



# Planning and Economic Development Committee Agenda

**December 2, 2020**

**4:00 P.M.**

***SPECIAL 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: Evan Maxim, CED Director

ITEM	TOPIC	PROCESS	WHO	TIME
1	Call to Order		Chair	4:00
2	PUBLIC COMMENTS (any topic): 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 Council Committee will not hear any in-person public comments during this COVID-19 public health emergency. The Committee is providing remote and written public comment opportunities. All comments shall be respectful in tone and content. Signing-		Chair	4:00 (2 min)

	<p>up for remote comments or providing written comments must be done <u>by 2:00PM</u> the day of the meeting.</p> <ul style="list-style-type: none"> <li>• Instructions for providing remote oral public comments are located at the following link: <a href="#">Council Committee and Citizen Advisory Committee Virtual Meetings</a>.</li> <li>• Submit email/text public comments to <a href="mailto:pedpubliccomment@seatacwa.gov">pedpubliccomment@seatacwa.gov</a>. The comment will be mentioned by name and subject and then placed in the committee handout packet posted to the website. Public comments submitted to an email address other than the provided address, or after the deadline, will not be included as part of the record.</li> </ul>			
3	Minutes of 11/18/2020 special meeting	Review and approve	Committee	4:02 (2 min)
4	Council Request Form (CRF) 20-21: Lodging Tax funding for Streetscape enhancements	Review and Recommendation	Evan Maxim	4:04 (20 min)
5	Council Request Form (CRF) 20-22: Lodging Tax funding for Sound Transit Surplus property	Review and Recommendation	Evan Maxim & Mark Johnsen	4:24 (20 min)
6	2021 Comprehensive Plan Amendment Docket	Review and Recommendation	Jenn Kester & Kate Kaehny	4:44 (20 min)
9	Adjourn		Chair	5:04



# SPECIAL

## Planning & Economic Development Committee Minutes

Thursday, November 18, 2020

4:00 PM – 5:30 PM

\* Virtual Meeting \*

Members:	Present:	Commence:	4:01 PM
		Adjourn:	5:55 PM
Stanley Tombs, Chair	<b>X</b>		
Deputy Mayor Peter Kwon	<b>X</b>		
Mayor Erin Sitterley	<b>X</b>		

Other Councilmembers: Clyde Hill

Staff & Presenters: Gwen Voelpel *Deputy City Manager*, Mary Mirante Bartolo *City Attorney*, Evan Maxim *CED Director*, Jenn Kester *Planning Manager*, Kate Kaehny *Senior Planner*, Neil Tabor *Associate Planner*, Cindy Corsilles *Assistant City Attorney*, Mark Johnsen *Senior Assistant City Attorney*, Mary Kate McGee *Building Services Manager*, Dennis Hartwick *Senior Planner*, Jon Napier (*Fire Marshal*), Bart Perman *Information Systems Manager*, Barb Mailo *Administrative Assistant 3*, Earl Gipson (*public comments*), SeaTV

1. Call to Order	Chair Tombs called the meeting to order at 4:01PM and roll call
2. Public Comments	Mr. Earl Gipson made oral comments regarding the information listed and implied in the Housing Action Plan (HAP). Mr. Gipson suggested that the Committee consider the pandemic and density with regard to growth goals. Mr. Gipson also suggested to carefully consider any housing action plan moving forward.
3. Approval of minutes of 010/22/2020	Mayor Sitterley moved to approve minutes, second by Deputy Mayor Kwon. Passed 3-0.
4. Small Cell/Wireless Code Amendment: Planning Commission Recommendation	<u><b>X</b></u> Briefing Dennis Hartwick, Senior Planner, presented the Wireless Facilities Code update, which included summaries of Wireless Communications Facilities (WCF), Small Cells, Eligible Facilities Request (EFR), Code Review Schedule, and Summary of Amendments.

	<p>Requesting recommendation action from PED Committee after presentation. Action requested: Approve, Deny, or Approve with modifications.</p> <p>Chair Tombs suggested action to recommend Approval to Council to stay in conformance with Federal regulations and that the Committee may revisit this later if necessary. Mayor Sitterley recommended without objection and Deputy Mayor Kwon was in favor. Passed 3-0</p>
<p>5. 2018 International Building Code Adoption</p>	<p><u>  X  </u> Briefing</p> <p>Mary Kate McGee, Building Manager, presented the SMC Title 13 Update, which adopts the Washington State Building Code. Presentation included summary of the Adoption of the 2018 International Codes, Correction to locally adopted snow loads, and New provisions in the adoption of the International Fire Code, and Agenda Bill Overview.</p> <p>Requesting to refer the Ordinance to amend Title 13 to Council with Committee recommendation for Approval and recommend the Ordinance to amend Title 13 to the full Council for adoption.</p> <p>Chair Tombs made a motion recommending for approval. Passed 3-0</p>
<p>6. Interim FEMA Floodplain Regulations: six-month extension</p>	<p><u>  X  </u> Briefing</p> <p>Evan Maxim, CED Director, presented the Interim FEMA Flood Plain Regulations.</p> <p>Requesting Committee recommendation to extend ordinance from 12/31/2020 to 6/30/2021.</p> <p>Chair asked Committee if any objections to recommend Approval to Council. None objected. Passed 3-0</p>
<p>7. Housing Action Plan</p>	<p><u>  X  </u> Briefing</p> <p>Kate Kaehny, Senior Planner, presented the SeaTac Housing Action Plan “HAP” Project Update. Informational presentation only. Presentation included Recap HAP Project Goals, Housing Needs Assessment-Preliminary Findings, SeaTac’s Current Housing Supply, Housing Action Plan (HAP) Next Steps, and Anticipated HAP Project Schedule/Milestones.</p> <p>Informational presentation, no committee action requested, status update on HAP.</p>
<p>8. 2044 Growth Targets: Introduction</p>	<p><u>  X  </u> Briefing</p> <p>Kate Kaehny, Senior Planner, presented the King County Growth Target Allocation Process. Presentation included Targets &amp; Planning under the Growth Management Act (GMA), SeaTac’s Current Growth Targets, Proposed SeaTac Approach: Guidance From City Council &amp; Existing Policies, and Next Steps.</p> <p>Informational presentation, no committee action requested.</p> <p>Committee agreed to submit questions in writing regarding this subject to Kate. Evan requested special 2<sup>nd</sup> PED meeting in January. Committee members agreed.</p>
<p>9. Adjourn</p>	<p>As there were no further comments or business to address, Chair Tombs adjourned the meeting at 5:55pm.</p>



## MEMORANDUM

To: Planning & Economic Development  
From: Evan Maxim, Community & Economic Development Director  
Date: December 2, 2020  
Re: Council Request Form (CRF) 20-21: Lodging Tax for Streetscape

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### **Purpose**

On October 13, 2020, the City Council referred CRF20-21 (Attachment A) to the Planning & Economic Development (PED) committee for a recommendation. In particular, CRF20-21 seeks City guidance related to whether lodging tax monies may be used to fund capital improvement projects and provides several examples of possible tourism-related facilities.

### **Analysis**

In summary, the City of SeaTac may use lodging tax monies to fund capital improvement projects insofar as the capital improvement project also meets the definition of a "tourism-related facility" and receives approval by the Hotel / Motel Advisory Committee. For capital improvement projects that partially qualify as a tourism-related facility, only that part of the project that is a tourism-related facility can be funded with lodging tax monies. For example, a capital improvement project to build an entirely new street, which includes an art-walk tourism component, could use lodging tax monies only for the art-walk improvements.

In long, the lodging tax is intended to allow applicants, including the City of SeaTac, to engage in activities that support tourism, including the construction of tourism-related facilities. For the purposes of the lodging tax use, "tourism" and "tourism-related facilities" are defined (RCW 67.28.080) as follows:

- "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a business organization, destination marketing organization, main street organization, lodging association, or chamber

of commerce and (b) used to support tourism, performing arts, or to accommodate tourist activities.

\*Note that, as of July 1, 2013, capital expenditures for tourism-related facilities owned by nonprofit organizations are no longer permitted expenditures of lodging tax funds.

Please note that RCW 67.28 requires that to use lodging tax monies, an applicant must “apply” to use the City's Lodging Tax Committee (Hotel / Motel Advisory Committee, or HMAC) for the use of these funds. The HMAC must select the candidates for funding from amongst the applicants applying for use of these monies, and provide a list of such applicants and recommended amounts of funding to the City Council for final action. The City Council may choose only recipients from the list of applicants and recommended amounts provided by the HMAC for funding.

On October 27, the City Council directed the City to work with the Seattle Southside Regional Tourism Authority (SSRTA) to develop performance metrics related to the use of lodging tax money and SSRTA operations in the City of SeaTac. Staff anticipates developing these performance metrics in 2021, which may in turn affect the criteria used by the HMAC and City Council in allocating lodging tax monies.

Several possible ideas for capital improvement projects using lodging tax monies were included in the CRF:

1. An art walk like the bronze ‘dance steps’ found on Broadway in Capitol Hill in Seattle; or
2. A parasol to act as a sun shade and rain/weather protection as found in Korea; or
3. Beautifying the main streets with improved flower planters like found in Marshfield.

While these projects may qualify for lodging tax monies, it is unclear if they will generate significant tourist interest. Consequently, staff recommends that the City Council consider developing a strategic approach to developing tourism-related capital improvement projects. This could be accomplished through a tourism asset mapping exercise and perform a needs analysis to inform and develop a strategic plan for improving the overall city streetscape to make the city more attractive to tourists and also benefit residents.

### **Budget Significance**

None. However, approximately 10 hours of staff time were required to review and respond to this CRF20-21. Staff estimates that approximately 15 to 40 hours will be required to prepare an application for a capital improvement project for review by the HMAC and City Council. Please note the amount of staff time may significantly vary depending on the complexity of the capital improvement project. It is unclear how much staff time and what, if any, additional financial resources would be required to develop a strategic plan for the development of tourism related assets.

**Requested Committee Guidance**

Direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.

**Alternative**

- Do not direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.
- Direct staff to prepare one or more application(s) for capital improvement project(s) funded in whole, or in part, through lodging tax funds.



# COUNCIL REQUEST FORM (CRF)

Tracking Number(Executive Asst. to assign): 2020-21

FormRevision date: 6/24/2020

## CITY COUNCILMEMBER TO COMPLETE

Please click on the "Click here to enter text". This opens the text boxes which expand as you type.

■ **Date of Request:**10/9/2020

■ **Desired Response Date:**10/27/2020  
*Is this issue time sensitive; are there other timing factors to consider?*

■ **Requestor:**Peter Kwon

Click on one:

x **Policy**                       **Operations**

Choose one:

- Action(click one):**  Proclamation  Motion  Resolution  Ordinance
- x **Research**
- x **Information**
- Other**(describe)

## ■ **Issue**

*A clear concise description of the issue(s) that need/s) to be addressed.*

I would like to know if the city's lodging tax can be used to improve the city streetscape beyond just wayfinding signs, to include things such as an artwalk, pedestrian crossing improvements, etc.

## **Background**

*Please detail all necessary information essential to the understanding of the problem statement and request.*

We already know lodging tax revenue can be used to improve wayfinding. I would like to know if it can be used to improve the overall city streetscape to make the city more attractive to tourists and also benefit residents. Some examples can be:

- an artwalk like the bronze 'dance steps' found on Broadway in Capitol Hill in Seattle:  
<https://www.flickr.com/photos/jbthescots/6858612077/>
- a parasol to act as a sun shade and rain/weather protection as found in Korea:  
<http://koreabizwire.com/pedestrian-crossing-parasols-spreading-across-s-korea/142763>
- LED-lighted crosswalk panels like those found in the Netherlands:  
<https://www.trendhunter.com/trends/lighted-zebra-crossing>
- Or even just beautifying the main streets with improved flower planters like found in Marshfield:  
<https://www.onfocus.news/beautification-projects-improve-downtown-marshfield/>

## ■ **Request**

*What is being requested to assist in addressing the issue described? What specific scope of work would you like the City staff to address?*

I would like to know what type of projects are possible utilizing lodging tax, we could potentially discuss this in TPW and/or PED with legal counsel present.

## ■ **Connection**

*How is the work connected to a current or upcoming decision before the City Council?*



The City Council is currently working on the City Budget.

## Relationship to City Business or Proposed City Business/Services

Describe how this will enhance what is already offered and/or what it will provide that is not currently available. This has the potential to dramatically improve the city for both tourists and residents, and improve pride and provide a better sense of place for all.

Why is this the City's issue to address?

This all involves public infrastructure.

## Connection to Comprehensive Plan

Choose all that apply.

- Introduction/Framework (communityengagement)
- Land Use
- Housing & HumanServices
- Transportation
- CapitalFacilities
- Utilities
- CommunityDesign
- Economic Vitality
- Environment
- Parks, Recreation & OpenSpace
- None Applicable

## Describe specifically how this request is connected to the Comprehensive Plan categories you checked above.

[Land Use]

Create walkable, compact, transit-oriented communities with a range of transportation, employment, housing, recreation, goods, and service choices for residents of all income levels.

[Transportation]

-For the benefit of SeaTac's residents, businesses, and visitors, promote the safe and efficient transport of people and goods by implementing and maintaining an integrated multi-modal transportation system that also supports and encourages alternative and active transportation modes.

-Develop and maintain an arterial street and highway system that reduces the adverse impact of regional and airport traffic on City arterials, and cost-effectively improves safety for all travel modes, manages congestion to reduce delays and the impacts of traffic diverting through neighborhoods, and enhances the look and feel of the City.

-Design and operate neighborhood streets to maximize safety of all appropriate travel modes, reduce cut-through traffic, and enhance the look and feel of the City's transportation system in a cost-effective manner

-Plan for and develop a system of transportation facilities for all users and all modes including pedestrians, transit users and bicyclists.

-Establish and maintain a consistent, sustainable, adequate, and equitable funding program to maintain, operate and improve the City's transportation system in a timely manner to support implementation of the City's Comprehensive Plan.

[Community Design]

-Provide residents and visitors with a positive, identifiable image of the City of SeaTac.

-Provide a well-designed, pedestrian-friendly, and community-oriented environment in the Urban Center.

-Strengthen the positive attributes of SeaTac International Airport's presence in the City of SeaTac.

-Attract and encourage major institutions that are well designed and beneficial to the community.

[Economic Vitality]

- Maintain and upgrade existing and strategically locate new public infrastructure to provide capacity for economic growth
- Enhance and utilize the City's natural and built environment to increase the desirability of locating in SeaTac.

## ■ Connection to Citywide Goals

*Choose one or more below*

- CityOperations
- CommunityEngagement
- InfrastructureInvestment
- Lifelong Learning
- Accountability
- Revenue andDevelopment
- None Applicable

## ■ Explain how this request fits the City Goals checked above.

Improving the city's streetscape and public infrastructure such as crosswalks and sidewalks will encourage the community to slow down, take some time, and engage with the environment and each other. Providing an improved sense of place will also instill pride and enjoyment in living, working, and visiting SeaTac.

## ■ Options- *describe proposed options for moving the idea or issue forward for the body to consider.*

I am hoping this can be discussed further in Transportation and Public Works Committee.

## ■ Supporting Documentation- *are there documents that support your request or that should be considered?*

Various links were provided in an earlier question above.

## Email this form to the Executive Assistant

The Executive Assistant will email acknowledgement of receipt and begin the process with the City Manager who is responsible for assigning the Council Request to the appropriate staff.

## Council Request Work Flow

Staff to complete

### STEP 1 City Manager's Office

#### ACTION: Executive Assistant

- Enter CRF on the status report
- Assign a tracking number
- Save CRF on the network drive
- Email receipt of CRF to requestor
- Forward CRF to the City Manager for department head(s) assignment

#### ACTION: City Manager

- Enter date received: 10/12/2020
- Enter Department Head(s) assigned and due date: Evan, 10/12/20
- Email CRF to assigned Department Head(s); copy Executive Assistant

## STEP 2 Department Head(s)

### **ACTION: Department Head(s) – Complete each line in this section**

- Enter estimated time needed to complete the request (in hours): **10 hours to bring to PED for briefing and to receive additional direction at PED or RCM**
- Enter estimated completion date based on current workload: **6 to 10 weeks based on PED meeting times and current agendas**
- What is the estimated budget impact/cost? **Staff time only**

Department Head(s) Comments (*optional*):

Email CRF to City Manager by due date

## STEP 3 City Manager's Office

### **ACTION: City Manager**

- Review Department Head input
- Select a box below in accordance with the Council Administrative Procedures.
  - Minor Less than one hour
  - Minor And, Council referral/approval requested due to nature of request
  
  - Significant More than one hour, but less than three hours
  - Significant And, Council referral/approval requested due to subject
  
  - Major More than three hours (Council referral/approval required)

Email to the Executive Assistant

## STEP 4 City Manager's Office

### **ACTION: Executive Assistant**

Email CRF to City Council

#### **Minor and Significant**

Email CRF to Department Head(s) to complete the final response section

#### **Minor and Significant – Council referral/approval requested or Major**

Provide City Manager with CRF for next Council Meeting

### **ACTION: City Manager**

#### **Major**

Take CRF to the next City Council Meeting for Council approval and Committee Referral, or denial

## STEP 5 City Manager's Office

#### **Major**

**ACTION: City Manager**

**If Council did not approve referral to Committee:**

Notify Executive Assistant and assigned department head(s).

**If Council approved referral to Committee:**

Enter Council approval date: 10/13/2020

Committee referral (if applicable): PED

Notify responding Department Head(s) Evan Maxim

Notify Executive Assistant

**ACTION: Executive Assistant**

**If Council did not approve CRF:**

Update the CRF form

Email updated CRF form to City Council

Update the status report (mark item closed)

Move CRF form to the closed folder

√**DONE**

**If Council did approve CRF and referral to Committee:**

Update the CRF form

Email updated CRF form to City Council

Update the status report (mark item closed)

Move CRF form to the closed folder

√**DONE**

**Step 6 City Manager's Office / Assigned Department Head**

**FINAL RESPONSE SECTION - Minor and Significant**

**ACTION: Department Head**

Enter response date:

Enter actual staff time spent:

Insert response here (**expandable field**) or as an attachment.

Email updated CRF to Executive Assistant

**Step 7 City Manager's Office**

**ACTION: Executive Assistant**

Forward updated CRF City Manager for review

**ACTION: City Manager**

Notify Executive Assistant of review and approval to email City Council

If not approved, email back to Department Head(s) for edits with instructions to email City Manager with edits

Notify Executive Assistant of review and approval of edited response to email City Council

√**DONE**

**ACTION: Executive Assistant**

- Email updated CRF to City Council
  - Update the status report
  - Move the CRF to the closed folder
- √**DONE**

Executive Assistant to send CRF status report to Council monthly.

# CRF20-21: Lodging Tax for Streetscape

December 2, 2020



## PURPOSE OF PRESENTATION

- Response to CRF20-21, related to whether lodging tax monies may be used to fund capital improvement projects

## WHY IS THIS ISSUE IMPORTANT?

1. Overview of limitations on the use of lodging tax monies
2. Staff is seeking direction from the PED committee on how to proceed



# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- Direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.

Alternatively:

- Do not direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.
- Direct staff to prepare one or more application(s) for capital improvement project(s) funded in whole, or in part, through lodging tax funds.

**STAFF RECOMMENDATION** Direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.

## REVIEWS TO DATE

- RCM: 10/13/2020
- PED: 12/02/2020





# LODGING TAX MONIES: LIMITATIONS & STRATEGY

## Tourism, Tourism Related Facility(s), and HMAC

- Tourism: means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- Tourism Related Facility:
  - Owned by a public entity (or non-profit)
  - Used to support tourism, performing arts, or to accommodate tourist activities
- A capital improvement project for a tourism related facility will require HMAC review and approval
- Mapping current tourist assets and conducting a needs analysis would allow the City to develop a strategy for constructing tourism related assets



# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- Direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.

Alternatively:

- Do not direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.
- Direct staff to prepare one or more application(s) for capital improvement project(s) funded in whole, or in part, through lodging tax funds.

**STAFF RECOMMENDATION** Direct staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.

## REVIEWS TO DATE

- RCM: 10/13/2020
- PED: 12/02/2020



Thank you





## MEMORANDUM

To: Planning & Economic Development  
From: Evan Maxim, Community & Economic Development Director  
Date: December 2, 2020  
Re: Council Request Form (CRF) 20-22: Lodging Tax for Sound Transit

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### **Purpose**

On October 13, 2020, the City Council referred CRF20-21 (Attachment A) to the Planning & Economic Development (PED) committee for a recommendation. In particular, CRF20-22 seeks City guidance regarding the use of Lodging Tax monies to:

- A. Acquire one or both of the Sound Transit properties adjacent to the Angle Lake Station; and,
- B. Support the construction and ongoing funding support of a building with a ground floor commercial space for a tourism related business/use (e.g. an art gallery or shared performance space).

### **Analysis**

#### Use of Lodging Tax Money

In summary, the City of SeaTac may use lodging tax monies to fund capital improvement projects insofar as the capital improvement project also meets the definition of a “tourism-related facility” and receives approval by the Hotel / Motel Advisory Committee. The funding of capital improvement projects may include the acquisition costs of tourism related facilities (RCW 67.28.1815). However, for capital improvement projects that partially qualify as a tourism-related facility, only that part of the project that is a tourism-related facility may be funded with lodging tax monies. Consequently, only that portion or the Sound Transit property acquisition and construction-related costs associated with the creation of the tourism-related facility may be funded through Lodging Tax monies.

In long, the lodging tax is intended to allow applicants, including the City of SeaTac, to engage in activities that support tourism, including the construction of tourism-related facilities. For the purposes of the lodging tax use, “tourism” and “tourism-related facilities” are defined (RCW 67.28.080) as follows:

- "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

- "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce and (b) used to support tourism, performing arts, or to accommodate tourist activities.

\*Note that, as of July 1, 2013, capital expenditures for tourism-related facilities owned by nonprofit organizations are no longer permitted expenditures of lodging tax funds.)

Please note that RCW 67.28 requires that to use lodging tax monies, an applicant must "apply" to use the City's Lodging Tax Committee (Hotel / Motel Advisory Committee, or HMAC) for the use of these funds. The HMAC must select the candidates for funding from amongst the applicants applying for use of these monies, and provide a list of such applicants and recommended amounts of funding to the City Council for final action. The City Council may choose only recipients from the list of applicants and recommended amounts provided by the HMAC for funding.

### Sound Transit Properties

On September 20, 2020, Sound Transit passed Resolution R2020-04 (Attachment B) declaring two Sound Transit properties surplus and available for purchase. Both properties must be developed as "Transit Oriented Development". The North Angle Lake (NAL) property must also be developed as affordable housing; 80% of the residential units must be affordable at or below 80% of the area median income. The South Angle Lake (SAL) property is available for market rate development and intended to provide an economic contribution to the station area.

The NAL property is currently zoned Regional Business Mix (RBX) and is approximately 33,529 square feet (0.77 acres) in area. The SAL property is currently zoned Urban Low Density Residential (UL-7200) and is approximately 27,498 square feet (0.63 acres) in area. The City of SeaTac owns property immediately adjacent and to the west of the SAL property and partially developed with street improvements (26<sup>th</sup> Avenue South). The City of SeaTac property is approximately 31,514 square feet (0.72 acres) in area and is partially zoned RBX and partially zoned Urban High Density Residential (UH-900). A site specific rezone may be required prior to, or concurrent with, development of the SAL for Transit Oriented Development. Art galleries and performance centers are not permitted in the RBX, UL-7200, or UH-900 zoning designations; a code amendment or a site-specific rezone may be required to allow these specific uses. Other uses, which would

qualify as tourism-related are permitted in the RBX zoning designation (e.g. community center, museum, retail uses).

Following passage of Resolution R2020-04 Sound Transit staff initiated the development of a Request for Proposal (RFP) for the acquisition of the property; City staff were initially collaborating with Sound Transit on this work until the filing of CRF20-22. To avoid a potential conflict of interest, City staff have temporarily halted work with Sound Transit on the RFP until City Council direction on CRF20-22. City staff understand that the RFP is scheduled for release in late Q1 or early Q2 of 2021. The RFP process often requires 12 to 18 months from application to selection of a proposal.

If the City Council directs staff to develop a proposal responsive to the Sound Transit RFP for the acquisition of either the NAL or SAL property, significant additional staffing resources will be required. Based upon experience, staff anticipates that preparing the proposal and engaging fully in the RFP process, along with coordinating a partnership with a non-profit organization to develop the tourism related facility, will require the equivalent of two or more full time staff positions for a year or longer and will likely require significant consultant resources.

Consequently, if the City Council directs staff to develop a proposal responsive to the Sound Transit RFP, additional scoping and research will be required prior to proceeding. If the Council desires to proceed, it would be best to retain a consultant to properly scope the project and explore the full-anticipated cost to the City.

### Strategic Approach

CRF20-22 seeks a feasibility evaluation and determination by the City Council as to whether it would be beneficial to obtain either the NAL or SAL properties. The acquisition of the properties for a land lease targeting tourism appears feasible. However, to determine whether this property acquisition would be beneficial to the community, staff recommends that the City Council first develop a strategic approach and guiding principles to evaluate property acquisitions.

While acquiring one, or both, of these properties may prove to be beneficial to the community, it represents a significant investment of City resources. By developing a strategic approach and guiding principles, the City Council will be better equipped to evaluate whether the acquisition of the NAL or SAL properties represent the best use of City resources.

### **Budget Significance**

None. Approximately 40 hours of staff time were required to review and respond to this CRF20-22.

### **Requested Committee Guidance / Alternatives**

Staff recommends that the City Council direct staff to develop a set of guiding principles / strategic approach to evaluating property acquisitions for the benefit of the community. Special analysis of using lodging tax monies for property acquisition will be a component of the overall strategy.

### **Alternative**

- Direct the City to retain a consultant to provide a scope and cost estimate of participating in the RFP process and developing the site in partnership with a non-profit organization.
- Do not direct staff to retain a consultant to provide a scope and cost estimate of participating in the RFP process and developing the site in partnership with a non-profit organization.





# COUNCIL REQUEST FORM (CRF)

Tracking Number(Executive Asst. to assign): 2020-22

FormRevision date: 6/24/2020

## CITY COUNCILMEMBER TO COMPLETE

Please click on the "Click here to enter text". This opens the text boxes which expand as you type.

■ **Date of Request:**10/9/2020

■ **Desired Response Date:**10/30/2020  
*Is this issue time sensitive; are there other timing factors to consider?*

■ **Requestor:**Peter Kwon

Click on one:

Policy Operations

Choose one:

**Action(click one):** ProclamationMotion ResolutionOrdinance  
 **Research**  
 **Information**  
 **Other**

■ **Issue**

*A clear concise description of the issue(s) that need/s) to be addressed.*

Two Sound Transit properties at Angle Lake Station have finally been surplussed, I would like the city to explore the possibility of acquiring the property for the benefit of our residents, businesses, and local employees, and to improve our community.

**Background**

*Please detail all necessary information essential to the understanding of the problem statement and request.*

The City has been urging Sound Transit to surplus the unused property at Angle Lake Station ever since the station first opened in 2016 to promote development and revitalization of the area. The property has now been surplussed which opens the opportunity for potential projects to benefit the community. Since the north site closest to the garage will be available at a discount for affordable housing and has a ground floor commercial requirement, it might be worthwhile for The City to seek control over this property to guide a keystone project for the area.

A related news coverage is here:

<https://www.bizjournals.com/seattle/news/2020/09/28/sound-transit-tod-angle-lake-light-rail-seatac.html>

■ **Request**

*What is being requested to assist in addressing the issue described? What specific scope of work would you like the City staff to address?*

I would like to request a feasibility evaluation for the council to consider if it would be beneficial for The City to obtain this property, especially for something such as a land lease targeted for ground floor commercial space geared towards tourism such as an art gallery or shared performance space with an organization such as 4Culture as the primary tenant. I would also like to know if this could be funded using The City's own lodging tax dollars now and into the future.

■ **Connection**



*How is the work connected to a current or upcoming decision before the City Council?*

The City Council is actively seeking to revitalize our city, improve and increase commercial space, provide better amenities for locals and visitors, improve the city as a destination for tourism, and seek a capital project opportunity for the \$5million lodging tax bond which was completely paid off earlier this year.

## Relationship to City Business or Proposed City Business/Services

Describe how this will enhance what is already offered and/or what it will provide that is not currently available. SeaTac has historically been lacking a major tourism destination draw and has historically been unable to reclaim most of the lodging tax it generates for King County and other cities. SeaTac should seek to capitalize on her tremendous lodging tax resources to improve our city for everyone.

Why is this the City's issue to address?

1. Sound Transit property is located in The City.
2. SeaTac historically generates the second or third largest amount of lodging tax in the State of Washington and has been unable to utilize this to improve The City.
3. SeaTac has retired a \$5million lodging tax bond earmarked for a tourism related capital project.
4. Angle Lake Station Area plan calls for Transit-Oriented Development.

## Connection to Comprehensive Plan

*Choose all that apply.*

- Introduction/Framework (communityengagement)
- Land Use
- Housing & HumanServices
- Transportation
- CapitalFacilities
- Utilities
- CommunityDesign
- Economic Vitality
- Environment
- Parks, Recreation & OpenSpace
- None Applicable

## Describe specifically how this request is connected to the Comprehensive Plan categories you checked above.

[Land Use]

- Focus growth to achieve a balanced mix and arrangement of land uses that support economic vitality, community health and equity, and transit access.
- Create walkable, compact, transit-oriented communities with a range of transportation, employment, housing, recreation, goods, and service choices for residents of all income levels.
- Achieve a mix of housing types while maintaining healthy residential neighborhoods and guiding new housing development into appropriate areas.
- Serve the needs of the City's residents, businesses, and visitors through appropriate commercial land uses.
- Accommodate essential public facilities in alignment with this Plan's goals and policies.

[Housing & Human Services]

- Increase housing options in ways that complement and enhance nearby residential and commercial uses.
- Increase housing opportunities for all economic segments of the community, especially in SeaTac's transit communities.
- Encourage a variety of housing opportunities for persons with special needs.

[Transportation]

- Plan for and develop a system of transportation facilities for all users and all modes including pedestrians, transit users and bicyclists.
- Manage parking supply and demand to best support the City's overall goals and objectives in balancing the desire to support alternative transportation modes, neighborhood livability and enhance economic development.

[Community Design]

- Provide residents and visitors with a positive, identifiable image of the City of SeaTac.
- Provide a well-designed, pedestrian-friendly, and community-oriented environment in the Urban Center.
- Strengthen the positive attributes of SeaTac International Airport's presence in the City of SeaTac.
- Attract and encourage major institutions that are well designed and beneficial to the community.

[Economic Vitality]

- Support the private sector through partnerships, plans, and monitoring.
- Maintain and upgrade existing and strategically locate new public infrastructure to provide capacity for economic growth.
- Enhance and utilize the City's natural and built environment to increase the desirability of locating in SeaTac.

[Parks, Recreation, & OpenSpace]

- Cooperate with governmental agencies, special districts, nonprofit organizations, and private businesses in providing publicly accessible open space, park facilities, and recreation services.
- Develop community-wide recreational resources which respond to and are consistent with unique site characteristics and community desires.

■ **Connection to Citywide Goals**

*Choose one or more below*

- CityOperations
- CommunityEngagement
- InfrastructureInvestment
- Lifelong Learning
- Accountability
- Revenue andDevelopment
- None Applicable

■ **Explain how this request fits the City Goals checked above.**

Investing in infrastructure in the form of a public land lease and partnering with a major arts and culture organization to improve community engagement would easily promote lifelong learning and also contribute to revenue and development in the form of increased tourism.

■ **Options** - *describe proposed options for moving the idea or issue forward for the body to consider.*

I am hoping various options can be explored by staff to present to council in an exec session for discussion and consideration.

■ **Supporting Documentation** - *are there documents that support your request or that should be considered?*

The Sound Transit news article is linked above and also provided here:

<https://www.bizjournals.com/seattle/news/2020/09/28/sound-transit-tod-angle-lake-light-rail-seatac.html>

**Email this form to the Executive Assistant**

The Executive Assistant will email acknowledgement of receipt and begin the process with the City Manager who is responsible for assigning the Council Request to the appropriate staff.

## Council Request Work Flow

Staff to complete

### STEP 1 City Manager's Office

#### ACTION: Executive Assistant

- Enter CRF on the status report
- Assign a tracking number
- Save CRF on the network drive
- Email receipt of CRF to requestor
- Forward CRF to the City Manager for department head(s) assignment

#### ACTION: City Manager

- Enter date received: 10/12/20
- Enter Department Head(s) assigned and due date: Evan, 10/12/20
- Email CRF to assigned Department Head(s); copy Executive Assistant

### STEP 2 Department Head(s)

#### ACTION: Department Head(s) – Complete each line in this section

- Enter estimated time needed to complete the request (in hours): **40 hours to evaluate feasibility and prepare for PED briefing**
- Enter estimated completion date based on current workload: **10 weeks based on PED meeting times and current agendas**
- What is the estimated budget impact/cost? **Staff time only**

Department Head(s) Comments (*optional*): **Time estimate is focused on feasibility, scoping of the process, and presentation to PED (does not include time to apply)**

- Email CRF to City Manager by due date

### STEP 3 City Manager's Office

#### ACTION: City Manager

- Review Department Head input
- Select a box below in accordance with the Council Administrative Procedures.
  - Minor      Less than one hour
  - Minor      And, Council referral/approval requested due to nature of request
  
  - Significant    More than one hour, but less than three hours
  - Significant    And, Council referral/approval requested due to subject
  
  - Major      More than three hours (Council referral/approval required)

Email to the Executive Assistant

#### STEP 4 City Manager's Office

##### **ACTION: Executive Assistant**

Email CRF to City Council

##### **Minor and Significant**

Email CRF to Department Head(s) to complete the final response section

##### **Minor and Significant – Council referral/approval requested or Major**

Provide City Manager with CRF for next Council Meeting

##### **ACTION: City Manager**

##### **Major**

Take CRF to the next City Council Meeting for Council approval and Committee Referral, or denial

#### STEP 5 City Manager's Office

##### **Major**

##### **ACTION: City Manager**

##### **If Council did not approve referral to Committee:**

Notify Executive Assistant and assigned department head(s).

##### **If Council approved referral to Committee:**

Enter Council approval date: 10/13/2020 RCM

Committee referral (if applicable): PED

Notify responding Department Head(s): Evan Maxim, Gwen Voelpel

Notify Executive Assistant

##### **ACTION: Executive Assistant**

##### **If Council did not approve CRF:**

Update the CRF form

Email updated CRF form to City Council

Update the status report (mark item closed)

Move CRF form to the closed folder

√**DONE**

##### **If Council did approve CRF and referral to Committee:**

Update the CRF form

Email updated CRF form to City Council

Update the status report (mark item closed)

Move CRF form to the closed folder

√**DONE**

#### Step 6 City Manager's Office / Assigned Department Head

## FINAL RESPONSE SECTION - Minor and Significant

### **ACTION: Department Head**

- Enter response date:
- Enter actual staff time spent:
- Insert response here (**expandable field**) or as an attachment.
- Email updated CRF to Executive Assistant

## Step 7 City Manager's Office

### **ACTION: Executive Assistant**

- Forward updated CRF City Manager for review

### **ACTION: City Manager**

- Notify Executive Assistant of review and approval to email City Council
- If not approved, email back to Department Head(s) for edits with instructions to email City Manager with edits
- Notify Executive Assistant of review and approval of edited response to email City Council

√**DONE**

### **ACTION: Executive Assistant**

- Email updated CRF to City Council
- Update the status report
- Move the CRF to the closed folder

√**DONE**

Executive Assistant to send CRF status report to Council monthly.



## Resolution No. R2020-04

### Angle Lake TOD suitability for housing and offering strategy

Meeting:	Date:	Type of action:	Staff contact:
Executive Committee Board	03/05/2020 09/24/2020	Recommend to Board Final action	Don Billen, Executive Director, PEPD <b>Thatcher Imboden, Deputy Director, TOD</b> <b>Mara D'Angelo, Sr. Project Manager, TOD</b>

### Proposed action

(1) Declares the North and South Transit Oriented Development Sites adjacent to the Angle Lake Link light rail station as suitable for development as housing; (2) authorizes staff to offer the North Transit Oriented Development site first to qualified entities for affordable housing development; (3) authorizes staff to offer the North Transit Oriented Development Site at a discounted land value price to facilitate affordable housing outcomes; and (4) authorizes staff to offer the South Transit Oriented Development Site at fair market value to all interested parties.

### Key features summary

- This set of four proposed actions advances the development of Transit Oriented Development (TOD) on the Angle Lake North and South TOD Sites adjacent to the Angle Lake Link light rail station. The North TOD Site is 33,529 square feet and was purchased with a federal participation rate of 80%. The South TOD Site is 27,507 square feet and was purchased with a federal participation rate of 86.5%. Both Sites were previously declared surplus and are shown on the attached Exhibit A.
- Action 1 declares the North and South TOD Sites suitable for development as housing.
- Action 2 directs staff to offer the North TOD Site first to qualified entities (local governments, housing authorities, and nonprofit developers) for development of affordable housing as defined in RCW 81.112.350.
- Action 3 authorizes staff to offer the North TOD Site at reduced or no cost to facilitate affordable housing outcomes.
- Action 4 authorizes staff to offer the South TOD Site at full value to all interested parties for the purpose of developing a TOD outcome on the site that maximizes its development potential and economic contribution to the station area.

### Background

#### Property and TOD

The Angle Lake North TOD Site was acquired by Sound Transit in 2013 and used to construct a new 1,160 stall parking garage and plaza supporting the Angle Lake Station; a surplus parcel of 33,529 square feet remains. The property was purchased with a federal participation rate of 80% and requires FTA approval for disposition. The surplus parcel was appraised in 2019 for \$2.4 million. The property is

currently vacant, and is zoned Residential Business Mix (RBX) within the Angle Lake Station Area Overlay District.

The Angle Lake South TOD Site is a 27,507 square foot property on the south side of South 200<sup>th</sup> Street. It was acquired in 2012 with a federal participation rate of 86.5%, and requires FTA approval for disposition. It was appraised in 2019 for \$1.75 million. The South TOD Site is currently vacant and has the UL-7200 zoning designation, which primarily allows for residential uses. It is also within the Angle Lake Station Overlay District, which permits a wider variety of commercial and multifamily uses, and the City's Comprehensive Plan reflects a future RBX designation. The South TOD Site is surrounded to the south and east by a large property owned by South 200<sup>th</sup> Street Station, LLC, who also has a right to acquire the City-owned property to the west of the South TOD Site pursuant to a development agreement with the City of SeaTac.

(1) Action to declare the TOD Sites as suitable for development as housing

RCW 81.112.350(b)(i) states that, unless certain exceptions apply, "a minimum of eighty percent of [Sound Transit's] surplus property to be disposed or transferred, including air rights, that is suitable for development as housing, must be offered for either transfer at no cost, sale, or long-term lease first to qualified entities that agree to develop affordable housing on the property, consistent with local land use and zoning laws." The statute defines qualified entities as local governments, housing authorities, and nonprofit developers. Staff completed an evaluation and now recommends that these TOD Sites are suitable for development as housing.

It should be noted that there are several factors presenting challenges for developing housing on these properties, including the neighboring federal correctional facility and proximity to the airport. The sites are within the SeaTac Airport 65 decibel Day Night Level, which means that residential development requires sound insulation components. In addition, SeaTac cargo operations are expected to expand in the next 10-20 years to the site to the north and west of the parcels, which may have significant light, noise, and odor conditions which would need to be addressed by any housing developer. Likewise, in 2018, an agency-commissioned financial feasibility analysis concluded that affordable housing development would be difficult to finance where these sites are located.

However, there are several factors that do support a "suitable for housing" designation. First, the property's zoning and the station area plans allow for housing on both properties. Additionally, appraisals showed mixed-use development as the highest and best use for both sites, the financial feasibility study concluded that housing was possible to accommodate on these sites, and community engagement conducted in 2018 and 2019 showed that Angle Lake residents, station users, and stakeholders preferred TOD outcomes including affordable and market-rate housing. In the summer of 2019, Sound Transit released a Request for Information (RFI) seeking potential developer's input on the highest and best uses for the sites and the likely uses they would propose in a future request for proposals (RFP) response. In spite of clearly outlining the adjacent use concerns associated with the sites, Sound Transit received three responses from reputable entities; each response included housing components.

While these sites present challenges for the development of housing, it has been the working interpretation that property minimally meeting the criteria needed to provide housing stock to the region should be offered for that purpose whenever possible. Given the factors outlined above, staff recommends that the sites be declared suitable for housing. However, RFP respondents will be required to show how they will address site factors as well as how they will structure any financing associated with affordable housing outcomes. Unsatisfactory solutions to these barriers may result in respondents not being selected.

The below summarizes the evaluation of these sites for housing:

#### Evaluation considerations

- Housing is a permitted use within the properties' zoning district;
- The size and shape of the properties meet the zoning code's minimum requirements for constructing housing;
- The known environmental conditions of the properties are not expected to act as a functional barrier to constructing housing (although conditions may warrant addressing).

#### Discretionary evaluation considerations

- Local land use plans support housing on the property;
- The community is supportive of housing on these sites;
- Reputable RFI respondents proposed housing as a use for these sites;
- The adjacent correctional facility may reduce market support for, but does not prevent, the development of housing on these sites.

(2)(3)(4) Actions to authorize staff to offer the North TOD Site first to qualified entities with the option to discount to facilitate affordable housing outcomes, and the South TOD Site to all interested parties

Sound Transit is now well-positioned to begin the RFP process for these properties. While coupling the North and South TOD Sites was previously discussed with the Board, for several reasons, staff now recommends offering separate RFPs for the two sites, with the North TOD Site being offered first to qualified entities to create affordable housing, and the South TOD Site being offered to all interested parties with priority to those who can maximize development potential and realize economic impact. The reasons for this recommendation are as follows:

- Regional financing limitations indicate it is extremely unlikely that affordable housing projects could be financed on both the North and the South Site.
- While the North Site appears to offer a viable opportunity for affordable housing, the South Site is smaller and narrower, making it more difficult to develop.
- The North Site has a lower federal participation rate and is directly adjacent to Sound Transit facilities, which allows Sound Transit to pursue FTA Joint Development and retain the federal interest in the property.
- The agency's financial plan assumes approximately \$94 million in surplus property revenue. In this case, where financing and environmental issues make it unlikely to realize affordable housing outcomes on both the North and South Sites, we believe it is expedient to strike a balance between affordable housing and market rate outcomes.
- The City of SeaTac has expressed an interest in realizing tax revenues from the development of these sites, and support for affordable housing. Balancing affordable housing outcomes with market rate outcomes aligns with the City's goals.



### Future Board engagement

If this action is approved, staff will develop and issue RFPs for each site and negotiate term sheets with the top ranked proposers. The key business terms would be brought before the Board for consideration, including any potential discount on the North TOD Site for affordable housing.

### **Fiscal information**

The agency's long-range financial plan assumes \$93.8 million (2016\$) from the sale of the agency's surplus real estate. To date the agency has achieved approximately \$39.1 million through property sales and ground leases.

Market appraisals in 2019 valued the South TOD Site at \$1.75 million and the North TOD Site at \$2.4 million. The proposed action would direct staff to offer the South TOD Site for fair market value and to offer the North TOD Site at a discount from fair market value as necessary to achieve affordable housing outcomes, which could be as much as the full value. With federal funds in the properties, Sound Transit may need to seek entering the North TOD Site into the FTA Joint Development program to facilitate a property discount.

The net proceeds from these transactions would be recorded as miscellaneous revenue in the South King County subarea.

### **Disadvantaged and small business participation**

Not applicable to this action.

### **Public involvement**

Sound Transit conducted public outreach around these TOD sites in Spring of 2018 and summer of 2019, engaging with more than 200 people at multiple drop-in tabling events at the station, attending community events, and holding briefing events with community organizations. Feedback received through that outreach process supports the Board action outlined here.

### **Time constraints**

In order to best serve the needs of the City of SeaTac and as follow up to the public outreach process, it is staff's goal to begin the RFP process for these sites as soon as possible. However, a short delay would not create a significant impact.

### **Prior Board/Committee actions**

Resolution R2018-12: Approved the chief executive officer's declaration of surplus real estate property originally acquired for the South 200th Link Extension is surplus and is no longer needed for a transit purpose.

Resolution R2019-01: Approved the chief executive officer's declaration that certain real property acquired for the South 200th Link Extension Light Rail Project is surplus and is no longer needed for a transit purpose.

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**Environmental review** – KH 2/24/20

**Legal review** – JV 2/27/20



## Resolution No. R2020-04

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) declaring the North and South Transit Oriented Development Sites adjacent to the Angle Lake Link light rail station as suitable for development as housing; (2) authorizing staff to offer the North Transit Oriented Development site first to qualified entities for affordable housing development; (3) authorizing staff to offer the North Transit Oriented Development Site at a discounted price to facilitate affordable housing outcomes; and (4) authorizing staff to offer the South Transit Oriented Development site to all interested parties with priority to those who can maximize development potential using Sound Transit's property.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit acquired the subject property, currently identified as the Angle Lake North Transit Oriented Development Site located at the Northeast corner of S. 200th Street and 26th Avenue in SeaTac, WA for the Angle Lake Station project in 2013; and

WHEREAS, Sound Transit acquired the subject property, currently identified as the Angle Lake South Transit Oriented Development Site located at the Southeast corner of S. 200th Street and 26th Avenue in SeaTac, WA, for the Angle Lake Station project in 2012; and

WHEREAS, the Angle Lake North Transit Oriented Development property and the Angle Lake South Transit Oriented Development property were acquired using Federal Transit Administration (FTA) financial assistance and are subject to federal interest. As such, Sound Transit is required to consult with FTA regarding the manner of disposition and/or the use of the properties for joint development; and

WHEREAS, the Sound Transit Board by Resolution No. R2018-12 declared the Angle Lake North Transit Oriented Development site real property surplus; and

WHEREAS, the Sound Transit Board by Resolution No. R2019-01 declared the Angle Lake South Transit Oriented Development site real property surplus; and

WHEREAS, RCW 81.112.350 requires Sound Transit to "develop and seek voter approval for a system plan, ... to implement a regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities consistent with transit-oriented development plans developed with community input by any regional transportation planning organization within the regional transit authority boundaries"; and

WHEREAS, on June 23, 2016 the Sound Transit Board adopted Resolution No. R2015-16 approving the Sound Transit 3 Regional Transit System Plan (the "ST3 Plan") and on November 8, 2016 the voters approved the ST3 Plan. The ST3 Plan provides (at page 12), "Sound Transit will implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed income communities adjacent to Sound Transit stations that are consistent with transit oriented development plans developed with the

community by the regional transportation planning organization within Sound Transit's boundaries. ... Sound Transit will use such plans as the 2013 Growing Transit Communities Strategy to inform the content and implementation of its TOD strategy"; and

WHEREAS, unless certain exceptions apply, RCW 81.112.350 requires that the agency offer for transfer at no cost, sale, or long-term lease at least 80 percent of its surplus properties that are suitable for housing first to qualified entities (local governments, housing authorities, and non-profit developers) that agree to develop affordable housing on the property, and if accepted, at least 80 percent of the housing units created on the property must serve those whose adjusted income is no more than 80 percent of the adjusted median income for the county in which the property is located; and

WHEREAS, on April 26, 2018, the Sound Transit Board adopted Resolution No. R2018-10 adopting an Equitable TOD Policy to reflect the ST3 Plan and RCW 81.112.350 direction to implement a regional equitable TOD strategy during planning, design, construction and operation of the high-capacity transit system; and

WHEREAS, the agency's long term financial plan has assumed the sale of this property at an unrestricted fair market value and considered it as a source of additional revenue to the subareas and proceeds from this transaction would be recorded as miscellaneous revenue in the South King County subarea; and

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1. The Sound Transit Board finds and declares that the Angle Lake North Transit Oriented Development Site and Angle Lake South Transit Oriented Development Site properties are suitable for development as housing.

Section 2. Staff is hereby directed to offer the North Angle Lake property to qualified entities for development of affordable housing creation pursuant to state law.

Section 3. Staff is hereby authorized to offer the North Angle Lake Transit Oriented Development Site property at reduced cost to facilitate affordable housing outcomes.

Section 4. Staff is hereby authorized to offer the South Angle Lake Transit Oriented Development Site property to all interested parties for the purpose of developing a TOD outcome on the site that maximizes its development potential and economic contribution to the station area.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 24, 2020.



---

Kent Keel  
Board Chair

**Attest:**



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Kathryn Flores  
Board Administrator



# Resolution No. R2020-04 Exhibit A

## Angle Lake TOD suitability for housing and offering strategy





# CRF20-22: Sound Transit Surplus

December 2, 2020



# PRESENTATION OVERVIEW

## PURPOSE OF PRESENTATION

Response to CRF20-22, related to using lodging taxes to:

- Acquire one or both of the Sound Transit properties adjacent to the Angle Lake Station
- Construct a building and fund ongoing support of a ground floor commercial space for a tourism related business

## WHY IS THIS ISSUE IMPORTANT?

1. Overview of limitations on the use of lodging tax monies
2. Two properties owned by Sound Transit have been declared surplus and available for purchase
3. Staff is seeking direction from the PED committee on how to proceed

# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- Direct staff to develop a set of guiding principles / strategic approach to evaluating property acquisitions for the benefit of the community.

Alternatively:

- Direct the City to retain a consultant to provide a scope and cost estimate of participating in the RFP process and developing the site

**STAFF RECOMMENDATION** Direct staff to develop a set of guiding principles / strategic approach to evaluating property acquisitions for the benefit of the community.

## REVIEWS TO DATE

- RCM: 10/13/2020
- PED: 12/02/2020





# LODGING TAX MONIES: LIMITATIONS

## Tourism, Tourism Related Facility(s), and HMAC

- Tourism: means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- Tourism Related Facility:
  - Owned by a public entity (or non-profit)
  - Used to support tourism, performing arts, or to accommodate tourist activities





# SOUND TRANSIT: ANGLE LAKE PROPERTIES

## Sound Transit Properties

- North Property:
  - RBX zoning
  - 0.77 acres
  - Require 80% affordable housing
- South Property:
  - UL-7200 zoning
  - 0.63 acres
  - Adjacent to city owned property
- Rezone may be required



# SOUND TRANSIT: REQUEST FOR PROPOSAL (RFP)

## Request for Proposal

- Sound Transit has passed Resolution No. R2020-04, with the intent to surplus both properties through an RFP process.
- City staff were initially working with Sound Transit to develop the RFP; this has temporarily ceased to avoid a conflict of interest
- RFP requirements:
  - The City Council will need to identify and select a non-profit partner
  - The RFP process will likely require a year or longer to successfully complete
  - Two or more additional full time staff positions will be required
  - Consultant to properly scope the project and explore the full-anticipated cost to the City



# ALTERNATIVE APPROACH: STRATEGIC AQUISITION

## Guiding Principles / Strategic Approach

- Staff believes that the proposed Sound Transit property acquisition is intended to develop a tourist-related facility.
- It is not clear whether this project will prove beneficial to the community without first developing guiding principles to inform the City Council's decision.
- Consequently, staff recommends that the City Council develop a set of guiding principles and a strategic approach to evaluating property acquisitions.



# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- Direct staff to develop a set of guiding principles / strategic approach to evaluating property acquisitions for the benefit of the community.

### Alternatively:

- Direct the City to retain a consultant to provide a scope and cost estimate of participating in the RFP process and developing the site

**STAFF RECOMMENDATION** Direct staff to develop a set of guiding principles / strategic approach to evaluating property acquisitions for the benefit of the community.

## REVIEWS TO DATE

- RCM: 10/13/2020
- PED: 12/02/2020





Thank you





## MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: November 24, 2020  
To: Planning & Economic Development (PED) Committee  
From: Kate Kaehny, Senior Planner  
Subject: 2021 Comprehensive Plan Amendments Preliminary Docket Proposals

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The purpose of this memo is to provide you with information that can assist you in preparing for the Committee's upcoming recommendation on the 2021 Preliminary Docket proposals.

### **Briefing Objectives:**

The main goals of the 12/2 briefing are:

- To provide an overview of the 2021 Preliminary Docket proposals,
- To inform you of the staff assessment regarding whether the proposals meet the Preliminary Docket criteria, and
- To request that the PED Committee provide a recommendation to the full Council on proposals to include as part of the Final Docket.

### **Background:**

The 2021 Comprehensive Plan Amendment process started in July 2020. While no amendment proposals from the public were received, City staff has put forth four proposals. As required by the Comprehensive Plan Amendment procedures, the proposed amendments have been collated into the Preliminary Docket. While the PED Committee reviewed the draft Preliminary Docket at the 10/22 PED Meeting, the final Preliminary Docket proposals will be reviewed on 12/2.

### **Preliminary Docket Proposals:**

A summary of the Preliminary Docket proposals is provided in the tables below.

#### MAP AMENDMENT PROPOSALS:

M-1	<b>Establishing a "Parks" Land Use Designation and Zone on Unused SR509 ROW Adjacent to Des Moines Creek Park:</b> Add a Parks land use designation and zone to unused right-of-way immediately adjacent to, and to the west of, Des Moines Creek Park.	<ul style="list-style-type: none"><li>• <i>Location:</i> Adjacent and to west of Des Moines Creek Park</li><li>• <i>Proponent:</i> City Staff</li></ul>
M-2	<b>Updating Informational Maps in Comprehensive Plan:</b> Routine updates to maps in the Comprehensive Plan to incorporate new data.	<ul style="list-style-type: none"><li>• <i>Proponent:</i> City Staff</li></ul>

TEXT AMENDMENT PROPOSALS

T-1	<b>Adding Economic Development Policies Related to Tourism:</b> Add one or more economic development policies related to tourism to the Ch. 6 Economic Vitality Element.	<ul style="list-style-type: none"><li>• <i>Proponent:</i> City Staff</li></ul>
T-2	<b>Updating Capital Facilities Plan:</b> Routine update of the Capital Facilities Plan as required by state law.	<ul style="list-style-type: none"><li>• <i>Proponent:</i> City Staff</li></ul>

**Analysis:**

Per the Comprehensive Plan Amendment procedures, the Preliminary Docket proposals are evaluated based on the following criteria:

**1. For All Changes.**

- a. ***Sufficient City Resources for Review.*** The City has the resources, including staff and budget, necessary to review the proposal.
- b. ***City-Led Process More Appropriate.*** The proposal does not raise policy or land use issues that are more appropriately addressed by on-going or planned City work programs.
- c. ***Changed Circumstance.*** The proposal addresses significantly changed conditions or new information has become available which was not considered since the last State-mandated review of the Comprehensive Plan.
- d. ***Regional Policy Consistency.*** The proposal is consistent with requirements of the Growth Management Act, the Puget Sound Regional Council (PSRC) Multi-County Planning Policies, and King County Countywide Planning Policies.
- e. ***Not in Conflict/Redundant with Comprehensive Plan.*** The proposal is not in conflict with an adopted Comprehensive Plan Policy; is not redundant with, or duplicative of, an adopted Comprehensive Plan Policy; or is not clearly out of character with the goals of the Comprehensive Plan.

**2. Additional Criteria for Comprehensive Plan Map Changes.**

- a. ***Site Suitability.*** The site is physically suitable for development and in general conformance with adjacent land use, the surrounding development pattern, and with zoning standards under the highest intensity potential zoning classifications.
- b. ***Sufficient Infrastructure/Public Facilities.*** Adequate public facility capacity to support the proposed land use exists, or can be provided, including sewer, water and roads.

**Staff Recommendation:**

Staff has completed an assessment of the proposals and has found that all four meet Preliminary Docket Criteria.

**More Information Available on City Website:**

More background information on the Comprehensive Plan and 2021 amendment process can be found on the following web pages:

- [SeaTac Comprehensive Plan](#)
- [2021 Comprehensive Plan Amendment Process](#)





**SEATAC  
COMPREHENSIVE  
PLAN ELEMENTS**

**VOLUME  
1**



# 2021 Comprehensive Plan Amendment Process: Preliminary Docket Review

Special Planning & Economic  
Development (PED) Committee  
December 2, 2020



# PRESENTATION OVERVIEW

## PURPOSE OF PRESENTATION

- To brief PED on the 2021 Preliminary Docket Proposals.
- To request that PED provide a recommendation on proposals to include in the Final Docket at today's meeting.

## WHY IS THIS ISSUE IMPORTANT?

1. Per the Comprehensive Plan Amendment procedures, the PED Committee makes a recommendation to the full Council on Preliminary Docket proposals to include in the Final Docket.
2. PED's recommendation is needed in advance of Council action on the Final Docket in January 2021.



# POTENTIAL COMMITTEE ACTION

## PED COMMITTEE ACTION REQUESTED

- Recommendation to full Council on Preliminary Docket proposals to include in the Final Docket.

## REVIEWS TO DATE

- **Planning Commission: 10/20**
- **PED Committee: 10/22**



# ANTICIPATED SCHEDULE

EXHIBIT 6b: Page 4 of 14  
DATE: 12/2/20

## 2021 COMPREHENSIVE PLAN AMENDMENT PROCESS

\*\*\*Year 1\*\*\*

Fall 2020

*(9/30 Deadline for proposals from the public)*

### Preliminary Docket Review

- Planning Commission & PED review
- PED recommendation on proposals for Final Docket

\*\*\*Year 2\*\*\*

Winter 2021

*(Action anticipated at 1/12 RCM)*

### Establishment of Final Docket

- City Council establishes Final Docket by Resolution

Spring/

Summer 2021

### Final Docket Review

- Planning Commission & PED review
- Public Hearing
- PC & PED recommendations
- City Council review

Fall 2021

### City Council Adoption

# 2021 PRELIMINARY DOCKET PROPOSALS

## Map Amendment Proposals:

- **M-1:** Establishing a “Parks” land use designation and zone on unused SR509 right-of-way adjacent to Des Moines Memorial Park
- **M-2:** Updating Comprehensive Plan informational maps

## Text Amendment Proposals:

- **T-1:** Adding economic development policies related to tourism
- **T-2:** Updating Capital Facilities Plan

**All 2021 Preliminary Docket proposals were initiated by City staff.**

(No proposals were received from the public.)



# PRELIMINARY DOCKET REVIEW CRITERIA

## **For All Proposed Amendments:**

- Sufficient City resources for review
- City-led process more appropriate
- Changed circumstance/condition
- Consistent with regional policy (GMA, PSRC Multi-County Planning Policies, King County Countywide Planning Policies)
- Not in conflict/redundant with SeaTac Comprehensive Plan

## **For Comprehensive Plan Map Changes:**

*(For parcels proposed for land use designation change)*

- Site suitability
- Sufficient infrastructure/public facilities



# MAP AMENDMENT PROPOSALS: M-1 (City-Initiated)

## M-1: Establishing a “Parks” Land Use Designation & Zone on Unused SR509 Right-of-Way Adjacent to Des Moines Creek Park

**Proposal:** Add a “Parks” land use designation and zone to unused highway right-of-way immediately adjacent to, and to the west of, Des Moines Creek Park.

**Location:** Unused ROW immediately west of Des Moines Creek Park, between S 200<sup>th</sup> & S 208<sup>th</sup> streets .

- **Change from:** SR509 right-of-way
- **Change to:** “Parks” land use designation & zone

### Staff Assessment:

- The proposal meets all Preliminary Docket criteria.

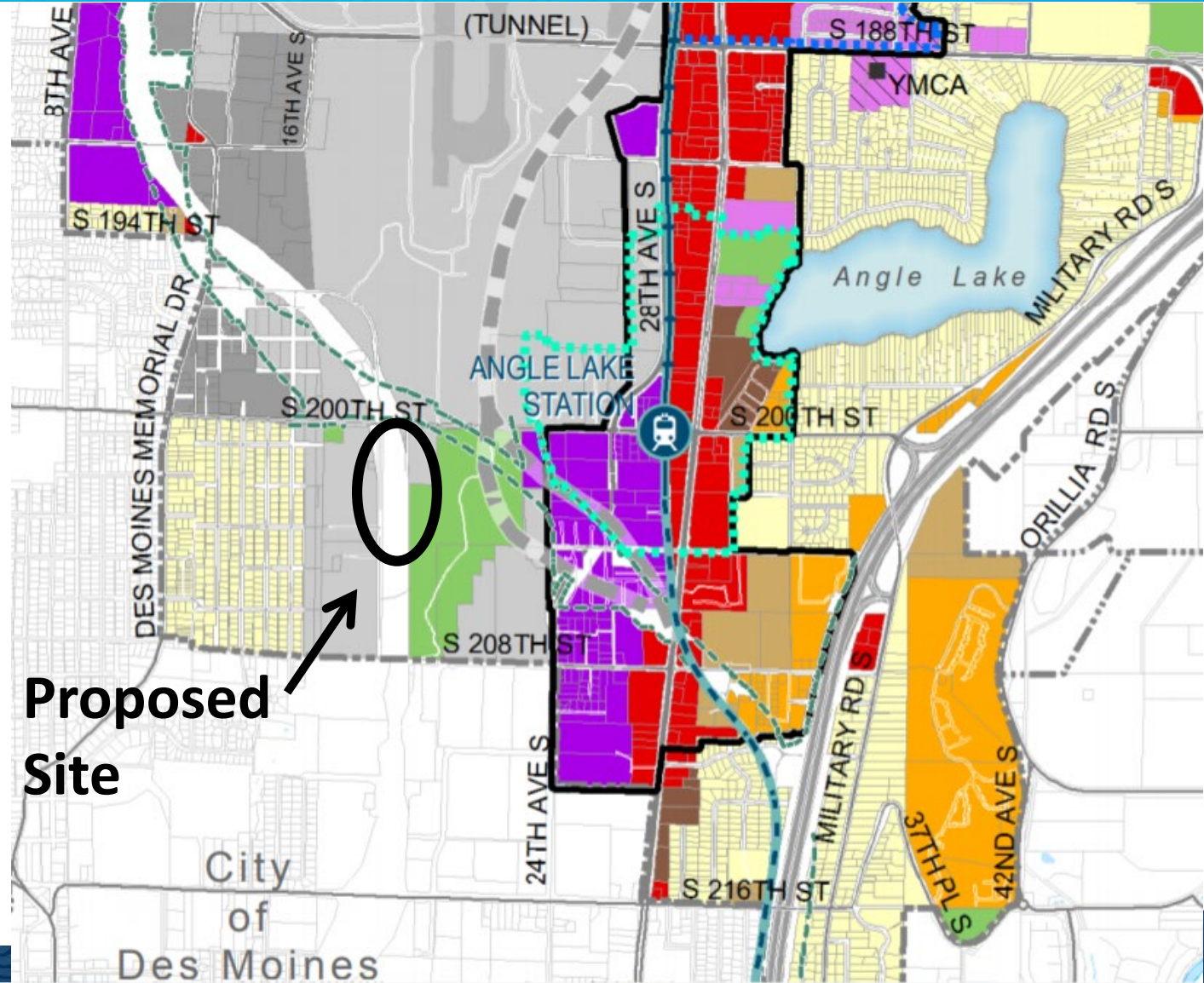




# MAP AMENDMENT PROPOSALS: M-1

## M-1: Location/ Background

- Undeveloped ROW is surplus WSDOT inventory, west of Des Moines Creek Park
- City is pursuing purchase of approx. 8 acres of surplus ROW



**Proposed  
Site**

City  
of  
Des Moines

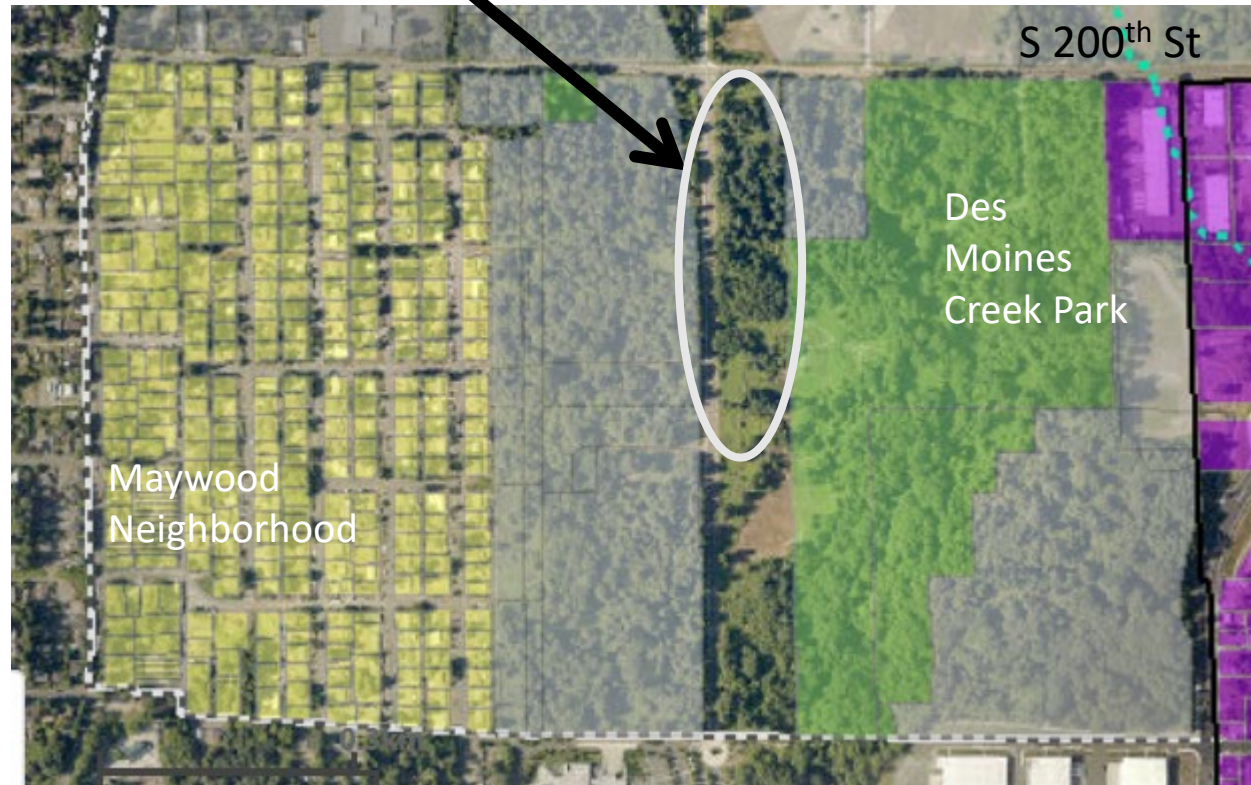
# MAP AMENDMENT PROPOSALS: M-1

## M-1: Location/ Background

The proposed site would be used to:

- Expand Des Moines Creek Park for additional trails,
- Increase the protective buffer around the creek, and
- For a new trailhead facility to allow for safer access to the park.

### Proposed Site



Area south of proposed site to be used as WSDOT maintenance facility.



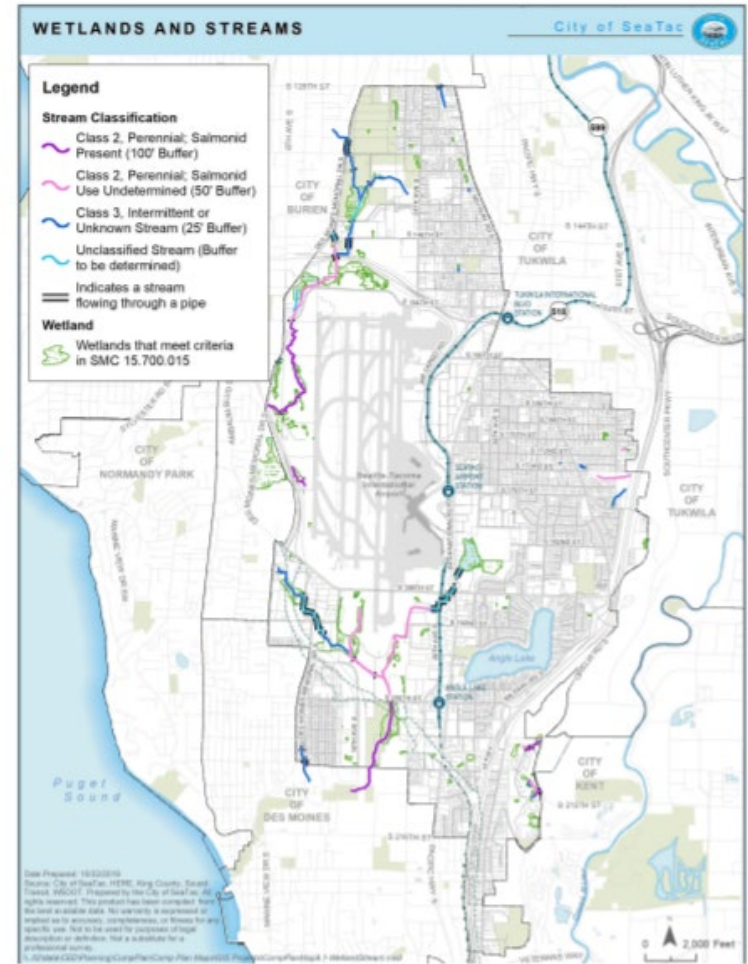
# MAP AMENDMENT PROPOSALS: M-2 (City-Initiated)

## M-2: Routine Updates to Informational Maps in Comprehensive Plan

**Proposal:** Update informational maps in Comprehensive Plan to incorporate new data.

### Staff Assessment:

- The proposal meets all Preliminary Docket criteria.



# TEXT AMENDMENT PROPOSALS: T-1 (City-Initiated)

## **T-1: Economic Development Policies with Tourism Focus**

**Proposal:** Adding one or more economic development policies related to tourism. This could include:

- The creation of a new goal in the Economic Vitality Element related to tourism,
- One or more policies that would implement the new goal, and
- Implementation steps with potential actions identified in the Element's Implementation Strategies.

### **Staff Assessment:**

- The proposal meets all Preliminary Docket criteria.



# TEXT AMENDMENT PROPOSALS: T-2 (City-Initiated)

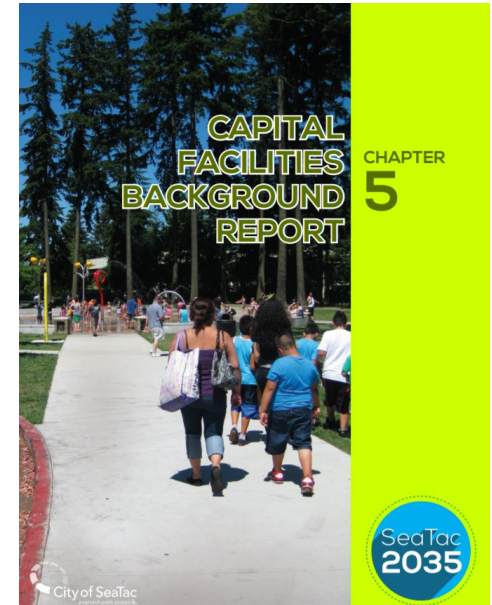
## T-2: Updating Capital Facilities Plan

**Proposal:** Routine update of the 6-year Capital Facilities Plan (CFP). The Growth Management Act requires jurisdictions to identify public facilities that will be needed during the six years after an update of the Comprehensive Plan.

- Updating the CFP ensures that adequate facilities are either planned or in place to satisfy the City's adopted level of service (LOS) requirements for things like transportation infrastructure, utilities and parks.

### Staff Assessment:

- The proposal meets all Preliminary Docket criteria.



# ANTICIPATED NEXT STEPS

## 2021 REGULAR COUNCIL MEETINGS

- 1/12: City Council review of proposals for Final Docket
- 1/12 or 1/26: Council establishes Final Docket via Resolution

# POTENTIAL COMMITTEE ACTION

## PED COMMITTEE ACTION REQUESTED

- Recommendation to full Council on Preliminary Docket proposals to include In Final Docket.

## REVIEWS TO DATE

- **Planning Commission: 10/20**
- **PED Committee: 10/22**

