



****SPECIAL***
**Planning and Economic Development
Committee Agenda**

July 23, 2020
5:00 P.M.
Virtual Meeting

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 <https://www.seatacwa.gov/seatvlive> and click play. 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.

Councilmembers
Stan Tombs, Chair
Peter Kwon
Mayor Erin Sitterley

A quorum of the Council may be present.

Staff Coordinator: Jenn Kester, Acting CED Director

ITEM	TOPIC	PROCESS	WHO	TIME
1	Call to Order		Chair	5:00
2	Public Comment Process: In an effort to adhere to the social distancing protocols, pursuant to the Governor's and public health officials' orders, and in order to keep our residents, Council and staff healthy, the Committee will not hear any in-person public comments during this COVID-19 public health emergency. If you wish to submit a public comment, please email any comments by 2:00 pm the day of the meeting to pedpubliccomment@seatacwa.gov . The public comment will be mentioned by name and subject, and then placed in the PED		Chair	5:00 (2 min)

	handout packet posted to the website. All public comment submitted to an email address other than the public email address provided above, or after the deadline, will not be included as part of the record.			
3	Minutes of 06/25/2020 regular meeting	Review and approve	Committee	5:02 (2 min)
4	Economic Development General Market Update	Briefing	Aleksandr Yermeyev	5:04 (15 min)
5	SeaTac Small Business Relief & Recovery Grant Program CARES Act Funds	Briefing	Aleksandr Yermeyev	5:19 (15 min)
6	SeaTac City Investment Profile by Site Selection Magazine	Briefing	Aleksandr Yermeyev	5:34 (15 min)
7	Adjourn			5:49



SPECIAL

Planning & Economic Development Committee Minutes

Thursday, June 25, 2020

4:00 PM

* Virtual Meeting *

Members:	Present:	Commence: 4:00 P.M.
		Adjourn: 4:52 P.M.
Stanley Tombs, Chair	X	
Peter Kwon	X	
Mayor Erin Sitterley	X	

Other Councilmembers: Councilmembers Clyde Hill, Takele Gobena, and Pam Fernald

Staff Present: Steve Pilcher, CED Director; Jennifer Kester, Planning Manager; Kate Kaehny, Senior Planner; Aleksandr Yeremeyev, Economic Development Manager; Gwen Voelpel, Deputy City Manager; Parks, Programs and Community Services Director Lawrence Ellis

1. Public Comment	None received at the time of the meeting.
2. Approval of minutes of 02/27/2020	Minutes approved 2-0 (Chair Tombs abstained)
3. 2020 Comprehensive Plan Amendment Process	<p><u> X </u> Recommendation</p> <p>Planning Manager Jennifer Kester indicated staff is requesting Council initiate an “off-year” Comprehensive Plan amendment.</p> <p>Senior Planner Kate Kaehny indicated the reason for the request is for the Council to consider an update the Parks, Recreation and Open Space Plan. Per the procedures for amending the Comp Plan, an amendment cycle needs to be formally initiated. This is scheduled to be an action item at the July 14th City Council meeting.</p>

	<p>In response to a question, Ms. Kaehny indicated the Parks Dept. was looking for additional funding, so the update was not completed as part of the 2019 amendment cycle.</p> <p>Parks Director Lawrence Ellis noted that having an updated PROS plan positions the City to receive outside sources of funding for parks projects. He noted that discussion of the Plan update began with the Parks Committee last year but, for a variety of reasons, they decided to continue the process into this year.</p> <p>Ms. Kester noted that CED staff believes it should not significantly impact its or the Planning Commission's work programs, as most of the substantive work is being done by the Parks Committee.</p> <p>Mr. Ellis stated that the PROS Plan is intended to be a 10-year document and does not specifically mandate when particular projects will occur.</p> <p>Staff is asking the Committee to make a recommendation to move this forward to Council for its approval. Approved by consensus.</p>
4. Housing Action Plan	<p><u> X </u> Briefing</p> <p>Sr. Planner Kate Kaehny reminded the Committee that in April, the Council had accepted receipt of a \$100,000 grant, to allow the City to prepare a Housing Action Plan. The Plan will document existing housing needs and identify strategies for moving forward.</p> <p>A significant portion of the grant will be for public outreach and the PED Committee will be a significant part of this project moving forward.</p> <p>A consultant has been selected and the Council will be asked to approve the contract at its July 14th meeting.</p> <p>A concern was raised that the Plan take a look at potential displacement impacts to long-term residents as housing prices rise.</p> <p>MAKERS, the selected consultant, assisted the City with the 2015 Major Comp Plan update and also assisted with development of the S. 154th St. Station Area Plan.</p> <p>A concern was raised whether the city would continue to receive more lower income housing, as it already has a higher proportion than many other South King County communities.</p> <p>Another concern regarding the impact of AirBnB on the availability of housing and whether this could be included in the analysis. Not all single family homes are being used for that purpose. Ms. Kester noted that the Planning staff is preparing to discuss short term rentals with the Planning Commission.</p> <p>There was discussion regarding the need to engage a wide variety of the citizens from throughout the city, including single family homes. It was mentioned that many single family residents just east of the City Center were not very aware of that Plan update process.</p>

	There was a concern that data gathered be SeaTac specific, not from King County and also that developments “in the pipeline” are included.
5. Adjourn	The meeting adjourned at 4:42 p.m.



City of SeaTac Business Emergency Relief Grant

Assisting small businesses experiencing business interruptions due to COVID-19

About the Grant

The City of SeaTac is committed to its small business community and a successful recovery from the impacts of COVID-19. The [SeaTac City Council](#) authorized the use of \$350,000 of its federal [CARES Act](#) funds to administer an Emergency Relief Grant Program to help businesses recover.

Grant Application Portal Now Open **APPLY HERE!**

Application window is Friday July 24 at 12pm noon through Friday, August 7 at 4 p.m.

Program Details

- Grant awards are \$2,500 per eligible business
- To remain impartial, the grant program will be administered by [Evergreen Business Capital](#), a third-party [Community Development Finance Institution](#), which will manage the application intake, evaluation, selection and grant dispersal.
- If awarded, grant recipients must submit a W-9.
- Grant funds may be taxable income; please consult with your financial advisor for guidance. A 1099 will be issued to grant recipients as required by the IRS no later than January 2021.

To be eligible, businesses must:

- Have no more than **15 full-time employees** pre-Covid-19, Jan. 1, 2020
- Have been in business for **at least three years** as of June 30, 2020
- Have **gross revenues of \$1.5 million** or less per year
- Experienced loss of revenue due to COVID-19 related business closures or interruptions
- Domiciled in SeaTac with a physical SeaTac business address & possess a SeaTac Business License as of March 1, 2020

- Be current on all city business licensing, and not delinquent in payment of taxes or fees owed to the City of SeaTac as of December 31, 2019
- If closed due government mandates, intend to reopen when allowed under Washington's Safe Start plan and other government mandates
- Home occupation businesses operated from the owner's primary residence may qualify if the residence is physically located in SeaTac city limits and the business must be the primary source of income for the owner, although priority will be given to "brick and mortar" businesses serving the broader public
- Must be engaged in a type of business eligible to receive funding by the U.S. Small Business Administration
- Must be a for-profit business negatively impacted by COVID-19

Application Process

- Confirm your eligibility (see eligible businesses above)
- Complete the [online application](#) by August 7 at 4 p.m.
- Applicants will be notified about grant decisions within August, 2020
- Grants will be distributed by automatic deposit (ACH) or check payment

Do you need help completing your Grant Application?

- [Small Business Development Center](#) - Provides assistance with application completion as well as no cost, one-on-one confidential advising to help your business succeed.
 - sbdc@highline.edu
 - 206-592-4151

You may also reach out to these additional sources of support for assistance with your application:

- [Seattle Southside Chamber of Commerce](#)
 - Staff@SeattleSouthsideChamber.com
 - 206-575-1633
- [City of SeaTac Economic Development Team](#)
 - Aleksandr Yeremeyev ayeremeyev@seatacwa.gov
 - Tanja Carter tcarter@seatacwa.gov
 - 206-973-4843 (Due to staff working remotely, messages on this line will be checked twice daily, with calls returned the next business day.)

MEMORANDUM

DATE: July 23, 2020
TO: Planning & Economic Development (PED) Committee
FROM: Aleksandr Yeremeyev, Economic Development Manager
RE: SeaTac City Investment Profile - Background

The City of SeaTac economic development team has been working on elevating the image and recognition of SeaTac as an investment market and an attractive place to do business.

This activity includes strategically placed ads in 2019 and 2020, including multiple 2-page SeaTac Opportunity Zones ads and followed by a 4-page investment profile article.

The SeaTac City Investment Profile was written by Site Selection Magazine and intended for economic development marketing purposes. Site Selection Magazine is a world renowned and internationally circulated business publication covering corporate real estate and economic development with readership of more than 44,000 worldwide. The profile was published in the May 2020 issue titled Best to Invest (<https://siteselection.com/digitalEdition/2020/may/#page=77>).

The intent was to have a third party explore the City of SeaTac as an investment market from the outside looking in. By surveying significant local market participants, investors and property owners, the project team explored the reasons current investors/business owners choose to be in SeaTac and gained insight into their outlook for the future of this market. Based on multiple rounds of in-depth interviews with various stakeholders, the Site Selection Magazine's editorial team compiled the SeaTac City Investment Profile and published it in May.

This investment profile adds to the SeaTac economic development marketing materials and will be shared with internal stakeholders, external investors, business prospects, developers, media outlets, local and regional partners. Sharing the investment profile broadly through personal and professional networks is strongly encouraged after the initial launch on Friday, July 24th, 2020.

The desired return on the investment is increased positive SeaTac brand recognition and prospective business/investment leads. This is an initial phase in proactive external business/investment marketing and communication.

SeaTac City is Poised for Flight



by GARY DAUGHTERS
gary.daughters@siteselection.com

With its unmatched connectivity, this could be your new headquarters location.

Alaska Airlines demonstrates that “you can run a major corporation and be headquartered in the City of SeaTac.”
Photo courtesy of Port of Seattle

As a commercial real estate developer and investor, Pat Callahan is a risk-taker by nature. But that doesn't mean he's willing to tempt fate when it comes to running his business, Seattle-based Urban Renaissance Group (URG).

Five years ago, URG placed a calculated bet when it acquired an under-performing office complex in SeaTac, the up-and-coming Seattle suburb that surrounds Seattle-Tacoma

International Airport (SEA) and serves as headquarters to Alaska Airlines.

With the airport undergoing another surge of expansion, Callahan says URG timed its investment to leverage changing lifestyle trends and, crucially, to the completion of SeaTac's southernmost of three light rail stations. Those three emerging hubs of transit-oriented development — at Tukwila International Boulevard Station, at SeaTac/Airport Station and at Angle Lake Station — serve to connect SeaTac to the booming regional landscape.



Why SeaTac for HQ?

- **\$10.5 billion**
in new capital investment
- **Eighth-busiest**
international airport
- **Light rail**
connection to Seattle/
University of Washington
- **Transit-oriented**
development
- **Available land**
at affordable prices
- **Opportunity Zones**
- **Business-friendly**
environment

“Having the light rail link to Seattle was really the key point in us acquiring that asset in SeaTac,” Callahan tells Site Selection. “You have tenants being priced out of downtown Seattle and Bellevue who are in need of a good, transit-accessible location. Being in SeaTac, we can provide that. And being next to the airport, obviously, is a crucial selling point.”

URG’s bet turned into a winner. With a nudge, Callahan says, from some “tender loving care,” occupancy at the 582,000-sq.-ft (54,070-sq.m.) SeaTac Office Center has grown from 62% at the time of purchase to more than 90% today. The Center’s parking property, Callahan believes, is ripe to be developed as a headquarters location for a business that values SeaTac’s singular connectivity. He is among those who are unabashedly bullish on SeaTac.

“The City of SeaTac has an unusually strong pro-growth and pro-development mindset,” Callahan says. “That is a positive you can never take for granted. Not every jurisdiction wants to unite and support development, and SeaTac definitely does.”

SeaTac’s zeal for growth is fueled not merely by aspiration, but by a long-term strategy to maximize its unique collection of assets, which recently has come to include six Opportunity Zones that cover two-thirds of the city. SeaTac, Washington State, Sound Transit and the Port of Seattle are in the process of delivering more than \$10 billion in capital improvements, including light rail extensions that soon will offer connections to the bustling hubs of Bellevue and Redmond to the north, and eventually to Tacoma, 25 miles (40 km.) to the south.

Rune Harkestad, another developer active in the SeaTac market, believes SeaTac has positioned itself well, even in the midst of the current economic uncertainty.

“We do feel optimistic about SeaTac’s future, given our knowledge of the market over the past decade or so,” he says. “It is a very business-dynamic area with an entrepreneurial spirit.”

Sea-Tac International Airport Is an Economic Driver

Incorporated as a city only in 1990, SeaTac has a resident population of 30,000 that, with travelers and visitors, swells to 170,000 by day. With its modest size (10 sq. miles/26 sq. km) and lofty aspirations, it might be likened to the ambitious young buck who profits from having older brothers who command sway in the neighborhood.

Big brother No. 1, Seattle, is a 15-minute shot up Interstate 5 and boasts a posse that includes the likes of Amazon, Microsoft, Costco and Russell Wilson.

Big brother No. 2, Sea-Tac International (note the hyphen that the city doesn’t share), delivers the world to SeaTac’s door. Operated by the Port of Seattle, it is the nation’s eighth-busiest airport, having served some 52 million passengers in 2019. Its 30 airlines connect to 91 non-stop domestic and 27 international locations.

The airport’s current five-year expansion devotes \$3.7 billion to more than 100 projects, some of the most prominent being a new international arrivals facility, an underground baggage handling system and a concourse expansion that’s adding eight new gates, new restaurants and a newly-opened Alaska Airlines lounge that offers spectacular views of the Olympic Mountains and downtown Seattle. Nineteen more new gates are envisioned by 2027.

Dave McFadden, managing director of the Port of Seattle’s economic development division, says a 2018 impact study showed that the airport, which has 20,000 badged employees, supports 150,000 jobs throughout the SeaTac region. He believes the airport is one of SeaTac’s defining assets.

“It supports a tremendous amount of economic activity within the city limits,” McFadden tells Site Selection. “The lion’s share of offsite parking, hotels and support facilities are located within SeaTac. The airport propels what is a very strong hospitality sector,” he says.



The City of SeaTac has an unusually strong pro-growth and pro-development mindset.”

— Pat Callahan, *Founder, Urban Renaissance Group*

A pedestrian bridge over busy International Boulevard places the airport within an easy walk of SeaTac’s large-scale Hilton and Marriott facilities that offer a combined 60,000 sq. ft. (5,600 sq. m.) of meeting space. The renowned Cedarbrook Lodge, a converted Washington Mutual training center, is a short distance away. Those types of amenities, suggests Matthew Behrens, capital markets manager for CBRE, deliver significant value to office and headquarters operations.

“You have really good properties that can host events where you fly your people in from other locations and they can meet right there by the airport. They’re not fighting traffic. It’s all very efficient.”

Recent additions have pushed SeaTac’s hotel capacity to more than 6,000 rooms, with another 1,000 planned. Newcomers include Wingate by Wyndham, Hilton Garden Inn and Aloft Seattle Sea-Tac Airport. The hospitality market’s evolution, Behrens believes, reflects SeaTac’s maturation.

“What we’re seeing,” says Behrens, “is more of that select-serve, upper-scale product coming to SeaTac. That’s a good indicator.”

Alaska Airlines Expands SeaTac Headquarters

No corporate enterprise better illustrates SeaTac’s upward trajectory than Alaska Airlines. To accommodate a growing workforce, Alaska is putting the finishing touches on the “Hub,” a \$32 million expansion to its headquarters just south of Sea-Tac International. The most prolific airline serving the West Coast, Alaska says that in the last five years alone, its employee base has grown by 76%. The expansion is viewed as a long-term commitment to the airline’s hometown.

“With its ideal location, SeaTac City can attract educated and diverse employees from the north, south, and east, which makes it perfectly situated for our company headquarters,” says Shane Jones, Alaska’s vice president for real estate and airport development.

“SeaTac also benefits from housing that is more affordable, both inside SeaTac city limits and in surrounding communities, than the region as a whole,” says Jones. “I think any industry and sector would find SeaTac attractive as a headquarters location, but particularly those that need to

personally connect to their customers and partners domestically and globally through the biggest airport in the Pacific Northwest.”

Says URG’s Callahan: “The presence and the expansion of Alaska Airlines is validation that you can run a major corporation and be headquartered in the City of SeaTac. There are a whole lot of things that need to work for a headquarters, including a strong workforce, providing easy access for your workers and your vendors, and having the proper amenities. Alaska Airlines continues to demonstrate that SeaTac has all of that.”

Alaska’s six-story, 128,000-sq.-ft (11,890-sq.-m.) Hub is envisioned as the first of up to four buildings that the company could erect on the 6.8 acres (2.8 hectares) it acquired across International Boulevard from its longtime corporate headquarters. Adjacent to the airline’s Flight Training Center, the Hub provides space for some 600 employees in technology, systems operations and other key functions. Steel and wood construction and attractive landscaping offer a distinctive West Coast vibe.

With Alaska having acquired the property in 2018, the Hub project has taken scarcely two years to complete, from permitting to final buildout. Having updated zoning to accommodate large-scale development, SeaTac promises speed.

“There aren’t a lot of regulatory hurdles you have to jump through if you want to come in here and build something,” says Steve Pilcher, SeaTac’s director of community and economic development. “The areas where there’s development interest are zoned appropriately, so there are no special land-

Alaska Airlines’ new “Hub” demonstrates its commitment to SeaTac. Image courtesy of Alaska Airlines





Light rail has been a game-changer for SeaTac. Photo courtesy of Port of Seattle

use hearings that people need to go through. Our process allows us to get things done a lot quicker than what they're doing in big cities."

Ready to Hit the Ground Running

SeaTac seized upon the advent of light rail with a forward-leaning vision true to the New Urbanism and transit-oriented development. The city has steered tens of millions of dollars toward new and improved roads, new sidewalks, plazas and parks. Those investments are paying off in the form of major new projects that include mixed-use, multi-family development and an Amazon fulfillment center near Angle Lake Station, and a regional FAA headquarters on airport property bordering on the city limits.

"We've been consistently developing properties around the airport both to support our operations but also to boost commercial economic activity," says McFadden. "I have over 100 acres [40 hectares] of property north of the airport that could be developed in the future."

Aleksandr Yermeyev, SeaTac's economic development manager, says properties prime for development could support millions more square feet of mixed-use and office space. An eight-acre (3.2-hectare) site near the Angle Lake station, fully prepped with sewer, water and electricity, is being marketed as a potential headquarters and mixed-use development to include office, hotels and high-

rise dwellings.

"There are still opportunities in SeaTac," says CBRE's Behrens, "to acquire attractive land, and at a reasonable price."

Among other projects in the works, Spokane-based Inland Group is breaking ground on a three-building, mixed-use development near Tukwila Station. Inland acquired its 4.3 acres (1.7 hectares) from the City of SeaTac for \$11 million. The project is to deliver 365 workforce affordable housing units, 200 market-rate units and some 30,000 sq. ft. (2,800 sq. m.) of ground-level commercial space.

"The sheer number of people employed at Sea-Tac International Airport and surrounding hospitality businesses helped make this an excellent site for development," says Keith James, Inland's development manager.

"With light rail immediately adjacent to us, an airport employee can commute to work in a three-minute ride, followed by a three-minute walk. Downtown Seattle is 22 minutes away via light rail. We're also within an Opportunity Zone, which is a real bonus."

SeaTac hardly is immune to the harsh economic realities of the moment. But the solid foundation it has built with unswerving tenacity bodes well for what comes next.

"We continue to work full speed," says Yermeyev. "That's the plan. All things pass, and we will be ready." ▼

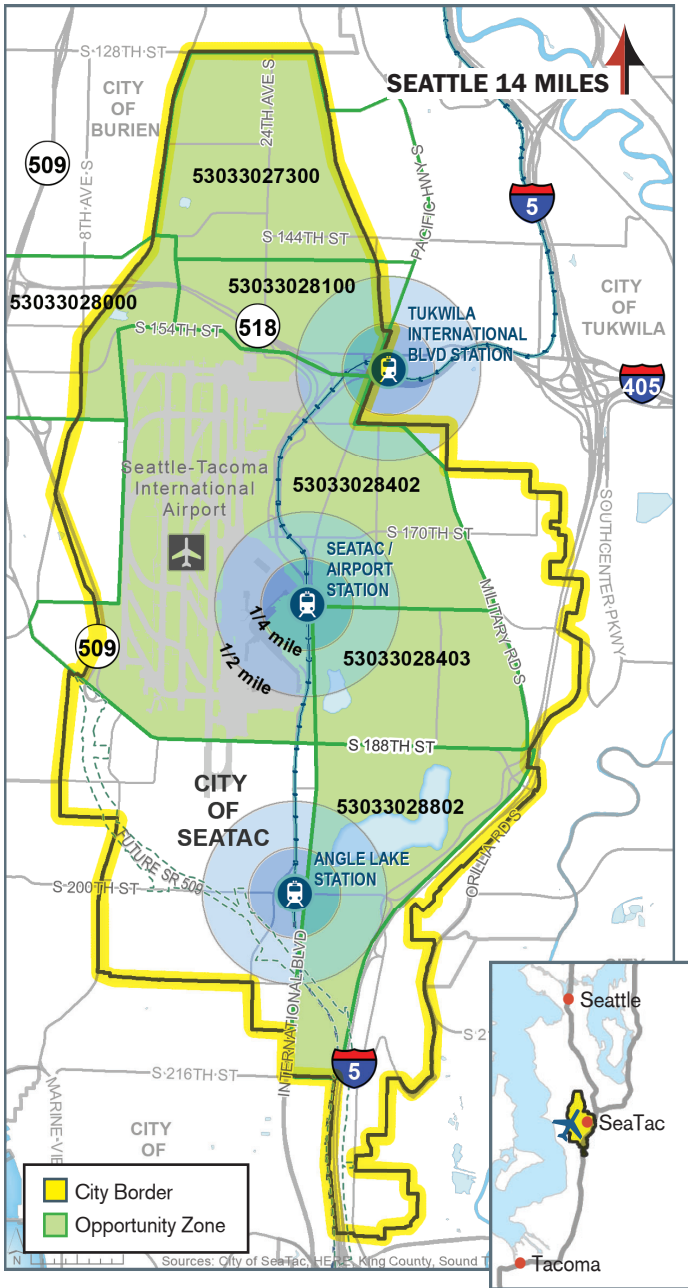
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This Investment Profile was prepared under the auspices of Community & Economic Development for the City of SeaTac. For more information, contact Aleksandr Yermeyev at (206) 973-4843, or visit <https://www.seatacwa.gov/business/economic-development>.

City of SeaTac

That's Right... We're a City!

YOUR CORPORATE HEADQUARTERS



Home of

30,000 residents, close to 40,000 jobs,
TOTAL DAILY POPULATION **150,000**

1. Booming Sea-Tac International Airport & air logistics hub
50 million passengers in 2018, 66 million by 2034
2. Second largest and best performing hotel market in Washington
6,000 rooms + 1,000 more planned.
3. Alaska Airlines' expanding global HQ
7,000 employees

Infrastructure

More than **\$10.5 BILLION** will be invested between 2019 & 2029 in infrastructure and capital improvement projects by

- Port of Seattle Sea-Tac airport expansion
- Sound Transit Light Rail extension to Bellevue & Federal Way
- Washington State Department of Transportation (WSDOT) State Route 509 completion
- City of SeaTac strategic capital improvements

Accessibility

- Air: Sea-Tac International Airport
- Vehicle: I-5, I-405, SR-518 & SR-509
- Transit: Three existing Light Rail stations, King County Metro Rapid Ride bus service

Follow the **billions** of public investment dollars – Invest with confidence in the **SeaTac City Opportunity Zones**





Construction of Alaska Airlines Campus Hub

Alaska Airlines reinforces hometown commitment and expands corporate headquarters in the City of SeaTac. A new office building on the campus is scheduled to open in May 2020.



FAA Regional Headquarters

The General Services Administration (GSA) located the Federal Aviation Administration (FAA) regional headquarters just south of Seattle-Tacoma International Airport.

Industries include:

- Corporate Offices
- Technology
- Airlines
- Transportation
- Logistics
- Hospitality

Invest in Opportunity Zones, **SeaTac, WA**

Locate Your Corporate Headquarters Here 

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