



# Planning & Economic Development Committee Minutes

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Thursday, May 23, 2019

6:00 PM

SeaTac City Hall – Riverton Room

Members:	Present:	Commence:	6:00 P.M.
		Adjourn:	7:21 P.M.
Joel Wachtel, Chair	X		
Peter Kwon	X		
Stanley Tombs	X		

Other Councilmembers: Pam Fernald; DM Clyde Hill; Rick Forschler

Staff Present: Steve Pilcher, CED Director; Jennifer Kester, Planning Manager; Kate Kaehny, Senior Planner; Aleksandr Yeremeyev, Economic Development Strategist; Sr. Assistant City Attorney Mark Johnsen

1. Public Comment	Barbara McMicheal, resident of 208th & Military Rd. S. She opposes potential rezone of their area to allow multifamily development. She stated no public notice had been provided of these proceedings.  Shane Markey, Military Rd. S resident. He stated that homeowners enjoy their location, their homes and being isolated from crime that is found in other areas of the city. The enjoy their larger lot sizes. He stated there is no need for additional development of this area.
2. Minutes of 04/18/19 meeting	Approved 3-0.

<p>3. MultiFamily Tax Exemption - Potential Expansion</p>	<p><u>X</u> Direction</p> <p>CED Director Steve Pilcher provided a brief overview of the issue and the Committee’s past discussions. Staff is seeking direction on whether to expand eligible areas within the city beyond the S. 154th St. Station Area.</p> <p>Economic Development Strategist Aleksandr Yeremeyev overviewed some of the market factors that impact multifamily housing development. He also reviewed the income levels that will qualify under the City’s code for affordable and moderate housing, noting that King County has fairly high levels of income eligibility. He noted that staff had asked several individuals to come and address the committee on this issue.</p> <p>Marguerite Poway with Key Bank provided information regarding how project are financed. She provided a handout of a fictitious project and how the financing would work, reviewing how loan rates and required equity are calculated. Her scenario compared how the existence of a MFTE can be used to close the gap.</p> <p>Harry Schneider, Schneider Homes, owns property kitty corner from the YMCA. This site could accommodate a 250 unit project, perhaps with some commercial. Since construction costs keep rising, a project would require around \$2/sf rental rates. Were MFTE to be available, it would help to make this project viable. He noted they have the ability to keep the land vacant until conditions are right.</p> <p>Bob Dedon is a developer buying the self storage site near the Angle Lake Station. They would like to build an apartment building of 170-200 units. He noted that construction costs are as high here as in Seattle. He discussed a project his company built in Shoreline where the availability of MFTE made the project viable. Without MFTE, the projected rate of return would be 1%; that rises to 8-10% with the tax exemption. Rents that would be charged are similar to what staff presented in their comments.</p> <p>The Committee discussed issues regarding rental rates and the SeaTac market.</p> <p>Moved to direct staff to draft code amendment language to allow the expansion of MFTE into other areas, to include a sunset clause. <b>Passed 3-0.</b></p>
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<p>4. 2019 Comprehensive Plan Amendments M- 3, M-4 &amp; M-5</p>	<p><u><b>X</b></u> Decision</p> <p>Planning Manager Jennifer Kester provided a handout to help guide the discussion. Staff and the Planning Commission are looking for clarification and direction regarding these three map amendments. Staff is recommending withdrawing the three proposals and suggests that the larger housing issue could be studied and discussed and considered in the 2021 Comprehensive Plan amendment cycle.</p> <p>Chair Wachtel expressed concern about putting the neighborhood residents through any undue stress. CM Tombs clarified that the PED Committee had initiated these proposals, not the staff.</p> <p>CM Forschler stated there is a need to capture the potential of opportunity zones, at least in the north Military Rd area. The same situation does not exist in the other two areas, but they are being adversely impacted by either traffic and/or airport activities. He stated that a change in zoning will allow residents to get the value out of their properties.</p> <p>CM Tombs and Wachtel both advocated withdrawing the three proposals from further consideration.</p> <p>Moved and seconded to withdraw all three proposals. <b>Passed 3-0.</b></p>
<p>5. Future Topics</p>	<p>Fire Station disposition. Small Wireless Facilities.</p>
<p>6. Adjourn</p>	<p>The meeting adjourned at 7:21 p.m.</p>