



SeaTac City Council

Request for Council Action

Agenda Bill #: 4507

Council consideration: A Motion authorizing the City Manager to execute a contract with the Washington State Department of Commerce for the SeaTac International Marketplace.

Date Action Requested: RCM: 02/14/2017

Review Dates: CSS: 01/10/2017; LUP 01/26/2017

Prepared By: Jeff Robinson, Economic Development Manager

Amount: \$1,212,500.00

Budgeted?: No

Applicable Fund Name: To be determined

Director Approval: Acting CED Director Jeff Robinson 12/27/2016

City Manager Approval: Acting City Manager, Joseph Scorcio

Purpose: This Motion authorizes the City Manager to execute a contract with the Washington State Department of Commerce for development activities related to the SeaTac International Marketplace.

ANALYSIS: The State's 2016 Capital Budget included the direct appropriation of a \$1.25 million for the development of the International Marketplace as part of the City's implementation of the South 154th Street Station Area Plan. These funds were the result of a legislative request supported by the City Council and sponsored by Senator Karen Keiser. The purpose of the project is to support development activities related to the construction of a public plaza and associated commercial space as part of the International Marketplace. The International Marketplace will help achieve the vision for the South 154th Street Station Area as a thriving mixed-use, transit oriented neighborhood. By showcasing and celebrating the diverse cultural heritage of the area through food, products, and art, it will be a focal point for residents, employees and visitors in SeaTac and provide an additional public gathering spot for community events. The interesting mix of shops, restaurants and open space will provide the types of amenities that residential and commercial developers believe to be essential elements of a successful community.

Specifically, this funding will support public project space development for the International Marketplace with costs that may include, but are not limited to, an infrastructure analysis to determine current utility capacity, design/engineering, environmental/cultural review, land/right-of-way acquisition, permits, material testing, construction, and construction management. These activities will assist in moving the redevelopment of the SeaTac Center and other adjacent properties forward in a more expeditious manner by completing essential predevelopment actions prior to the sale of the real estate. The City's participation will create a public/private partnership and help structure the negotiation of a Development Agreement with the new owner(s) of the property.

BUDGET SIGNIFICANCE: The net amount of the grant award is \$1,212,500 after the deduction of the Department of Commerce administrative fee. The funds must be expended no later than June 30, 2019. If this contract is executed, the City's 2017-2018 Biennial Budget will require an amendment to account for both the revenue and expenditure of these funds.

ALTERNATIVE(S): The alternative to executing the contract and moving forward with the project is to refuse the funding and release the legislature's appropriation to the Department of Commerce. This action would likely impact the City's ability to generate future support for direct legislative requests for budget appropriations.

RECOMMENDATION(S): The Land Use & Parks Committee (LUP) discussed the project and associated contract at the January 26, 2017 meeting and unanimously recommended the execution of the contract documents with the Department of Commerce. It is recommended that the Motion be carried and that the contract be executed.

ATTACHMENTS: International Marketplace State Contract