

City of SeaTac

City Council Retreat Minutes Synopsis

March 6, 2010 – 9 AM – 5 PM

March 7, 2010 – 1 PM – 5 PM

City Hall
Council Chambers

Council Present: Mayor Terry Anderson, Deputy Mayor (DM) Gene Fisher, Councilmembers (CMs) Rick Forschler (*left the meeting at 9:44 a.m. and returned at 11:16 a.m.*), Anthony (Tony) Anderson, Ralph Shape, Pam Fernald, and Mia Gregerson.

Administrative Staff Present: Interim City Manager (ICM) Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Finance Director Mike McCarty, Planning Director Steve Butler, Acting Fire Chief Brian Wiwel, Chief of Police Services Jim Graddon, Economic Development (ED) Manager Jeff Robinson, Program Manager Soraya Lowry, Public Works (PW) Director Tom Gut, Fire Training Officer John Gallup, and Facilities Director Pat Patterson.

Saturday, March 6, 2010

Public Comments: There were no public comments.

Update on South Street Light Rail Station

Program Manager Lowry stated that she met with Sound Transit Airport Link Project Director Ron Lewis who will be overseeing the extension to South Street. He provided two messages: (1) Sound Transit is very committed to a station at South Street; and (2) Sound Transit is looking at expediting construction of that station. She detailed the reasons Sound Transit is committed to the South Street station.

She stated that the next steps are to monitor the refinement work on the preliminary engineering, and monitor the City of Des Moines' efforts to build momentum for a station at South Street.

Council discussion ensued regarding the proposed station at South Street, Des Moines' request for a Station at South Street, parking structures at South Street and South Street Stations, and the impacts of the parking at the proposed Federal Aviation Administration (FAA) building at South Street.

Action: Monitor the refinement project and the City of Des Moines' efforts to build momentum for a station at South Street.

Riverton Heights Property Update

Ms. Lowry reviewed the project background, presented public engagement and site design proposal, and requested council direction. She detailed the project. The City acquired the property as a potential replacement site for Fire Station 47 and a training facility. No resources have been planned to advance this project in the next six years.

In November 2009, the Land Use & Parks (LUP) Committee discussed potential uses for this property: fire station and training center, open space/park, community garden, or farmer incubator. Staff received direction from the LUP Committee that there is interest in considering uses, but that staff needed to come back with a proposal to engage the community.

She reviewed the public engagement and site design proposal with a goal to convene a process that engages the community and builds consensus for public uses, identifies project stakeholders that reflect the community makeup, and develops a basic site design plan to accommodate uses in a way that makes the site inviting for all community members.

The schedule for this project is proposed to begin in April 2010 and implement grant funded items in September/October 2010.

CM Forschler left at this point in the meeting.

Ms. Lowry reviewed the proposed budget of \$25,000 for a consultant and materials and event logistics. Staff will request the Funds from the City's available money from the King Conservation District.

Ms. Lowry requested Council answer the following questions: Is Council interested in the proposed process? Should staff consider uses for the entire site or reserve 1.5-3 acres for a fire station? Should the City hire a consultant (\$20,000 + \$5,000 for materials/workshop logistics)? Should staff request \$25,000 from the City's allocation from the King Conservation District Fund (leaving \$50,000 for implementation)?

Council discussion ensued regarding the questions, potential uses for the project, and the funding from King Conservation District.

Saturday, March 6, 2010 (Continued):
Riverton Heights Property Update (Continued):

Public Comments: Jon Ancell stated that he heard that the property was going to be donated to the Mosque for a pea patch. He is not in favor of donating the property.

It was clarified that the City is not proposing donating the property to anyone.

Barbara Bater stated that what SeaTac decides to do with the property may also impact Tukwila residents.

Ms. Lowry stated that staff will come back to the Council to discuss the process, but recommends a steering committee be established to address the many issues related to this property.

Action: Prepare a letter for the Mayor's signature to apply to do an engagement process and move forward to formulate the process.

Recessed: Council recessed for a 15-minute break at 10:27 a.m.

Reconvened: Council reconvened at 10:41 a.m.

Regional Fire Authority (RFA)

ICM Cutts stated that option 1 would be to continue to explore joining the RFA currently being studied. He reviewed what that option would entail.

Finance Director McCarty reviewed the budget and levy rate impacts for option 1: approximately \$2.4 million savings to the General Fund.

Council discussion ensued regarding option 1, including the participation of the International Association of Fire Fighters (IAFF) union, and equality of property from the cities. Mr. Wiwel and Mr. Gallup responded to questions.

Mr. Gallup stated that the IAFF union will be hosting an education session on April 27 in cooperation with the state Fire Chief's to review RFA and what the process would entail.

ICM Cutts reviewed option 2: annex to another existing agency, such as King County (KC) Fire District 39.

Mr. McCarty reviewed the budget and levy rate impacts for option 2: Approximately \$2.4 million savings to the General Fund.

Council discussion ensued regarding option 2.

CM Forschler returned at this point of the meeting.

Mike McCarty reviewed potential property tax impacts to SeaTac Homeowners under option 1 or 2.

Upon a question posed by Mayor T. Anderson regarding personnel changes, Mr. Wiwel stated that placement and use of assets would be determined by the RFA or district elected boardmembers.

DM Fisher stated that the benefit is that everyone is trained together.

Mr. McCarty stated that option 3 is to continue to operate as a separate municipal fire department.

ICM Cutts questioned which option Council wanted to proceed with, option 1, 2, or 3.

Upon a question posed by CM Fernald, Mr. Gallup stated that the fire fighters are supportive of taking a look at regionalization, but also have questions.

Council discussion ensued as to options and how SeaTac would be affected if Renton pulls out.

Council mentioned that the City receives excellent service from the current fire department with very few complaints; therefore it might be hard to convince the community that this is the best option.

Action: Continue to review all options.

Possible reorganization of Planning, Building, Facilities, and Economic Development (ED)

DM Fisher stated that the City's image needs to be changed and marketed as a new course of action for customer service. The City seems to have a dire reputation for anti-business and development that needs to be fixed. CM Gregerson researched other cities that have reorganized.

Saturday, March 6, 2010 (Continued):

Possible reorganization of Planning, Building, Facilities, and ED (Continued):

DM Fisher stated that he has advocated for years to have various liaisons between the City and the residents. Since that hasn't happened, it gives the City a great opportunity to create a new streamlined Business Community and ED Department by combining Building, Planning, Facilities and ED oriented towards better customer service. He stated that he will be presenting a Resolution at the next Council meeting to start this process.

CM Gregerson stated that she researched other cities that have different organization structures. The Resolution to be presented asks if the rest of the Council is also interested in exploring this. Of the 18 cities she looked into, most have the Planning Department permitting and Building permitting together. ED is 50/50 as to whether it's on its own.

ICM Cutts stated that staff will take an objective look and also want to improve the process if applicable. He explained that a survey was conducted in April 2007 which showed positive responses regarding the City's permitting process.

Discussion ensued regarding the options with some CM's expressing their opinion that it is worth exploring because there is always room for improvement.

CM Shape expressed his opinion that it is not the Council's position to administer the City operations.

City Attorney Mirante Bartolo clarified that the Revised Code of Washington (RCW) allows Council to create departments, and therefore can also reorganize departments.

Action: Resolution to be presented at future Council meeting with a time line of three months for staff to review.

Recessed: Council recessed for lunch at 12:06 p.m.

Reconvened: Council reconvened at 1:07 p.m.

Public Comments: There were no public comments.

At this point, the Council began the Downtown SeaTac Workshop, which was part of the retreat agenda.

**City of SeaTac
Downtown SeaTac Workshop Minutes Synopsis**

March 6, 2010 (Saturday)

1:00 PM

**City Hall
Council Chambers**

Council Present: Mayor Terry Anderson, Deputy Mayor (DM) Gene Fisher, Councilmembers (CMs) Rick Forschler, Anthony (Tony) Anderson, Ralph Shape, Pam Fernald, and Mia Gregerson.

Administrative Staff Present: Interim City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Planning Director Steve Butler, Economic Development (ED) Manager Jeff Robinson, Associate Planner Kate Kaehny, Public Works (PW) Director Tom Gut, and City Engineer Susan Sanderson.

Others Present: Facilitator - PRR, Inc. CEO Rita Brogen, Property Owner Gordon Tang, Spencer Decker Architects Principal Shauna Decker, Dollar Development COO Wes Wood, McCollough Hill Attorney Jack McCollough, and Heartland LLC Managing Director Jim Reinhardtsen.

Review Agenda and Meeting Structure

ED Manager Robinson introduced Facilitator Rita Brogen.

Ms. Brogen reviewed her role in the discussions and the ground rules for the meeting.

Purpose / Goals of Workshop

Ms. Brogen reviewed the purpose/goals of the workshop:

- To re-visit the vision for a "downtown" SeaTac
- To engage property owners and developers in dialogue with City Council
- To gain consensus for a long-term vision
- To help inform and guide future work of staff and Zoning Code Update Ad Hoc Committee (AHC)

History and Background of SeaTac / Airport Station Area Planning

Mr. Robinson briefed on the history and background of the station area.

Saturday, March 6, 2010 (Continued):
Downtown Workshop (Continued):

Current Adopted Vision, Key Principles and Key Elements

Mr. Robinson reviewed pictures of what the Station Area Principles represent: create a center for civic community identity for the City of SeaTac, pedestrian-oriented, mix of uses, and high quality design.

Private Sector Development Proposals

The following proposals were presented with Council discussion ensuing regarding the specifics of each:

- Property Owner Gordon Tang reviewed his proposed development of a Marriott Springhill Suites. Mr. Tang stated that in order to move forward he needs something in writing from the City that says that the proposed road Avenue South / South Street layout is no longer a concern.
- Spencer Decker Architects Principal Shauna Decker and Dollar Development COO Wes Wood reviewed two proposals for property owned by the Cassan's: (1) structured parking garage and hotel at South Street and International Boulevard (IB); and (2) parking, retail and hotel on property between the Holiday Inn and Gordon Tang's property.

For the first proposal, Dollar Development is anticipating changes to the code to make this happen.

- McCollough Hill Attorney Jack McCollough reviewed a proposal for a Federal Aviation Administration (FAA) Office Building on the MasterPark B site. The proposal is still in the expressed interest stage with many properties in various cities as potential sites.

Mr. Cutts stated that everyone seems to be in agreement that FAA would be a great use for the station area, regardless of the vision for the station area. Staff also agrees that in today's environment, retail/commercial restaurant projects within the station area aren't going to bring in the necessary revenues to make the project feasible without public investment. The City planned to make that investment through construction of a public parking structure as well as open space and new road infrastructure.

Recessed: Council recessed at 3:01 p.m. for a 10-minute break.

Reconvened: Council reconvened the meeting at 3:13 p.m.

Facilitated Discussion / Question & Answer

Council discussion ensued regarding the development proposals and implications for the SeaTac/Airport Station Area Action Plan: Should SeaTac have a Downtown? Who should it serve? What types of uses and amenities does the City Council envision for the area? Is this the right location?

Should SeaTac have a Downtown?

Council agreed that current economic conditions preclude the ability to develop new retail, offices, housing and restaurants anywhere, much less in the current station area. One comment was that the vision is fine but it's in the wrong place.

Staff asked if there are criteria beyond market conditions that should guide development in the SeaTac/Airport Station Area. Some CMs noted that a major motivation for the Station Area Action Plan was to address serious concerns about public safety in the area. They urged that residential housing opportunities and concepts such as the Business Ambassador program and the Business Improvement District be retained. The Council also discussed the merits of having some sort of master plan that helps to coordinate land use and public investment over the long term.

Some CMs expressed that "downtown" is really SeaTac Airport. It was suggested that the Station Area vision be modified as follows: *"The City of SeaTac envisions the SeaTac/Airport Station Area as a true City Center with a variety of airport-related uses."*

Council discussion ensued regarding the differences between principles of station area planning and the prerogative of property owners. In general, CMs agreed that the realities of market demand should be a determining factor for uses in the SeaTac/Airport Station area. The CMs also seem to agree that the public sector should not assume costs that would otherwise be paid by the private sector. There was, however, a range of opinion about the role of the City in guiding future development. Some CMs believe that the uses should be determined by property owners, while others favor that the City play a role in coordinated planning and use public investment to support the plan vision.

Saturday, March 6, 2010 (Continued):
Downtown Workshop (Continued):

Who should it serve? What types of uses and amenities does the City Council envision for the area?

Several CMs expressed skepticism that SeaTac residents would want to shop in this area. They did, however, feel that those who use the light rail station should be encouraged to shop near the station. CMs also discussed that tourist-oriented uses be prioritized, and that the area be considered a hospitality district to provide entertainment and retail for hotel guests staying in the area.

The Council was in agreement that there needs to be close collaboration between the City, property owners and developers as projects proceed. They also felt that property owners and developers should coordinate closely with each other. Several CMs expressed support for moving forward on the hotel projects on the Tang and Dollar properties.

CMs did not come to closure regarding the station area overlay. Several members stated explicitly that the road overlay should not interfere with Tang, Dollar or McCracken development. Others felt that the overlay should be removed altogether.

Is this the right location?

Not all CMs agree that there should be a downtown at all, but some said that if there needs to be a downtown it should be at the South Street Station Area, or some other place where property is less expensive.

Staff suggested that Council consider the following factors as it considers a change in the location of the City Center. These include:

- The road network is a proposal only, and has not yet been adopted.
- The South Street Station Area does not have the access to the airport and there are different dynamics in that market that do not support a true City Center.
- The plan for a City Center at South Street depends on the development of Avenue South and South Street.
- The development proposals at the Tang, Dollar and McCracken sites can all be accomplished within the existing policy framework of the SeaTac/Airport Station Area Action Plan.

Next Steps

Property owners and development representatives at the table expressed an interest in working with each other to achieve common solutions.

Heartland LLC Managing Director Jim Reinhardtsen noted that throughout the nation, cities are revisiting their plans for transit oriented development (TOD). He said that he noted much alignment among City CMs during this discussion. He urged the City to work to develop a common vision to provide more certainty. At the same time, he expressed that it does not make sense to dilute catalyst projects in the near future.

Planning Director Butler noted that a Comprehensive Plan (CP) amendment will be necessary if the Council wishes to change the South Street Station Area Plan. April is the amendment deadline. He noted there are some specific areas which require further policy clarification:

1. What would the Council like to include in the definition of “airport-related uses.” Does this mean hotel and Park & Fly, or should other uses be included.
2. Further clarification is needed about any changes that Council would like to make to the parking bonus.
3. The Zoning Code Update AHC had been planning to look at the overlay concept, and will need to know whether their future activities should focus on the City Center or other parts of the code.

ICM Cutts clarified that from today’s discussion that the AHC will not spend time examining the overlay.

Action:

1. Repeal the moratorium.
2. Discuss the Council’s vision for the area.
3. LUP Committee to discuss issues further.
4. Prepare a letter stating that Avenue South is not an issue.

Mr. Tang stated that while the street overlay was never adopted, it’s almost accepted as law. Now we have to take action to remove all perception.

Saturday, March 6, 2010 (Continued):

Downtown Workshop (Continued):

Dorris Cassan stated that the developers have been working together, but never were there conditions where they felt like the City was part of the team to make everyone be successful, until today.

Mr. Reinhardsen stated that the City should not obstruct private sector developments; however, there is concern about a long term vision. An Airport City Center will take collaboration that brings certainty to the market.

Recessed: *At this point, Council recessed the Retreat until Sunday, March 7 at 1 p.m.*

Sunday, March 7, 2010

Reconvened: *Council reconvened the Retreat at 1 p.m.*

Council Present: Mayor Terry Anderson, DM Gene Fisher, CMs Rick Forschler, Anthony (Tony) Anderson, Ralph Shape, Pam Fernald, and Mia Gregerson.

Administrative Staff Present: ICM Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Finance Director Mike McCarty, Planning Director Steve Butler, ED Manager Jeff Robinson, Public Works (PW) Director Tom Gut, Building Official Gary Schenk, Code Enforcement Officer Barb Canfield.

Public Comments: There were no public comments.

Enforcement of Code Enforcement (CE)

PW Director Gut reviewed the purpose of CE per SeaTac Municipal Code (SMC) 1.15. This presentation is to determine if there is Council consensus for stronger CE.

Mr. Gut stated that the CE program approach includes due process, results, and enforcement. He detailed what each of these entails.

Mr. Schenk stated that staff originally attempts to get resolution without opening a case. At the point when there is no longer communication, a case will be opened with 15 day increment deadlines. Start to finish can take three to six months.

Mr. Gut stated that the goals of CE is to be fair, responsive, efficient, and effective.

He explained the steps that are included for two types of basic CE actions: sensitive areas and property maintenance. He explained that staff usually has 90% success with the knock and talk process before ever opening up a case.

Staff is not set to abate sensitive areas violations unless it is a significant life safety issue. It's tricky to undo illegal fills and there are liabilities including potential for high costs.

Staff is more apt to abate property maintenance issues because there is less liability for the City.

A list was developed prioritizing the types of CE issues and whether staff was to be proactive or reactive. He reviewed the list and some photos illustrating a violation versus a messy neighbor.

Council discussion ensued as to what "stronger" enforcement means and how it will be measured.

Action: Further discuss options for an ombudsman and task force, provide data to Council and conduct a CE tour with the Council.

Public Comment: Barry Ladenburg stated that many people don't understand what a violation is. He suggested staff provide education on CE on the City's website and SeaTV.

Recessed: Council recessed for a break at 2:16 p.m.

Reconvene: Council reconvened at 2:25 p.m.

Bonding of South Street Property

Finance Director McCarty stated the City purchased the property in 2009, funded with Port Interlocal Agreement (ILA) funds with the intention of issuing bonds to reimburse the Port ILA fund. The intent is to bond this using rent proceeds from the property, however, at this time the City has only had two months experience. Mr. McCarty recommended waiting until the third or fourth quarter this year to have a better picture of rent proceeds. The

Sunday, March 7, 2010 (Continued):

Bonding of South Street Property (Continued):

building was purchased for \$12.3 million. He reviewed two options for bonding: (1) \$12 million, 30-year bonding; and (2) \$6 million, 20-year bonding.

Mayor T. Anderson requested Foster Pepper PLLC Bond Counsel Nancy Neraas make a presentation to Council as the bonding process moves forward.

Council discussion ensued regarding the options.

Upon a question posed by CM A. Anderson, Mr. Robinson stated that of the space that is ready for renting, the space is 100% filled. Discussion ensued regarding current and potential leases.

Action: Continue to review options and bring back to Council for action later in the year.

6-year Capital Improvement Program (CIP) Review

Finance Director McCarty highlighted the 2010-2015 CIP as presented during the 2010 budget exercise in November 2009. In 2009 a standalone 6-year CIP document was developed showing each project by department/location including proposed funding sources.

He reviewed the proposed 6-year (2010-2015) CIP funding summary.

Action: Bring revised CIP that includes SeaTac Center property and Avenue South / South Street project to be funded through a Local Improvement District (LID) to the next retreat.

Mr. McCarty detailed the proposed projects/equipment costs included in the \$100.2 million.

DM Fisher stated that many of the items are questionable as to whether they will be done.

Mr. McCarty clarified that the CIP is a planning tool and nothing is set in stone.

Council discussion ensued regarding various proposed projects and costs.

Upon a question posed by CM A. Anderson, Mr. Cutts stated that staff will look into hiring someone full-time to plan sidewalks, possibly as part of the 2011 budget cycle.

Council discussion ensued regarding the proposed Gathering Place Plaza and the new Avenue South / South Street internal road network for South Street Station Area.

Mr. Cutts questioned Council's consensus regarding the proposed road network.

Action: Leave the road network in the CIP but unfunded at this time.

Mr. Cutts questioned Council's consensus regarding the community access site acquisition.

Action: Inform Sound Transit that the City is still interested in acquiring the site.

Mr. McCarty reviewed the existing funding sources totaling \$58.7 million.

DM Fisher questioned the use of a construction sales tax and offering an exemption if a development is completed in a certain amount of time?

Action: Continue discussion on construction sales tax incentive. Clarify vision so the incentive meets with vision.

Mr. McCarty reviewed the proposed new funding sources.

Mr. McCarty requested the following policy direction from Council:

- Issue general obligation bonds for the SeaTac Center property? How much?
- Issue general obligation bonds for the SeaTac/Airport Station Area? How much?
- Fully utilize Port ILA fund?
- Sell surplus property as a revenue source?
- Leave an estimated \$1.7 million in available capital funding resources at December 31, 2015?
- Approve the \$100.2 million 6-year CIP?

Council discussion ensued regarding the proposed funding sources.

Sunday, March 7, 2010 (Continued):

6-year CIP Review (Continued):

Action: Update draft CIP and have it available to the City Council prior to the next retreat and present at the Administration & Finance (A&F) Committee Meeting as a standing item until the retreat.

Action: Executive Assistant Lesa Ellis to work with the Mayor to set the date for the next Council Retreat.

Public Comment: Earl Gipson requested clarification about the Avenue South/South Street. Mr. Cutts stated that the roads will stay in the CIP, unfunded.

Adjournment: The SeaTac City Council Retreat adjourned at 4:12 p.m.