



Transportation & Public Works Committee Meeting Minutes

Thursday, May 20, 2021
4:30 PM – 6:00 PM
** Virtual Meeting **

Members:	Present:	Absent:	Commence: 4:48 PM Adjourn: 6:12 PM
Peter Kwon, Chair	X		
Pam Fernald	X		
Takele Gobena	X		

Other Councilmembers participating: Mayor Sitterley; CM Hill; CM Tombs

Staff Coordinators: Will Appleton, Public Works Director; Florendo Cabudol, City Engineer

Other Staff Participating: Deputy Mayor Voelpel; David Tomporowski, Senior Planner

Public Comment	No public comment
1. Approve Prior Meeting's Minutes	May 6 Minutes were approved to move to Council
Design Contract Amendment for SWMCIP-11 South 221 st Street Drainage Project	<p>Florendo Cabudol, City Engineer presented this item.</p> <p>This project addresses a localized flood area. New drainage infrastructure will be installed and will discharge into the I-5 drainage system.</p> <p>An amendment is needed on the PACE Engineers design contract to address redesign in order to address conflicts with designed infrastructure within the SR509 right of way. Project management will be required for a longer design period than originally scheduled.</p> <p>This amendment will provide additional funding in the amount of \$6,982 to complete the design and bidding phase of the project. Approval of the amendment will increase the total contract amount from \$83,672 to a total not to exceed amount of \$90,654. Design costs are less than 15% of the estimated construction costs, which is in line with industry standards for projects of similar scope and complexity. No amendment to the 2021-2022 Biennial Budget is required for this action.</p>

	<p>Staff recommends placing the approval of this supplement on the Consent Agenda for the May 25, 2021 Regular Council Meeting.</p> <p>The Committee approved the action.</p>
<p>2. Request placement on May 25 Consent Agenda for Motion to contract with Parametrix for On-Call Land Surveying Services</p>	<p>Florendo Cabudol, City Engineer presented this item.</p> <p>Staff is asking for Committee recommendation to place on Consent Agenda for May 25, 2021 Regular Council Meeting a Motion to execute a professional services contract with Parametrix for On-Call Land Surveying services for the term of 2021-2022.</p> <p>Public Works solicited consultants to provide, on an as-needed basis, land surveying services. A Request for Qualification (RFQ) was issued on February 25, 2021 to consultants listed on the Municipal Research Center Consultant Roster. Statements of Qualification (SOQ) were received from seven firms on March 17, 2021. The SOQs were scored and consultants were interviewed based on the criteria of, Organization of the project team, Project understanding, Project approach and Task order management. Parametrix was selected as the most qualified consultant for this work.</p> <p>Since this is an on-call contract the actual scope of work and fee will vary based on the nature of the work requested. The contract includes a not to exceed cost provision in any one year of \$40,000, and a total not to exceed amount of \$80,00 over the term of the contract. The duration of the contract is from date of execution to December 31, 2022.</p> <p>The purpose of the contract is to provide surveying services and supplement staff expertise on some land surveying issues, like subdivisions and short plats.</p> <p>A question was raised if the City has done this before. Yes, in 2017, KPG provided land surveying work on 2 overlay projects and some small works base-mapping projects.</p> <p>The City Engineer will manage the contract and approve task orders.</p> <p>The Committee approved placing this item on the Consent Agenda for May 25, 2021 Regular Council Meeting.</p>
<p>3. Water and Sewer Franchise Fees</p>	<p>Will Appleton, Public Works Director, presented this topic. Staff is in the process of renegotiating all water and sewer franchise agreements this year, and the one element within the franchise agreements that will be discussed at this meeting is the franchise fee element.</p>

The question before the Committee today is whether there should be a franchise fee in the agreements, what that fee should be, and whether the Committee would like to have this topic brought before a future Council Study session for the whole council to discuss.

Franchise agreements impact the operation, maintenance and preservation of our rights-of-way (ROW). Franchise fees provide funding to mitigate the impacts of utility providers operating within the ROW. They would help ensure that City infrastructure continues to be well maintained.

Franchise fees collected from Utilities operating within the ROW would likely be passed on directly as an increase to rate payers.

The term of franchise agreements is likely to be ten or fifteen years, so the time to discuss and assess the possibility of franchise fees is now, when the agreements are first put in place.

The current franchise agreements are expired for all water and sewer franchisees in SeaTac. They were 25 -year agreements that were put in place in 1970 by King County and expired in 1995. We are operating as though the agreements are still in place, and conditions and terms are enforced through permits. But well-crafted franchise agreements allow the City to be consistent across the board with all franchisees all the time.

This topic has been brought before T&PW in June of 2020, and in February of 2021. There will be more opportunities as a Committee to discuss the other elements of franchise agreements as they are developed, and then brought before full council before issuance, anticipated to be by the end of 2021.

Fees are typically a percentage of the revenue that is collected by the utility within the City. It is commonly about 6%, but could be as little as 1% or 2%. It is not a tax. Other cities locally have issued a utility tax, which is a revenue that is not associated only with maintaining the right of way. A franchise fee on the other hand is a dedicated amount that is to be used for the maintenance of the right of way that the utility uses to earn a profit as a provider of its services. It offsets or mitigates the effects of its operations within our ROW.

Photos of various types of damages and restoration fixes in our ROW were shown to the Committee, like pavement patches, possible sinkholes surrounding manhole covers, etc.

	<p>There was much discussion on this topic. Comments included:</p> <ol style="list-style-type: none"> 1. why issue a franchise fee, when the Council could adopt a utility tax at any time that has more opportunity to be used for a variety of uses, not just maintaining the ROW. 2. Do we need the franchise fee now to maintain our ROW? Staff answered that we did not need it now, but that franchise agreements are long-term and we do not know what future city needs might be. Now is the time to make the option available within the new agreements. 3. What happened the last time the City implemented a utility tax? In 2015 a Utility tax was implemented; new Council members were voted in in November, 2015, and the outgoing council repealed the tax at year end before the new council took office. <p>Response to staff's beginning questions were mixed. Results:</p> <p>Should the option for a franchise fee be kept open within the new agreements. Yes, 2 to 1.</p> <p>Should an amount be set up front? No. Set at \$0 to begin with. Two to one.</p> <p>Should this issue be referred to Council Study Session? No because six of the seven council members were in attendance at this meeting, and there will be more times the franchise agreements will be brought before committee and council before they are finally approved at the end of the year.</p>
4. Adjourn	Adjourn Meeting