

City of SeaTac

Council Study Session Minutes Synopsis

March 27, 2012
4:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Study Session (CSS) was called to order by Mayor Anthony (Tony) Anderson at 4:01 p.m.

COUNCIL PRESENT: Mayor Anthony (Tony) Anderson (*left during the Executive Session, returned at 5:27 p.m.*), Deputy Mayor (DM) Mia Gregerson, Councilmembers (CMs) Barry Ladenburg, Rick Forschler, Terry Anderson, Dave Bush, and Pam Fernald.

PRESENTATIONS:

● **Surface Water 101: The Who, What, When, Where and Why of SeaTac's Only Utility**

Public Works (PW) Director Tom Gut stated that surface water is unique in that there is no meter and it is something neither the utility nor rate payer provides.

Mr. Gut reviewed how the utility was created, how it is funded, what programs/services are provided by the utility (capital improvements, maintenance, basin planning, education and outreach, illicit discharge detection and elimination, National Pollutant Discharge Elimination System [NPDES] administration and coordination), utility evaluation and update (last updated in 1997), and the future (expanding NPDES permit requirements, aging infrastructure, and opportunities).

Stormwater Compliance Manager Don Robinett stated that the NPDES Permit requires the City evaluate at least one education and outreach program each permit cycle. During this permit cycle, staff evaluated the "Lake Stewardship" flyer which is available on the City's website. The flyer was also distributed by mail in 2010. Phone and mail surveys were also conducted to see how many people understand the message and are adopting behaviors for promoting it. The responses help guide the City in the information provided to the residents to make sure the City is getting the best outcome for the expense.

Mr. Robinett stated that currently, all of the materials are in English only, but staff will look into offering additional languages during the next permit cycle.

RECESSED: DM Gregerson recessed the CSS to an Executive Session on Potential Litigation at 4:36 p.m.

EXECUTIVE SESSION: Potential Litigation (RCW 42.30.110 [1] [i]) (30 minutes)

City Clerk Gregg announced that Council requested an additional 10 minutes at 5:07 p.m.

RECONVENED: DM Gregerson reconvened the meeting at 5:20 p.m.

CMA. Anderson left during the Executive Session.

Agenda Bill #3417 – A Motion approving leasing 3,361 square feet (sq. ft.) of the City Hall second floor to SASH, Inc.

Summary: SASH, Inc. is a service provider aimed at assisting seniors in moving into retirement/assisted living communities and then helping them to sell their current residences. They are interested in renting 3,361 sq. ft. of space in City Hall with first rights of refusal on any additional available space on the second floor. The lease has a three year lease renewal option upon mutually agreeable terms.

The proposed lease provides that if SASH requires additional square footage within the building and the City is unable to accommodate their request, then SASH shall have the ongoing right to terminate the lease after 18 months. Should SASH terminate the lease prior to the expiration of the three year term, they shall be responsible for a portion of the leasing transaction costs (pro-rated commissions, cost of tenant improvements, and free rent) based on the amount of time remaining on the lease.

Consistent with current trends in the commercial real estate market, the proposal from SASH asks for one free month of rent for each year of the lease agreement. The breakdown for the three year term is as follows:

Months 1-3	\$0
Months 4-12	\$4,481.33 per month
Months 13-18	\$4,621.38 per month
Months 19-24	\$4,691.40 per month
Months 25-30	\$4,761.42 per month
Months 31-36	\$4,831.44 per month

Agenda Bill #3417 (Continued): The total rent collected over the three year period is \$153,765.81. The Andover Company will receive 5% commission or \$7,688.29. Tenant improvements are expected to cost \$16,500. Utilities and services during that period will be approximately \$39,102.89. Leasehold excise taxes will amount to about \$19,743.53. However, the City will receive approximately \$6,027.62 of the leasehold excise tax back from the State. The net revenue will be approximately \$76,758.72.

Although the rent revenues will ultimately pay for the cost of tenant improvements and the lease commissions, these expenditures are not budgeted in 2012. Therefore, a budget amendment will be necessary and will be brought forward for Council approval at a later date.

Facilities Manager Pat Patterson introduced The Andover Company Leasing Broker Mike Ewing and reviewed the agenda bill summary.

Mr. Ewing provided an overview of market trends.

Council discussion ensued regarding the proposed lease with questions related specifically to vehicle capacity, number of potential SASH clients, 3% escalator in the lease, and tenant improvements.

Mayor A. Anderson returned at this point in the meeting.

Council consensus: Refer this to the 04/10/12 RCM Action Item

Agenda Bill #3407 – An Ordinance authorizing the City Manager to execute a contract with MacLeod Reckord to design Angle Lake Park Phase II improvements, and amending the City’s annual budget

Summary: This design would complete the Master Plan for Angle Lake Park that was approved by the City Council on September 10, 1996. Staff had several Landscape Architects that were interviewed in 1996 and MacLeod Reckord was the most qualified. Staff is recommending rehiring MacLeod Reckord because they are the most qualified firm to complete Phase II and they did an outstanding design for Angle Lake Park Phase I. The plan is to complete the design and bid the project in late December 2012, so construction can start in early 2013 and the project be completed before the International Festival and 4th of July.

The Angle Lake Park Phase I project was completed in 1996. The cost estimate for Phase II was completed in 1998, and has been carried forward every year since. The park improvements will include two new rentable picnic shelters, a spray waterpark, regrading the area south of the performing stage, renovating the lower parking lot, removing the old roadway, installing a new pathway system, and installation of a new irrigation throughout the park. Staff used the Washington State Architect and Engineer fee schedule to negotiate the fees for this project. The fee is \$194,219 plus a contingency of 10% (\$19,422) for a total request not to exceed \$213,641.

The 2012 Budget approved \$100,300. However, the 2012-2017 Capital Improvement Plan (CIP) provided a total of \$386,653 for design services (\$100,300 in 2012 and \$286,353 in 2013). Therefore, an additional appropriation needs to be made if the entire design is to be completed in 2012. This Ordinance amends the City’s 2012 budget to appropriate an additional \$93,613 in the Municipal Capital Facilities Fund #301 that will be paid for through Real Estate Excise Taxes (REET). This means that a total of \$193,913 will be appropriated in 2012 for the Angle Lake Park Phase II design. This amount will pay for 80% of the architect fee plus a 10% contingency, and \$23,000 for additional survey and geotechnical work that may be necessary to complete the design. The remaining portion of the architect’s fees will be requested as part of the 2013 budget process.

Parks and Recreation (P&R) Director Kit Ledbetter introduced MacLeod Reckord Landscape Architect Ed MacLeod and reviewed the agenda bill summary.

Mr. MacLeod detailed the proposed elements for phase 2.

Council discussion ensued regarding the fiscal impacts.

Council consensus: Refer this to the 04/10/12 RCM Consent Agenda

Agenda Bill #3413 – A Motion authorizing the City Manager to execute a contract with Anchor QEA, LLC to complete the Tub Lake Trail Master Plan

Summary: The Tub Lake Trail is included in the City’s Park, Recreation and Open Space Plan adopted by in 2009. This design would complete the Master Plan for the Tub Lake Trail. Seven landscape architect firms responded to the City’s Request for Proposal (RFP). After scoring the proposals, three landscape architect firms were interviewed on February 29, 2012. The interview panel consisted of CM Fernald, P&R Director Ledbetter, Parks Operations Supervisor Roger Chouinard, and Port of Seattle (POS) Environmental Programs Senior

Agenda Bill #3413 (Continued): Manager Bob Duffner. Anchor QEA of Seattle was selected to complete the Tub Lake Master Plan.

This project will complete a quality Master Plan on a trail to Tub Lake. The best route (Westside Trail or Sunset Park) for a part gravel and part boardwalk trail, with a viewing area for the beautiful Tub Lake will be determined. The project will require a combination of several disciplines working together to determine the best route, permitting issues, constructability and cost estimates. The final plan will be of high quality for use in seeking outside grants with cost estimates.

The P&R Department has a total of \$18,000 for the Master Plan in the 2012 Budget. The proposed contract will not exceed \$15,000 in cost. This plan will be funded with the King County (KC) Proposition #2 open space and regional trails property tax levy.

P&R Director Ledbetter reviewed the agenda bill summary.

Council consensus: Refer this to the 04/10/12 RCM Consent Agenda

Agenda Bill #3418 – An Ordinance amending Chapter 3.31 of the SeaTac Municipal Code (SMC) related to purchasing

Summary: This Ordinance amends the City's Purchasing Code, pursuant to direction given to the City Manager at the City Council retreat on February 25, 2012.

The following is a list of proposed changes:

SMC 3.31.050. Currently, the City Manager has authority to execute contracts that do not exceed \$5,000. Contracts that exceed \$5,000 but are less than \$35,000 are approved by the City Council by Motion as part of the consent agenda. Similar authority is provided for the execution of contract amendments. This Ordinance authorizes the City Manager to execute contracts that do not exceed \$50,000 in value. The current \$5,000-\$35,000 agenda item would be removed. In addition, the City Manager would be authorized to execute contract amendments that do not exceed the lesser of 10% of the contract cost or \$50,000.

SMC 3.31.060. This section related to the purchase of supplies and equipment would be amended so that the requirement to obtain at least three quotations more closely matches the contract approval limits in SMC 3.31.050 and the dollar amounts for PW contracts.

SMC 3.31.090 and 3.31.100. These sections related to PW projects would be amended to remove the maximum dollar for utilizing the small works roster, and instead provides that the small works roster process can be used when applicable. The maximum dollar amount is set by State law, which is currently \$300,000.

SMC 3.31.190. Currently, the City Manager is authorized to lease or rent City facilities or let a contract in which the City receives payment, provided that the annual payment does not exceed \$35,000. However, when the City receives annual payment between \$5,000 and \$35,000 the agreements are approved by the City Council by Motion, similar to the \$5,000-\$35,000 purchases. This section related to lease or rental of City facilities would be amended to authorize the City Manager to execute such contracts if the annual payment to the City does not exceed \$50,000. This Ordinance also authorizes the City Manager to accept grants on behalf of the City with these same dollar amounts.

City Manager Todd Cutts reviewed the agenda bill summary, also explaining how surrounding cities handle this process.

CM Forschler requested this item be considered under Action Items at the April 10 Regular Council Meeting (RCM).

Council consensus: Refer this to the 04/10/12 RCM Action Item

Due to the time, this presentation was moved to the RCM.

PRESENTATIONS (Continued):

• **Code Compliance Program Manager**

ADJOURNED: Mayor A. Anderson adjourned the CSS at 5:59 p.m.