

**City of SeaTac**  
**Regular Council Meeting Minutes**  
**\*Virtual Meeting\***

January 12, 2021  
6:00PM

Virtual Meeting

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

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

**STAFF PRESENT (remotely):** City Manager Carl Cole, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Senior Assistant City Attorney Mark Johnsen, Information Systems (IS) Manager Bart Perman, Deputy City Manager (DCM) Gwen Voelpel, Community & Economic Development (CED) Director Evan Maxim, Economic Development (ED) Manager Aleksandr Yeremeyev, Building Services Manager Mary Kate McGee, Public Works (PW) Director William Appleton, City Engineer City Engineer Florendo Cabudol, Police Chief Jon Mattsen

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

**AGENDA REVIEW:**

- A. Virtual Meeting: live streamed on SeaTV Government Access Comcast Channel 21 and the City's website; conference line to listen to the meeting at 206.973.4555; and no one will be able to physically attend this meeting.
- B. Public Comments: remote oral and written public comments; speakers who signed-up prior to 4 p.m. today will be able to provide three minutes of comments; comments received at [publiccomment@seatacwa.gov](mailto:publiccomment@seatacwa.gov) before 4 p.m. today will be mentioned by name and subject and then posted to the City's website.
- C. Executive Session to consider the selection of a site or the acquisition of real estate.

**SUSPEND THE RULES:**

**A Motion suspending the City Council Administrative Procedures to not require Councilmembers be in City Hall for today's Executive Session.**

MOVED BY HILL, SECONDED BY FERNALD TO SUSPEND THE CITY COUNCIL ADMINISTRATIVE PROCEDURES TO NOT REQUIRE COUNCILMEMBERS BE IN CITY HALL FOR TODAY'S EXECUTIVE SESSION.

MOTION CARRIED UNANIMOUSLY.

**RECESSED:** Mayor Sitterley recessed the meeting to and Executive Session to consider the selection of a site or the acquisition of real estate at 6:04 p.m. for 15 minutes

**EXECUTIVE SESSION: To consider the selection of a site or the acquisition of real estate RCW 42.30.110(1)(b)**

City Clerk Gregg announced Council requested an additional 10 minutes at 6:22 p.m.

**RECONVENED:** Mayor Sitterley reconvened the meeting at 6:32 p.m.

**PUBLIC COMMENTS:** None

**PRESENTATIONS:**

**Introduction of new City Employees: Plans Examiner/Inspector 1 Jay Kim and Public Works Maintenance Worker 1 Derrick Moore.**

City Manager Cole introduced the new employees.

**Key City Issues and Requests for Direction**

City Manager Cole commented on the following items:

(1) Referral to the Administration & Finance (A&F) Committee: adjustments to the Business Licensing Code. Council concurred.

**PRESENTATIONS (continued):**

**Key City Issues and Requests for Direction (continued):**

- (2) Referral to the A&F Committee: Council Committee Meeting Schedule. Council concurred.
- (3) Grant application: King County (KC) Youth Sports Grant for a bike pump track - \$250,000
- (4) Grant application: KC Conservation Futures Tax Levy Grant for the purchase of property adjoining Des Moines Creek Park - \$1.255 million
- (5) January Calendar items

Council discussion ensued regarding the Pump track, CARES Act funding, and vaccination distribution.

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

CM Tombs: January 14 Hotel/Motel Tax Advisory Committee (HMAT) meeting

CM Hill: January Parks & Recreation (P&R) Committee meeting cancelled; January 11 Community Services Advisory Committee (CSAC) meeting - a Human Services (HS) agency representative will present at each CSAC meeting; January 13 Arts, Culture & Library Advisory Committee (ACLAC) meeting

CM Fernald: February Sidewalk Advisory Committee (SAC) meeting cancelled; January 14 Public Safety & Justice (PS&J) Committee meeting

Mayor Sitterley: January 14 Sound Cities Association (SCA) Public Issues Committee (PIC) meeting

**CONSENT AGENDA:**

**Approval of claims vouchers (check no. 129371 - 129497) in the amount of \$2,619,083.95 for the period ended December 17, 2020.**

**Approval of claims vouchers (check no. 129498 - 129619) in the amount of \$3,395,525.16 for the period ended December 30, 2020.**

**Approval of claims vouchers (check no. 129620 - 129677) in the amount of \$1,435,463.40 for the period ended January 7, 2021.**

**Approval of payroll vouchers (check no. 55716 - 55726) in the amount of \$12,045.42 for the period ended December 15, 2020.**

**Approval of payroll electronic fund transfer (check no. 103288 - 103431) in the amount of \$424,335.33 for the period ended December 15, 2020.**

**Approval of payroll wire transfer in the amount of \$164,490.28 for the period ended December 15, 2020.**

**Approval of payroll vouchers (check no. 55727 - 55742) in the amount of \$66,005.42 for the period ended December 31, 2020.**

**Approval of payroll electronic fund transfer (check no. 103432 - 103576) in the amount of \$428,881.53 for the period ended December 31, 2020.**

**Approval of payroll wire transfer in the amount of \$152,049.44 for the period ended December 31, 2020.**

**Approval of Council Meeting Minutes:**

**Parks & Recreation Committee meeting held November 5, 2020**

**Administration & Finance Committee meeting held November 12, 2020**

**Transportation & Public Works Committee meeting held November 19, 2020**

**Regular Council Meeting held December 8, 2020**

**The following item was reviewed at the December 10, 2020 Administration & Finance (A&F) Committee meeting and recommended for placement on this Consent Agenda:**

**Agenda Bill #5590; A Motion authorizing the City Manager to execute a contract with CWA Consultants for building plan (third-party) review services.**

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

**MOTION CARRIED UNANIMOUSLY.**

**ACTION ITEMS:**

**Agenda Bill #5603; An Ordinance #21-1001 authorizing the City Manager to execute a grant from the Washington State Transportation Improvement Board for the 34th Avenue South Project and amending the 2021-2022 Budget.**

**Summary:** The 34th Avenue South Project includes construction of 6-foot wide sidewalk, planter strips, curb, gutter, Americans with Disabilities Act (ADA) ramps, bike lanes, pedestrian lighting, storm drainage facilities, pavement improvements, traffic calming elements, and undergrounding of overhead utilities on 34th Avenue South between South 160th and 166th Streets. Additionally, this project will include similar frontage improvements on the north side of South 161st Street from 34th Avenue South approximately 300 feet westward. The subject project was selected by the SAC in 2018 and is scheduled to be advertised for bids during the first quarter of 2021.

The project was previously awarded a \$2.464 million Safe Routes to School grant for construction. This past November, the project was awarded a second grant in the amount of \$2.0 million from the Washington State Transportation Improvement Board (TIB). The TIB funds high priority transportation construction and maintenance projects in communities throughout the state to enhance the movement of people, goods and services. The cost estimate for construction is \$6.5 million. With the acceptance of this grant, approximately 70% of this cost will be paid for through grant funding.

This Ordinance will increase revenues in the Transportation CIP Fund (Fund #307) by \$2.0 million, in order to account for the receipt of the TIB grant funding. Acceptance of this grant will allow for \$2.0 million of City funds programmed for construction of this project to be reallocated to a future transportation project.

This grant acceptance was not reviewed by a Committee but followed the approved Grant Application and Acceptance process established by policy. Staff recommends adopting the Ordinance and authorize acceptance of the grant. Staff has successfully implemented this type of grant funding on past transportation improvement projects.

City Engineer Cabudol reviewed the agenda bill summary.

MOVED BY KWON, SECONDED BY FERNALD TO PASS AGENDA BILL #5603 (ORDINANCE #21-1001).\*

Council discussion ensued regarding potential condemnation for the project, and a committee did review the project, just not the grant acceptance.

\*MOTION CARRIED UNANIMOUSLY.

**Agenda Bill #5607; A Motion directing staff to proceed in preparing a strategic approach to developing tourism-related capital improvement projects.**

**Summary:** Capital Improvement Projects & Lodging Tax

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 HMAC. 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.

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.

**ACTION ITEMS (continued):**

**Agenda Bill #5607 (continued):**

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 (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.

Several possible ideas for capital improvement projects using lodging tax monies were included in the Council Request Form (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 and use. Consequently, staff recommends that the City Council consider developing a strategic approach to developing tourism-related capital improvement projects (CIP). This could be accomplished through a tourism asset mapping exercise and a needs analysis to inform and develop a strategic plan to improve the overall city streetscape to make the city more attractive to tourists/travelers and also benefit residents. The plan development process would inform potential use of lodging tax funds for tourism-related capital improvement projects and support defining an overarching Destination Development Strategy for SeaTac.

Strategic Approach to Tourism-Related Capital Improvement Projects

CED already has a work plan item to update the Economic Vitality Element of the Comprehensive Plan (CP) to include a tourism and travel component. The work to develop a tourism-related capital improvement strategic approach, with identification of specific projects for implementation, ideally would be performed concurrent with the CP amendment in 2021 and would build on the existing work plan. Based on the current work plan, staff anticipates that the development of a complete capital improvement strategic approach will require approximately four to six months.

If the City Council directs the staff to develop a capital improvement strategic approach, then staff anticipates that there will be a commensurate decrease in the direct contact with the local business community during the period this work is underway, likely in Quarter 1 and Quarter 2 of 2021. In effect, ED staff will prioritize developing the capital improvement strategic approach during the first half of 2021 over direct contact with the local business community.

The process of developing a strategic approach would be similar to the Parks, Recreation, and Open Space (PROS) plan development and would include: research, inventory/needs analysis, trends and demands analysis, stakeholder engagement, strategies and capital facilities, draft plan and final plan development, consultant engagement/interaction, presentations to the HMAC, PED review, and City Council review and adoption. Additional consultant resources may be required to conduct the tourism asset mapping and inform the needs analysis.

There is no direct impact to the adopted budget. Approximately 20 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, presuming that the capital improvement project was pre-packaged (for example, a proposal by a non-profit for a new capital improvement project for tourism).

Staff estimates that approximately 130 to 245 hours will be required to prepare a complete application package for lodging taxes to fund a tourism-related capital improvement project for review by the HMAC and City Council (for example to develop a capital improvement package with staff resources). Please note the amount of staff time estimate includes actual project-specific work (research, development, project management and administration) and may significantly vary depending on the complexity of the capital improvement project.

Developing a strategic approach to tourism-related capital improvements is directly related to the development of the Economic Vitality Element. However, as noted above, identification and development of specific projects will require

**ACTION ITEMS (continued):**

**Agenda Bill #5607 (continued):** additional staff time. Additional consultant resources may be required to conduct the tourism asset mapping and inform the needs analysis.

CRF 20-21 was referred to the PED committee on October 13, 2020. The PED committee reviewed CRF 20-21 and the staff recommendation on December 2, 2020, and referred the staff recommendation to the City Council for decision.

CED Director Maxim reviewed the agenda bill summary.

MOVED BY TOMBS, SECONDED BY FERNALD TO PASS AGENDA BILL #5607.\*

DM Kwon detailed the reasons for CRF.

Council discussion ensued regarding the plan.

\*MOTION CARRIED WITH GOBENA VOTING NO.

**Agenda Bill #5608; A Motion directing the City Manager to retain a consultant to provide a scope and cost estimate of participating in Sound Transit's Request for Proposal (RFP) process for surplus properties near Angle Lake Station.**

**Summary: Use of Lodging Tax Money**

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 HMAC. 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 of 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.

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.

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 (HMCA) for the use of these funds. The HMCA 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 HMCA for funding.

Sound Transit Properties

On September 20, 2020, Sound Transit passed Resolution R2020-04 declaring two Sound Transit properties near Angle Lake Station as surplus and available for purchase. Both properties must be developed as "Transit Oriented Development" (TOD). 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

**ACTION ITEMS (continued):**

**Agenda Bill #5608 (continued):** 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 (26th 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 TOD. Art galleries and performance centers are not permitted in the RBX, UL-7200, or UH-900 zoning designations. Therefore, a code amendment or a site-specific rezone may be required to allow these specific uses. Other uses that 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 RFP for the acquisition of the property. City staff were initially collaborating with Sound Transit on this work until the filing of CRF2020-22. To avoid a potential conflict of interest, City staff have temporarily halted work with Sound Transit on the RFP until City Council direction on CRF2020-22. City staff understand that the RFP is scheduled for release in late Quarter 1 or early Quarter 2 of 2021. An 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, staff recommended that the City retain a consultant to fully scope the project, conduct a financial analysis of a potential development, and explore the full-anticipated cost to the City. Following review by the PED Committee, staff has received information from a consultant indicating that approximately \$35,000 will be required to complete this preliminary scoping.

Strategic Approach

CRF2020-22 sought 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 also recommended that the City Council develop a strategic approach and guiding principles to evaluate property acquisitions, use, and dispositions.

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. Following review, the PED Committee has directed staff to begin developing a strategic approach and guiding principles for further review. No further City Council action is required for this work to proceed at this time.

Next Steps

If the City Council desires to proceed in acquiring one or both of the Sound Transit properties, or partnering with a private developer in the acquisition of the Sound Transit properties, staff recommends that the City Council use a phased approach.

The first phase typically involves scoping the proposal, consultation with stakeholders, identification of possible partners, and financial analysis. If the City Council provides a motion directing the City Manager to proceed, staff anticipate the following immediate next steps to engage in this first phase: (1) seeking City Council approval of a budget amendment to retain a consultant, (2) consultant selection, and (3) City Council review of consultant findings and direction to staff on whether to proceed. Staff anticipates that this phase will need to be mostly complete prior to the issuance of the RFP by Sound Transit, anticipated in the spring of 2021. The information obtained in this first phase will serve to inform the City in entering into a partnership with a private developer or, alternatively, developing a City proposal in response to the forthcoming Sound Transit RFP.

To develop the strategic approach and guiding principles to evaluate property acquisitions, use, and disposition, staff anticipate fully scoping this project in Quarter 1 or Quarter 2 of 2021 before bringing it back to the City Council for

**ACTION ITEMS (continued):**

**Agenda Bill #5608 (continued):** review. Anticipated components of the scope include: (1) identification of the guiding principles and goals, (2) identification of necessary community engagement and feedback, and (3) identification of possible funding strategies associated with various goals (e.g. the use of lodging tax monies for tourism related use of specific properties).

Approximately 50 hours of staff time have been required to review and respond to this CRF2020-22. As noted above, if the City Council directs staff to develop a proposal in response to the anticipated Sound Transit RFPs for the Sound Transit properties near Angle Lake Station, additional staff resources and consultant support will be required. A preliminary estimate indicates that \$35,000 will be required to engage a consultant to scope the proposal, consult with stakeholders, identify possible partners, and perform a financial analysis.

The PED Committee reviewed the analysis and attachments and recommended that the full City Council provide direction to staff through a motion. The PED Committee also directed staff to proceed in developing a strategic approach and guiding principles for further review by the City Council at a later date.

CED Director Maxim reviewed the agenda bill summary.

MOVED BY TOMBS, SECONDED BY FERNALD TO PASS AGENDA BILL #5608.\*

MOVED BY KWON, SECONDED BY HILL TO AMEND THE MOTION IN ITS ENTIRETY TO READ AS FOLLOWS:

A MOTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE WITH SOUND TRANSIT TO ACQUIRE THE TWO SURPLUS PROPERTIES NEAR ANGLE LAKE STATION AND RETAIN A CONSULTANT TO PROVIDE A SCOPE AND COST ESTIMATE FOR THE CITY TO PARTICIPATE IN SOUND TRANSIT'S REQUEST FOR PROPOSAL (RFP) PROCESS.\*\*

Council discussion ensued regarding the amendment and process.

\*\*AMENDED MOTION CARRIED WITH GOBENA VOTING NO.

\*MOTION CARRIED, AS AMENDED, WITH GOBENA VOTING NO.

**UNFINISHED BUSINESS:** None

**COUNCIL COMMENTS:** The City Council wished everyone a Happy New Year.

CM Negusse commented on the following items: (1) her reasons for voting for Agenda Bill #5608, (2) encouraged everyone to check in on each other, and (3) openings on Citizen Advisory Committees.

CM Tombs stated he is glad to see everyone back and healthy after the break.

DM Kwon shared ways he is helping out and encouraged others to ask for help if needed. He also reminded everyone that the Transportation & Public Works (T&PW) Committee is meeting on January 21.

CM Hill stated that ANEW has programs for men and women. He also commented on the ACLAC implementation plan and outreach to the community.

CM Gobena commented on the following: (1) State legislature began their session on Monday and he mentioned a few areas where he will vote for, including affordable housing; (2) Concerns regarding crime around the City; and (3) vote regarding Agenda Bill #5608.

Mayor Sitterley reminded everyone to keep storm drains clean.

CM Fernald commented on the Implicit Bias Training she attended January 11.

**ADJOURNED:**

MAYOR SITTERLEY ADJOURNED THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 8:41 P.M.

  
Erin Sitterley, Mayor

  
Kristina Gregg, City Clerk