, Deputy Mayor (DM) Erin Sitterley, Councilmembers (CMs) Rick Forschler, Joel Wachtel, Peter Kwon, Clyde Hill, and Pam Fernald.

STAFF PRESENT: City Manager Joseph Scorcio, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Government Relations & Communications Manager Kyle Moore, Economic Development (ED) Strategist Aleksandr Yermeyev.

LEASEHOLDERS PRESENT: Leaseholders present left the room before identified.

OTHERS PRESENT: Kidder Mathews Senior Property Manager Shelley Ryan.

PUBLIC COMMENTS (related to the agenda items listed below): 11 people signed up to speak but left the room before public comments.

PRESENTATION AND DISCUSSION:

Sale and Redevelopment of the SeaTac Center - conversation with lessees

City Manager Scorcio reviewed the background of the SeaTac Center property and plans for redevelopment.

Properties to be discussed are: SeaTac Center Property (City owned), Triangle Property (City owned), Demolished residential house (City owned), Military Road segment to be vacated, Tukwila Light Rail Station, US Post Office, Residential house (privately owned), and Pancake Chef (privately owned).

Lease Holders - SeaTac Center:

Chiropractor	Pabla Punjabi Palace	Bakaro Mall	SeaTac Market	Sea-Tac Pizza
Hi-Tech Gadgets	Ethiopian Church	Taqueria El Rinconsito	ReWa	India Plaza

Lease Holder - Triangle Property: Hashi Money Wiring

Mr. Scorcio reviewed the timeline for the redevelopment plans beginning in 2005 until 2018.

The most current timeline includes the following:

- March 2018 - a letter was sent to the leaseholders informing them of the City's intent to sell the property and reminded them their leases had a redevelopment clause.
- June 2018 – Request for Proposals (RFP) was released
- June 29 – SeaTac Center leaseholders and subtenants informational meeting
- July 24 – Leaseholders and subtenants request meeting with City Council/Petitions Delivered
- August 3 – Hand delivered invitations to on-site businesses (Leaseholders and subtenants)
- August 15 – SCM – conversation with Lease Holders

What's coming?

- August 31 – Response to RFP Submission Due Date
- 6 - 18 – Months possible time frame for a potential sale of SeaTac Center property
- 12 - 48 – Months possible time frame for redevelopment after sale

PRESENTATION AND DISCUSSION (continued):

Mr. Scorcio stated the RFP included optional points if a developer's proposal commits to preserving the existing business ecosystem and phase or otherwise structures the project to provide the current tenants opportunity to occupy newly developed spaces at the time of completion.

The City also provides the following services to the entire community:

- Relocation Option Analysis
- Introductions to Commercial Real Estate Space Owners / Brokers
- Introduction to Small Business Development Center (SBDC) Advisors

Council discussion ensued regarding why the leaseholders weren't at the table. Mr. Scorcio stated the information was provided and invitations were personalized for the leaseholders.

Pacific Highway Chiropractic Owner Dr. Islam Wardak commented there seemed to be a misunderstanding about the purpose of this meeting and how it was to be conducted. He offered to speak with others if given a few moments.

RECESSED: Mayor Siefkes recessed the meeting 4:32 p.m. until 4:43 p.m.

LEASEHOLDERS PRESENT (at this point in the meeting): Abdulhakim Hashi (Triangle Property), Bakaro Mall Leaseholder representative Anab Abdi, SeaTac Market Owner Sahra Abdulle, SeaTac Market representative Ali Mohamed (also interpreting for Ms. Abdulle), Pacific Highway Chiropractic Owner Dr. Islam Wardak, Hi-Tech Gadgets, LLC Owner Reji Mathew.

PUBLIC COMMENTS (continued):

Takele Gubena stated his opinion the City doesn't want to include the SeaTac Center community.

Ubah Warsame and Aneelah Afzali (Muslim Association of Puget Sound), and Anab Abdi requested the City reschedule this meeting in order to include more of the community.

Chuck D'Arielli stated Council asked to speak to the people who lease the property. He stated his opinion it's only fair to talk to the prime people involved in the situation.

Kevin Hope stated he is glad the meeting restarted and hopes it continues to move forward.

Palmira Figueroa commented that the disruption from the audience was clapping in order to support the community.

PRESENTATION AND DISCUSSION (continued):

Sale and Redevelopment of the SeaTac Center - conversation with lessees

Mr. Scorcio gave the presentation again for the benefit of the leaseholders and public who weren't in the room for the first presentation.

Council and staff responded to the following questions from the leaseholders:

- Amount of time that will be given if the tenants need to relocate – shortest is 9 months, but could be 3 – 4 years
- Preference for certain businesses –RFP specifies “Promotion of high quality real estate development to increase supply of quality housing”. It also states “addition of quality commercial space, retail, office, and job center.” The goal is not to just have another hotel. The market is controlling the outcome, however, the City will more strongly consider a plan that takes care of the businesses that are already there per the RFP.
- Option for the leaseholders to buy the building – the Council can consider this option, but no decision can be made at this meeting.
- Will the City listen to the leaseholders? – Yes, if the City didn't care, the property would just be sold on the open market.
- A proposal was presented to the Council asking for a commitment that the tenants will not be displaced and that they will be at the decision-making table when any economic development is planned for the SeaTac Center and adjacent buildings. No action could be taken as this is a SCM.

PRESENTATION AND DISCUSSION (continued):

- Points allocated for this project, specifically the optional points for a plan for the current tenants - The evaluation and selection of proposals was reviewed. Five additional points can be given to a developer points if their proposal commits to preserving the existing business ecosystem and phase or otherwise structures the project to provide the current tenants opportunity to occupy newly developed spaces at the time of completion.
- International Market Place funds - \$1.2 million of state funds approved for the development of an International Market on the City's property. The funds can't be used for an existing market. The funds have restriction on uses.
- Offsite contamination - some analysis has been done to chart the flow direction. The City also tried to work with the Pancake Chef owners to complete sale of the property to the City. The City has the ability to clean the property and receive a clean bill of health for it. The property owners have not moved forward on the sale of the property and retain all of the liability for the pollution.
- Reason for selling property, was it to pay for the previous lawsuit – No. However, the sale of the property is meant to recoup some of the costs for the acquisition and legal settlement.
- Creation of a public development authority (PDA) with the money received from the state (\$1.2 million) as well as Hotel/Motel Tax funding - The majority of SeaTac Center was built in 1954 and is in need of redevelopment. PDAs need bonding, but bonding requires secured commitment of payment.
- Keep the SeaTac Center community updated – any discussion of action on potential sale will be done in a public meeting. The public can stay informed by signing up for e-notifications on the City's website, specifically for Council Meetings.
- First right of refusal for SeaTac Center tenants to match any RFP by any developer - the Council can consider this option, but no decision can be made at this meeting.
- Uniform Relocation Act – does not apply to this situation.

Discussion ensued regarding the potential for holding another meeting with the leaseholders.

EXECUTIVE SESSION: None.

ADJOURNED:

MAYOR SIEFKES ADJOURNED THE MEETING AT 6:04 P.M.



Michael Siefkes, Mayor



Kristina Gregg, City Clerk