

City of SeaTac

Regular Council Meeting Minutes

September 24, 2019
6:00 PM

City Hall
Council Chambers

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

COUNCIL PRESENT: Mayor Erin Sitterley, Deputy Mayor (DM) Clyde Hill, Councilmembers (CMs) Rick Forschler, Joel Wachtel, Peter Kwon, Stanley Tombs, and Pam Fernald.

STAFF PRESENT: City Manager Carl Cole, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Government Relations and Communications Manager Kyle Moore, Community & Economic Development (CED) Director Steve Pilcher, Economic Development (ED) Strategist Aleksandr Yeremeyev, Public Works (PW) Director Will Appleton, City Engineer Florendo Cabudol, Civil Engineer II Colum Lang, Police Chief Jon Mattsen, Finance & Systems Director Gwen Pilo

FLAG SALUTE: Mr. Yeremeyev led the Council, audience, and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Roger Kadeg stated he attended his recent class reunion where they toured the new Glacier Middle School. He urged Council to get in touch with the principal to take a tour.

Earl Gipson spoke regarding the proposed Deputy City Manager position as part of Agenda Bill #5272 (amending the 2019-2020 Biennial Budget). He requested Council consider whether a consultant is needed instead of a full-time employee.

PRESENTATIONS:

Key City Issues and Requests for Direction

City Manager Cole commented on the following items:

- (1) requested a Sustainable Airport Master Plan (SAMP) Update by the Port of Seattle (POS) be referred to the Transportation & Public Works (T&PW) Committee. Council concurred.
- (2) the City is negotiation rental terms with the board of the Seattle Southside Chamber of Commerce for space on the 2nd floor of City Hall
- (3) September 25 - Highline Forum
- (4) September 25 - Chamber of Commerce Candidates Night
- (5) October 5 - Recycling Collection Event

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

CM Forschler: possible CIR related requesting a white paper regarding possible tax increases as part of the M-3 Comprehensive Plan (CP) Amendment.

CM Kwon: T&PW Committee – 35th Avenue South need for speed bumps, concurrency, right-of-way (ROW) standards.

CM Fernald: Public Safety & Justice (PS&J) Committee – SCORE Jail Interlocal Agreement (ILA), red light cameras and school zone cameras, and Code Compliance.

CM Tombs: Hotel/Motel Tax Advisory Committee (HMAT) – expansion of visitors center at botanical garden, methodology for assessing potential for heads in beds for events, the affect the new hotel in Seattle opening is having on surrounding area hotels.

DM Hill: Sound Cities Association (SCA) Joint Recommendations Committee (JRC) – reviewed 2020 recommendations for non-housing development funds.

Mayor Sitterley: Administration & Finance (A&F) Committee – multi-family tax exemption program, recording of Planning Commission (PC) meetings

CONSENT AGENDA:

Approval of claims vouchers (check no. 125707 - 125880) in the amount of \$4,913,935.09 for the period ended September 20, 2019.

Approval of payroll vouchers (check no. 55227 - 55257) in the amount of \$115,342.11 for the period ended September 15, 2019.

Approval of payroll electronic fund transfer (check no. 98889 - 99039) in the amount of \$382,623.10 for the period ended September 15, 2019.

Approval of payroll wire transfer in the amount of \$56,416.14 for the period ended September 15, 2019.

Approval of Council Meeting Minutes:

Parks & Recreation Committee meeting held July 8, 2019

Administration & Finance Committee meeting held July 25, 2019

Parks & Recreation Committee meeting held August 1, 2019

Transportation & Public Works Committee meeting held August 1, 2019

Regular Council Meeting held September 10, 2019

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

MOTION CARRIED UNANIMOUSLY.

ACTION ITEMS:

Agenda Bill #5278; An Ordinance #19-1018 awarding the Des Moines Memorial Drive (DMMD) and South 200th Street Intersection Capital Improvement Project (Public Works CIP ST-065) contract to Rodarte Construction Inc.; authorizing the City Manager to execute a contract with Rodarte Construction Inc. for construction, a contract with Gray and Osborne, Inc. for construction management services, and a contract amendment with Gray and Osborne, Inc. for design services; authorizing total project expenditures; and amending the City's 2019-2020 Biennial Budget.

Summary: The DMMD and South 200th Street Intersection Project will construct improvements consisting of a new traffic signal system, turn lanes, curbs, gutters, sidewalk, bike lanes, storm drainage, conversion of utilities to underground, street lighting, and paving. The project was advertised for construction and bids were opened on August 29, 2019. A total of eight bids were received with Rodarte Construction Inc. being the lowest responsive and responsible bidder at \$4,786,160. The low bid is approximately 15% below the engineer's estimate for construction. The City of Des Moines is contributing to the funding of the project and has concurred with awarding the contract to Rodarte Construction Inc. Unanticipated design services from Gray and Osborne were necessary to finalize the design and provide support during the bid advertisement period. Due to the complexity of constructing this project and Staff's current workload, Gray and Osborne Inc. is being retained to manage construction on behalf of the City. Gray and Osborne Inc. has managed and successfully delivered similar projects throughout the Puget Sound region. A 15% contingency is also being requested because there is a higher construction risk associated with utility work due to site conditions, including the need to avoid septic systems and drain fields located immediately adjacent to the project.

A budget amendment for an additional \$3,226,012 is requested to fully fund construction, construction management services, material testing, final design and support services, inspection, and to provide a 15% construction contingency. This Ordinance will transfer this amount from the Street Fund (#102) into the Transportation CIP Fund (#307), and increase expenditures by this same amount in the Transportation CIP Fund (#307) to fully fund the project. The City will be reimbursed from outside funding sources including, City of Des Moines (approximately \$609,000), Puget Sound Energy (approximately \$194,000), and Comcast (approximately \$156,000). Project budget and expenditure details are provided below:

Amount Budgeted (2019-2020 Biennium)	\$3,618,473
Expenses paid to date	-\$654,283
Encumbered Right-of-Way Expenses	-\$167,914
Gray & Osborne Design Amendment #2	-\$84,329
Remaining Available Funds	\$2,711,947

ACTION ITEMS (continued):

Agenda Bill #5278; Ordinance #19-1018 (continued):

Rodarte Construction, Inc. for Construction	\$4,786,160
15% Contingency	\$717,924
Gray & Osborne Construction Management Services (including material testing)	\$403,875
Inspection Overtime (if needed)	\$30,000
Project Expenditures for Construction	\$5,937,959

Additional Budget Requested **\$3,226,012**

The need for construction management services, additional design work as well as anticipated increase in construction costs were presented to the T&PW Committee on July 22, 2019, in connection with an amendment to the property acquisition budget and again on August 1, 2019, when discussing the project agreements with utility franchises. This item will also be discussed at the September 19, 2019, T&PW Committee Meeting, and the Committee's recommendation will be presented to the full Council at that time.

City Engineer Cabudol introduced Civil Engineer II Lang. Mr. Cabudol and Mr. Lang reviewed the agenda bill summary.

MOVED BY HILL, SECONDED BY FORSCHLER TO PASS AGENDA BILL #5278 (ORDINANCE #19-1018).*

CM Kwon commented on the T&PW committee review.

Council discussion ensued regarding the project.

*MOTION CARRIED UNANIMOUSLY.

Agenda Bill #5272; An Ordinance #19-1019 amending the 2019-2020 Biennial Budget.

Summary: Various one-time and ongoing requests were submitted by the City Manager for consideration and presentation at the September 12, 2019 Administration & Finance (A&F) Committee meeting. The Committee recommended these budget amendments to the full Council for approval.

The General Fund (GF) has available fund balances that can be allocated for the decision cards and other adjustments. The requests are classified into two groups; Decision Cards and Other Adjustments. Decision Cards are new programs not included in a previous budget. Other Adjustments detailed descriptions are provided in the analysis below:

GF (001) requests total \$354,322 for the biennium.

Decision Cards include:

- \$296,224 for Deputy City Manager
- \$8,098 for Digital Channel Platform Services

Other Adjustments include:

- \$25,000 for Special Legal Services from unexpected litigation and pre-litigation matters resulting in additional outside counsel services for 2019.
- \$25,000 for City Center Plan Update Contract Increase for the change order approved by Council on August 13, 2019.

The Street Fund (102) adjustments total \$4,700 as a Transfer Out to the Transportation CIP fund (307) and the corresponding revenue as a Transfer In to the 307 fund. Also, the authorization to spend the money from the 307 fund for software subscriptions.

The LTGO Bond Fund (206) adjustments include \$23 in Investment Interest Revenue and \$815 as a Transfer Out to the Hotel/Motel Tax Fund (107) to close out the fund and the corresponding Transfer In to the Hotel/Motel Tax Fund.

ACTION ITEMS (continued):

Agenda Bill #5272; Ordinance #19-1019 (continued):

The grand total of all funds equals \$354,322 for Decision Cards and \$60,215 for Other Adjustments. In the GF, the Decision Cards are ongoing programs that will impact future budgets. The other adjustments are considered one-time items.

The Street Fund Transfer to the Transportation Fund will be included in future budgets, however the impact is minimal (less than \$5,000 per biennium).

If all requests are approved the budgeted ending fund balance across all funds will be reduced \$359,000 to \$81,170,401. Current end of year projections show expenditures will be less than budgeted for 2019 and revenues are tracking between the optimistic projection and the actual budget with an additional \$3 Million coming in from Property and Sales tax.

This item was reviewed by the A&F Committee on September 12, 2019, and was recommended for approval.

Finance & Systems Director Pilo reviewed the agenda bill summary.

MOVED BY WACHTEL, SECONDED BY FERNALD TO PASS AGENDA BILL #5272 (ORDINANCE #19-1019).*

Mayor Sitterley commented on the A&F Committee review.

Discussions ensued regarding budget projections, Deputy City Manager position, and services to the City.

*MOTION CARRIED WITH FORSCHLER VOTING NO.

Agenda Bill #5284; A Resolution #19-010 declaring City-owned real property located at 2929 South 200th Street (former Fire Station #45 property) surplus to the needs of the City, authorizing its disposal through a sale to Trent Development, Inc., and authorizing the City Manager to execute the documents necessary to effectuate the sale.

Summary: The former Fire Station #45 property located at 2929 South 200th Street (King County Parcel #3445000019) is currently vacant land and is no longer needed for municipal purposes. Its sale and redevelopment is likely to spur other economic development (ED) activity consistent with the vision of the adopted Angle Lake Station Area Plan. In 2018, at the direction of the City Council, a Request for Proposals (RFP) was issued for potential redevelopment of the site. The City received two proposals but both were rejected by the Council in September 2018.

In May 2019, the City received an unsolicited offer from Trent Development, Inc. to purchase the Fire Station #45 property for \$3,500,000. City staff and the Buyer negotiated the terms a Purchase and Sale Agreement (PSA) for Council review and approval, as summarized below.

- Lot Size: 23,516 square feet (0.54 acres).
- Zoning: CB-C (Community Business in Urban Center).
- Proposed Project: No specific project required, so long as it is allowed under the Land Use Codes.
- Purchase Price: \$3,500,000 (\$148.83 per square foot).
- Earnest Money: \$300,000 Promissory Note. The Promissory Note will be converted to cash upon completion of the Feasibility Period.
- Feasibility Contingency: 120 days from mutual execution of the agreement.
- Permit Contingency: Closing is contingent on Buyer obtaining all permits necessary to complete construction of their project. Buyer will have 24 months after completion of the Feasibility Contingency to obtain permits. Buyer must use commercially reasonable efforts to pursue the issuance of the permits. However, if permits are not ready to be issued with the 24-month period, the agreement terminates and the Earnest Money is returned to the Buyer.
- Other Deadlines: Buyer shall submit a SEPA Checklist within six months after completion of the Feasibility Contingency, and submit complete applications for all other permits within 12 months after completion of the Feasibility Contingency. If these deadlines are not met, the City may terminate the agreement and would retain the earnest money.

ACTION ITEMS (continued):

Agenda Bill #5284; Resolution #19-010 (continued):

This Resolution declares the former Fire Station #45 property surplus to the needs of the City, and authorizes the City Manager to execute the proposed PSA and other documents related to the sale.

Revenue from the sale will be \$3,500,000. However, this amount will not be realized until closing, which would likely occur in 2021. There will also be some additional closing costs associated with the sale that will be deducted from the proceeds.

This item was reviewed by the A&F Committee on September 12, 2019, and was recommended for approval.

CED Director Pilcher and Economic Development (ED) Strategist Yeremeyev reviewed the agenda bill summary.

MOVED BY TOMBS, SECONDED BY HILL TO PASS AGENDA BILL #5284 (RESOLUTION #19-010).*

Council discuss ensued regarding uses for property, price, and Trent Development.

*MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to Unfinished Business): None

UNFINISHED BUSINESS: None

NEW BUSINESS: None

COUNCIL COMMENTS: CM Kwon commented on a logo on the City's website pages related to the Council packet, which stated Level AA Conformance to Web Content Accessibility Guidelines 2.0, which makes the web more accessible to users with disabilities.

CMs Fernald and Tombs, DM Hill, and Mayor Sitterley commented on the M-3 CP amendment open house and stated appreciation for the residents attending and participating.

CM Fernald also stated she will be attending a suicide prevention class at Highline Community College.


DM Hill also commented on the September 21 – Get Your Green On event.

EXECUTIVE SESSION: None

ADJOURNED:

MAYOR SITTERLEY ADJOURN THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 7:29 P.M.


Erin Sitterley, Mayor


Kristina Gregg, City Clerk