

City of SeaTac
Regular Council Meeting Minutes
Virtual Meeting

May 12, 2020
6:00PM

City Hall
Council Chambers

CALL TO ORDER: Mayor Erin Sitterley called the SeaTac City Council Regular Meeting to order at 6:00 p.m.

COUNCIL PRESENT (remotely): Mayor Erin Sitterley, Deputy Mayor (DM) Peter Kwon, Councilmembers (CM) Senayet Negusse, CM Joel Wachtel, CM Clyde Hill, CM Takele Gobena, and CM Pam Fernald.

STAFF PRESENT (remotely): City Manager Carl Cole, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Senior Assistant City Attorney Mark Johnsen, Information Systems Manager Bart Perman, Deputy City Manager Gwen Voelpel, Parks, Community Services & Programs (PCPS) Director Lawrence Ellis, Police Chief Jon Mattsen,

FLAG SALUTE: Mayor Sitterley led the Council, audience, and staff in the Pledge of Allegiance.

AGENDA REVIEW:

- A. Due to the current COVID-19 public health emergency, and social distancing protocols, pursuant to the Governor's and public health officials' orders, this meeting will be conducted virtually.
- The meeting will be live streamed on SeaTV Government Access Comcast Channel 21 and the City's website.
 - The public may also call in to the conference line to listen to the meeting. The number is 206.973.4555. While you will be able to hear the meeting, you will not be able to participate in the meeting. Please note that if you are unable to mute your phone, everyone else on the call-in line will be able to hear you, so please refrain from speaking.
 - City Hall is closed so no one will be able to physically attend this meeting.
- B. Also, the City Council will not hear any in-person public comments. Public comments received by email at publiccomment@seatacwa.gov before 4 p.m. the day of a Council meeting will be mentioned by name and subject during the meeting and then posted to the City's website.

PUBLIC COMMENTS:

- Roger Kadeg and Earl Gipson – Agenda Bill #5464; an amendment to the Purchase and Sale Agreement (PSA) with CAP Acquisitions, LLC for sale of the SeaTac Center property
- Kate Elias, Southwest Youth & Family Services – policies that will bring relief to the community

PRESENTATIONS:

Introduction of new City employee: Permit Center Supervisor Becky Scheffer
City Manager Cole announced the bio was included in the packet.

Confirmation of Mayoral Re-appointment and Appointment of members to the Community Services Advisory Committee, Planning Commission, Senior Citizen Advisory Committee, and Sidewalk Advisory Committee.

Mayor Sitterley announced the process used to get applicants for these positions.

MOVED BY WACHTEL, SECONDED BY FERNALD TO RE-APPOINT JUDITH WILLIAMS AND APPOINT ANDY SEVAO AND DENNIS COOPER TO THE COMMUNITY SERVICES ADVISORY COMMITTEE, RE-APPOINT TOM DANTZLER AND LESLIE BAKER AND APPOINT TONY SANCHEZ AND KYLE BECKER TO THE PLANNING COMMISSION; APPOINT WAYNE MORGAN AND VEENA MEHTA TO THE SENIOR CITIZEN ADVISORY COMMITTEE; AND RE-APPOINT JILL ALDRICH AND APPOINT PAUL JACKSON AND STANLEY TOMBS TO THE SIDEWALK ADVISORY COMMITTEE.*

Council discussion ensued regarding the appointments.

*MOTION CARRIED UNANIMOUSLY.

PRESENTATIONS (continued):

Key City Issues and Requests for Direction

City Manager Cole commented on the following items:

- (1) Administration & Finance (A&F) and Public Safety & Justice (PS&J) Committee meetings will be held on Thursday
- (2) Four phase re-opening plan – trying to find a way to manage density of people within City facilities, currently utilizing security guard because Court is closed, plan to build a reception desk on the 1st floor and expand contract to have two guards who can back each other
- (3) requested referral to A&F Committee of a Council Information Request (CIR) for \$500,000 to augment Human Services (HS) funding and provide small business grants. Council concurred.

Discussion ensued regarding necessary and routine agenda items.

Committee Updates (for items not included on the agenda) and review of proposed Council Information Requests

CM Fernald: PS&J Committee will meet May 14, 2020.

Mayor Sitterley: A&F Committee will meet May 14, 2020.

CONSENT AGENDA:

Approval of claims vouchers (check no. 127862 - 127943) in the amount of \$999,677.98 for the period ended May 7, 2020.

Approval of payroll vouchers (check no. 55565 - 55574) in the amount of \$12,941.68 for the period ended April 30, 2020.

Approval of payroll electronic fund transfer (check no. 101143 - 101284) in the amount of \$635,997.38 for the period ended April 30, 2020.

Approval of payroll wire transfer in the amount of \$162,247.80 for the period ended April 30, 2020.

**Approval of Council Meeting Minutes:
Regular Council Meeting held April 28, 2020**

MOVED BY FERNALD, SECONDED BY HILL TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

ACTION ITEMS:

Agenda Bill #5464; A Resolution #20-005 authorizing the City Manager to execute an amendment to the Purchase and Sale Agreement (PSA) with CAP Acquisitions, LLC for sale of the SeaTac Center property and any other documents necessary to effectuate the sale of the property.

Summary: The closing of the PSA between the City and CAP Acquisitions, LLC is scheduled for later this month. CAP Acquisitions created two separate affiliate entities, Polaris at SeaTac LLC (for the affordable project) and Adara at SeaTac LLC (for the market-rate project) that will each acquire portions of the SeaTac Center property. However, it has always been the intent to treat the two projects as one development proposal. This is evidenced by the common construction elements that will be shared by both projects, including demolition of the existing retail structure and garage, utilities (water, sewer and stormwater), vehicular circulation and access, site grading, and site shoring.

The Polaris project is currently scheduled to close on May 21, 2020. However, due to the current COVID-19 pandemic, financing for the Adara project is on hold because banks have significantly curtailed lending over the past two months. Despite the current economic conditions, Inland is eager to commence construction on the Polaris project as soon as possible, even though they cannot close on the purchase of the Adara property at this time. Due to the fact that this is a single development proposal and that there are many common elements between the two projects, it is necessary to restructure the timing of the Adara closing while at the same time setting up a legal mechanism for preliminary work to occur on the entire development.

ACTION ITEMS (continued):

Agenda Bill #5464; Resolution #20-005 (continued):

Under these circumstances, it has been determined that the best path forward would be for the parties to close on the Polaris property while simultaneously enter into a 12-month ground lease with an option to purchase on the Adara property. This proposal allows Inland to commence work on this ambitious development sooner until their financing is available. Additionally, in the unlikely event that Inland is development sooner until their financing is available.

Additionally, in the unlikely event that Inland is unable to close on the property, the value of the Adara property will increase because Polaris will be responsible for demolishing the current retail and garage structures; installing water, sewer, and stormwater facilities; and ensuring access between the two parcels for connectivity. Additionally, the ground lease will allow for the grading of both parcels at the same time.

If the proposed Resolution is passed, the City Manager will be authorized to execute an amended PSA as described above, including the ground lease. Additionally, the City Manager will be authorized to execute any reciprocal easements necessary to ensure that both parcels will have access to new infrastructure to be constructed by Polaris.

The total purchase price of the property will remain at \$11,000,000. Of that amount, \$6,930,000 will be received by the City upon closing of the Polaris property. The remaining \$4,070,000 of the purchase price will be received by the City upon closing of the Adara property. The City will also receive an additional payment of \$1,000/month, plus 12.84% leasehold excise tax, as a payment for the ground lease.

Due to the timing of this issue coming before Council, this was not reviewed in committee.

Senior Assistant City Attorney Johnsen introduced Inland Representatives Keith James and Scott Morris and Architect Dane Knudson. Mr. Johnsen reviewed the agenda bill summary.

Mr. Johnsen, Mr. James and Mr. Morris addressed questions raised since the packet went out.

Mr. Johnsen stated the City has been working closely with outside Legal Counsel on this issue.

Mr. Knudson showed renderings of the project.

MOVED BY HILL, SECONDED BY KWON TO PASS AGENDA BILL #5464 (RESOLUTION #20-005).*

Council discussion ensued regarding: why this item did not go to committee, staff recommendation, and public comments.

*UPON A ROLL CALL VOTE, MOTION CARRIED WITH NEGUSSE, WACHTEL, HILL, FERNALD, KWON, AND SITTERLEY VOTING YES, AND GOBENA VOTING NO.

UNFINISHED BUSINESS: None

COUNCIL COMMENTS: DM Kwon commented on the following: (1) the City's locking mailbox program is suspended but will continue as part of phase 2. If residents want to buy the mailbox somewhere else, he will help install it; (2) the pandemic has caused more work with more meetings; and (3) continue to be active in National League of Cities (NLC) Transportation and Infrastructure Federal Advocacy Committee – working on COVID related items, including funding for cities. Received email today where Federal House released next COVID-19 draft package, the HEROES Act, for local government.

CM Negusse commented on the City's website with COVID update, business resource page, and community resource page. She also thanked volunteers.

CM Hill commented on COVID related funding cities may receive.

COUNCIL COMMENTS (continued): CM Gobena commented on the following items: (1) concerned with interruptions from CM Wachtel and hopes Mayor Sitterley will engage all CMs equally; (2) his CIR for \$500,000 to augment HS funding and provide small business grants; and (3) domestic violence (DV) has increased during this quarantine.

CM Wachtel stated this is a pretty good Council which mostly works well together and listed some Council accomplishments. He also stated COVID-19 is scary, especially for those in the high risk category. He encouraged everyone to wear masks.

CM Fernald stated she has been serving on the Council since 2009, however, she still refers often to the Council Administrative Procedures and new Councilmember Handbook from MRSC in order to do her best to be as accurate as possible. She also encouraged everyone to wash their hands and wear a mask.

Mayor Sitterley commented on the following: (1) attended the release of about 200 tiny salmon into the Des Moines Creek, shout out to Port of Seattle (POS) for runoff; and (2) May 15 – Law Enforcement Memorial day, thank you to current and former SeaTac Police Chief and officers.

EXECUTIVE SESSION: None

ADJOURNED:

MAYOR SITTERLEY ADJOURNED THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 8:18 PM.


Erin Sitterley, Mayor


Kristina Gregg, City Clerk