

City of SeaTac

Regular Council Meeting Minutes

November 12, 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, Senior Assistant City Attorney Mark Johnsen, Government Relations and Communications Manager Kyle Moore, Senior Management Analyst Anita Woodmass, Community & Economic Development (CED) Director Steve Pilcher, Economic Development (ED) Strategist Aleksandr Yeremeyev, Public Works (PW) Director Will Appleton, City Engineer Florendo Cabudol, Parks, Community Programs and Services (PCPS) Director Lawrence Ellis, PW Programs Coordinator Mason Giem, Police Chief Jon Mattsen, Budget Analyst Alexis Briggs, Human Resources (HR) & Risk Management Director Vanessa Audett

FLAG SALUTE: Seattle Southside Regional Tourism Authority President and CEO Katherine Kertzman led the Council, audience, and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Chuck D'Arielli thanked the Police Department for their response to a recent incident at Bob's Burgers. He also stated he attended the Veterans Memorial Dedication and he was disappointed no district representatives or the new Council elects were in attendance.

Susan Constable commented on issues she has had with a neighbor who runs an Airbnb.

Vicki Lockwood thanked Council and staff for the Veterans Memorial and the dedication

Earl Gipson commented on the election, specifically about I-976 and the need for a higher turnout.

PRESENTATIONS:

Small Business Saturday Proclamation

Mayor Sitterley proclaimed November 30, 2019 as Small Business Saturday.

Introduction of new City employees: Deputy City Manager Gwen Voelpel, Permit Coordinator Candice Staples
City Manager Cole introduced the new employees.

Sound Transit Systems Access Grant Acceptance

Senior Management Analyst Woodmass reviewed the grant award: provides \$500,000 for the construction of pedestrian access safety improvements; Council action requested on Consent Agenda; and grant request and scope. Initially requested \$1.5 million and was not recommended for award. After staff re-examined the grant scope, the City was awarded \$500,000. This money will be used to fund physical improvements.

PW Director Appleton stated the strategy is to combine the project with one of two projects to create a larger project.

Council discussion ensued regarding the project and the grant.

Key City Issues and Requests for Direction

City Manager Cole commented on the following items:

- (1) thanked Ms. Woodmass, Mr. Moore, and Mr. Appleton for their efforts on the grant award
- (2) Requested the Development Agreement (DA) for SeaTac Center be referred to the Planning & Economic Development (PED) Committee. Council concurred.
- (3) Requested the regulations and rules around adult family group homes, and Airbnb's if appropriate, be referred to the PED Committee. Council concurred.
- (4) November 13, 2019 – 6 p.m., Federal Way Link Light Rail Open House
- (5) November 13, 2019 - Hotel/Motel (H/M) Tax Advisory Committee meeting cancelled

PRESENTATIONS (continued):

Key City Issues and Requests for Direction (continued):

- (6) November 14, 2019 - Public Safety & Justice (PS&J) Committee meeting cancelled
- (7) November 14, 2019 – 2 p.m., ReWA Open House
- (8) November 8, 2019 – Seattle Southside Chamber of Commerce annual awards, two of the three finalists were SeaTac City employees, Economic Development (ED) Strategist Aleksandr Yeremeyev won
- (9) contract with Hearing Examiner (HE) expires at the end of the year, staff would like to extend the contract and bring it forward to the November 26, 2019 Regular Council Meeting (RCM) without committee review. Council concurred.
- (10) Grant Award: requested for, and awarded, 13 AED's

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

CM Forschler: Questioned whether the residents have been made aware of the King County Metro Via program. City Manager Cole stated it has been published in City Manager's Weekly Update.

CM Wachtel: Airport Advisory Committee meeting – discussed the upcoming Commerce meeting and concerns about data sets for study

CM Kwon: Transportation & Public Works (T&PW) Committee meeting – right-of-way (ROW) standards related to developments and redevelopments

DM Hill: will be attending the November 22 Puget Sound Regional Council (PSRC) Transit Oriented Development (TOD) Committee meeting

Mayor Sitterley: Administration & Finance (A&F) Committee – Audit results, 30th birthday party, next meeting November 14; Public Issues Committee (PIC) for the Sound Cities Association – homelessness PDA. Council provided their input on this PDA and whether to support.

CONSENT AGENDA:

Approval of claims vouchers (check no. 126158 - 126269) in the amount of \$2,342,096.41 for the period ended November 5, 2019.

Approval of payroll vouchers (check no. 55311 - 55336) in the amount of \$117,590.47 for the period ended October 31, 2019.

Approval of payroll electronic fund transfer (check no. 99347 - 99501) in the amount of \$582,557.34 for the period ended October 31, 2019.

Approval of payroll wire transfer in the amount of \$59,699.22 for the period ended October 31, 2019.

Approval of Summary of Grant Acceptance for the Sound Transit System Access Fund 2019 Award - \$500,000.

Approval of Summary of Grant Acceptance for the Washington State Safe Routes to School Program 34th Avenue South - \$2,464,000.

Approval of Summary of Grant Acceptance for the King County Flood Control District 2019 Flood Reduction - \$125,000.

Final Acceptance of public works projects: 12th Place South & 13th Avenue South Overlay Project - \$1,638,506.80

Approval of Council Meeting Minutes:

Transportation & Public Works Committee meeting held October 3, 2019

Administration & Finance Committee meeting held October 17, 2019

Regular Council Meeting held October 22, 2019

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

MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING (PHE) & ACTION ITEM:

Amending SeaTac Municipal Code (SMC) 3.85 relating to Multifamily Property Tax Exemptions

Mayor Sitterley opened the PH at 7:09 p.m.

CED Director Pilcher reviewed the summary for Agenda Bill #5275.

Council discussion ensued regarding: considering expanding in the future; PED Committee review; existing designation; tax rolls; and A&F review.

Bob Dedon, a Real Estate Developer, stated this makes a difference in whether his project is successful.

Mayor Sitterley closed the PH at 7:20 p.m.

Agenda Bill #5275; An Ordinance #19-1023 designating the City's Urban Center as a Residential Targeted Area in accordance with RCW 84.14.040 and amending Chapter 3.85 of the SeaTac Municipal Code (SMC), related to Multi-Family Property Tax Exemptions (MFTE).

Summary: SMC 3.85 was established in 2008 to provide an incentive for the development of multifamily housing within the S. 154th St. Station Area. Currently, an application for the MFTE must be received prior to an application for any land use approvals, which is too early in the process for the development community. When a project of at least 20 units is approved under this program, the value of eligible multifamily housing improvements is exempted from property taxes for 8 or 12 years, depending on whether affordable units are included (taxes on the land value are still collected). Once the initial exemption period of either 8 or 12 years ends, property taxes are calculated on the full value of the land and improvements. The MFTE can be a significant incentive to encourage the development of multifamily housing in targeted areas. There are currently two development proposals in the S. 154th St. Station Area that have applied for a tax exemption under the existing program. Staff is aware of at least two other potential developments in the Angle Lake Station Area that may apply for an exemption if the eligibility area is expanded.

Consistent with Comprehensive Plan Policy 3.61 (Expand the Multi-Family Tax Credit program to SeaTac's Transit Communities), the proposed Ordinance makes several housekeeping changes along with the following substantive changes: 1) expand the definition of "Residential Targeted Areas" to include the entire defined Urban Center (which includes all three light rail station areas, plus the RapidRide service area); 2) extend the time period for when an application for the MFTE must be received to any time before application for building permits for a project; and 3) provides that no new applications for the MFTE will be accepted after December 31, 2024, (however all applications received prior to this deadline will continue to be processed).

RCW 84.14.040 requires the City Council to conduct a PH prior to taking action to establish new "Residential Targeted Areas." The Council passed Resolution 19-014 establishing November 12, 2019, as the date of the PH. Section 1 of the Ordinance includes proposed findings of fact that are required by law to support the designation of a residential targeted area.

Projects that are approved to participate in the program receive either an 8 or 12 year exemption from taxes based upon improvement value. However, these projects might not otherwise occur without the MFTE being available.

This issue has been extensively discussed by the PED Committee over the past 6+ months and the tax implications have been presented to the Administration and Finance Committee. At its September 29, 2019, meeting, the PED Committee voted 3-0 to recommend approval.

MOVED BY HILL, SECONDED BY WACHTEL TO PASS AGENDA BILL #5275 (ORDINANCE #19-1023).

MOTION CARRIED UNANIMOUSLY.

ACTION ITEMS:

Agenda Bill #5238; An Ordinance #19-1024 authorizing the execution of the 2020 through 2023 collective bargaining agreement (CBA) between the City and AFSCME, Local #3830.

Summary: The current CBA between the City of SeaTac and AFSCME, Local #3830, expires on December 31, 2019. City and Union bargaining teams met at the bargaining table from July 2019 through October 2019 and successfully bargained a tentative agreement. On November 6, 2019, the union membership voted to ratify the tentative agreement. This Ordinance approves the CBA as negotiated and tentatively agreed upon with the Union. Some highlights of the proposed agreement are:

- Increase in Contract Length (from 3 years to 4 years)
- New Salary Survey Reconsideration Process & Period
- 22 Represented Classifications Surveyed (2 over market, 9 under market, 11 at market)
- Status Quo on Health Insurance – Market Review in 2020
- New Leave Without Pay Restrictions
- Change in Floating Holiday Administration
- Additional Floating Holiday (from 1 day to 2 days)
- New Training Repayment Agreement Language
- New Travel Time Language
- Increase in Jean Allowance (\$100 to \$125)
- Changes to Procedures for Corrective Action Archives
- Overhaul of Workers Compensation Language
- New Voluntary Separation Language
- Clarified/Simplified Contract Language

If the proposed Ordinance is adopted, the new CBA will go into effect on January 1, 2020.

By approving this CBA, all costs associated with the agreement must be included in the City's Biennial Budget's through 2023. The costs associated with this agreement for 2020 were considered in the budget amendment associated with the 2019-2020 mid-year biennial budget review (Agenda Bill # 5271).

This item was not reviewed by a Council committee.

HR & Risk Management Director Audett reviewed the agenda bill summary.

MOVED BY KWON, SECONDED BY HILL TO PASS AGENDA BILL #4238 (ORDINANCE #19-1024).*

Council discussion ensued regarding rescinding of resignations, effort made to achieve balance, and thanks to staff for the hard work put towards this agreement.

*MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING (PH) & ACTION ITEM:

2019-2020 City Budget Modification

Mayor Sitterley opened the PH at 7:32 p.m.

Budget Analyst Briggs reviewed the summary for Agenda Bill #5271.

Comments discussion ensued regarding no increased property taxes, updating revenues and expenditures to include decision cards and reflect current numbers, revenue increase - \$3.3 million,

Public Comments: None

Mayor Sitterley closed the PH at 7:38 p.m.

PUBLIC HEARING (PH) & ACTION ITEM (continued):

Agenda Bill #5271; An Ordinance #19-1025 amending the City's 2019-2020 Biennial Budget.

Summary: The City Council adopted the 2019-2020 Biennial Budget in November 2018. State law requires cities with biennial budgets to conduct a mid-biennium review. A presentation of all budget adjustments and decision cards was presented to the A&F Committee in October. At that time, the committee was presented with updates to 2020 revenues and expenditures and decision cards for consideration. The committee reviewed the proposals and recommended moving forward with all adjustments and proposed decision cards.

Revenue adjustments include increasing estimated property tax revenue by \$400,000, consistent with the City's 2020 property tax levy approved on October 22, 2019, and increasing estimated sales tax revenue by \$1,400,000. Expenditure adjustments include updates to salaries and benefits, equipment replacement costs, and restricted balances.

All proposed changes result in a \$709,000 increase to the budgeted 2020 ending fund balance. The proposed Ordinance incorporates the direction provided by the Committee. Prior to Council action, a required PH will be held.

The A&F Committee reviewed all revenue and expenditure adjustments and proposed decision cards on October 17, 2019. The committee recommended approval of this item.

MOVED BY WACHTEL, SECONDED BY FERNALD TO PASS AGENDA BILL #5271 (ORDINANCE #19-1025).

MOTION CARRIED UNANIMOUSLY.

ACTION ITEMS (continued):

Agenda Bill #5301; A Motion approving the Seattle Southside Regional Tourism Authority (SSRTA) 2020 Budget.

Summary: In 2014, the Tourism Promotion Area (TPA) was formed. The main purpose for creating the TPA was to allow hotels with 90 or more rooms located within the tourism promotion area to impose a special self-assessment of \$2.00 per occupied room night, which would be used to expand tourism promotion services previously provided by Seattle Southside Visitor Services. The City of SeaTac was the chartering entity for the Seattle Southside Regional Tourism Authority (SSRTA), which was formed to manage and operate the tourism promotion area. The SeaTac City Council was designated by the three participating cities in the Tourism Promotion Area (SeaTac, Des Moines and Tukwila) as the Legislative Authority.

One of the responsibilities of the Legislative Authority is the approval of a budget for the expenditure of the special assessments, which is a requirement of State Law and was set forth in the Interlocal Agreement between the three cities and in the SSRTA Charter. The special assessments can be used for the following purposes: (a) general promotion of tourism within the TPA as specified in the SSRTA business plan; (b) marketing of convention and trade shows that benefit local tourism and the lodging businesses within the TPA; (c) marketing of the TPA region to the travel industry in order to benefit local tourism and the lodging businesses; (d) marketing of the TPA region to recruit sporting events; and (e) formation and start-up costs and on-going administration and operation expenses of the TPA and its programs, including staff costs, public notices and advertising, legal costs, accounting, and auditing.

The proposed Motion approves the 2020 Budget for the SSRTA, so that funds received from the special assessments can be expended. This budget was created by the SSRTA, and the SSRTA is solely responsible for the expenditure of these revenues. Since these assessments are collected by the Department of Revenue, and disbursed directly to the SSRTA, the City's role is one of general oversight by reviewing and approving their budget. The SSRTA Budget also includes lodging tax funds awarded by the jurisdictions which comprise the TPA.

This Budget approval does not have any financial impact on the City's overall budget or balance sheet. The SSRTA Budget is only included as a specific component unit of the City's Financial Statement (the City's lodging tax funds awarded to the SSRTA are already included in the City's 2019-2020 adopted budget).

The A&F Committee reviewed the SSRTA budget at its September 26, 2019, meeting and recommended approval.

SSRTA President & CEO Katherine Kertzman introduced Chief Financial Officer Cecilia Pollock and reviewed the SSRTA statistics.

ACTION ITEMS (continued):

Agenda Bill #5301 (continued):

Ms. Kertzman reviewed the new budget approach: structurally balanced, long-term financial planning, and budget at fund level and summarized the proposed budget.

MOVED BY FERNALD, SECONDED BY HILL TO PASS AGENDA BILL #5301.*

Council discussion ensued regarding A&F Committee review, unrestricted reserves, and plans to maintain increasing salaries and benefits.

*MOTION CARRIED UNANIMOUSLY.

Agenda Bill #5323; A Motion authorizing the City Manager to execute a contract with Gordon Thomas Honeywell (GTH) for Lobbyist services in 2020 with one possible two-year extension.

Summary: The City has contracted with GTH since 2012 to promote City interests at the State legislative level. The current contract expires on December 31, 2019, which is at the mid-budget cycle. The new contract will commence on January 1, 2020 and expire on December 31, 2020, unless the option to extend the contract for one additional two-year term is exercised. In 2020, the City will pay GTH \$3,000 per month, or \$36,000 for the year. This amount is already budgeted in the City Manager's Communications budget for 2020. This is an increase of \$2,400 over the existing contract. The new contract will align with the City's Biennium Budget Cycle. In the event the option to extend the contract for two years is exercised, the City would pay GTH \$3,333 per month or \$39,996 a year for 2021 and 2022.

This proposed contract went before the A&F Committee on October 31, 2019. The Committee recommended this go before the full Council for consideration and a vote.

Government Relations & Communications Manager Moore reviewed the agenda bill summary.

MOVED BY KWON, SECONDED BY HILL TO PASS AGENDA BILL #5323.*

Council discussion ensued regarding the benefits of this contract.

*MOTION CARRIED UNANIMOUSLY.

Agenda Bill #5315; A Motion accepting a Waste Reduction and Recycling Education Grant in the amount of \$60,000, and authorizing the City Manager to enter into a contract with Blue Marble Environmental to develop and implement a waste reduction and recycling education and outreach program funded by the grant.

Summary: On January 1, 2019, the City raised garbage rates, removed film from the list of materials accepted into the recycling stream and began a contamination enforcement program; the program has shown to reduce recycling contamination but not enough to reach the 10% contamination threshold goal. The subject grant will support a program designed to reduce contamination in participating multi-family and hotel properties by 50-percent, thus reducing the cost of operations and ultimately the cost of service for our rate payers. The program supported by this grant will help to educate our residents and businesses about waste reduction and recycling, helping to extend the life of our county landfill, reduce costs and increase the level of environmental stewardship within our community. Blue Marble Consulting, a firm that has exceptional experience in the area of waste reduction and recycling, has been selected to implement the education and outreach program beginning in 2020 and extending into 2021.

This Motion accepts the Waste Reduction and Recycling Education Grant from the Washington State Department of Ecology and authorizes the City Manager to execute any paperwork needed to accept the grant. This Motion also authorizes the City Manager to execute a contract with Blue Marble Environmental in the amount of \$80,000 to implement the education and outreach program.

The City will receive revenue of \$60,000 by accepting the grant, and there is a requirement for a \$20,000 match. The receipt of the grant funds and the expenditures for this project were included in the budget amendment associated with the 2019-2020 mid-biennium review (Agenda Bill # 5271). The total implementation cost for the education and outreach program is \$80,000, and any unspent funds at the end of 2020 would need to be carried forward into 2021 during the biennial budget process.

ACTION ITEMS (continued):

Agenda Bill #5315 (continued):

At the October 24, 2019, T&PW Committee meeting, the Committee recommended (3-0) that this item be approved.

PW Programs Coordinator Giem reviewed the agenda bill summary.

MOVED BY KWON, SECONDED BY FORSCHLER TO PASS AGENDA BILL #5315.*

Council discussion ensued regarding T&PW Committee review, grant details, and why contamination occurs.

*MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to Unfinished Business): None

UNFINISHED BUSINESS: None

NEW BUSINESS: CM Wachtel requested Council provide the City Manager with direction to draft a letter addressing concerns of the Bow Lake Mobile Home Park. Council discussion ensued regarding the concerns and the letter.

Council concurred to have the City Manager draft a letter that addresses issues without speaking on behalf of the new owner of Bow Lake Mobile Home Park.

COUNCIL COMMENTS: CM Tombs stated that this will be his last Council meeting as a CM. He thanked the residents, staff, and Council for the opportunity.

Council thanked CM Tombs for his term.

Council also commented on the Veterans Day Memorial Dedication and thanked CM Fernald for her efforts towards this memorial.

CM Wachtel shared a recent incident that occurred at Safeway where he was knocked over by what appears to have been a thief.

CM Fernald commented on the Senior Holiday Bazaar.

DM Hill commented on the Open Public Meetings Act (OPMA) process.

Mayor Sitterley commented on Movember.

RECESSED: Mayor Sitterley recessed the meeting to an Executive Session on pending litigation and to consider the minimum price at which real estate will be offered for sale or lease at 8:49 p.m. for 20 minutes. No action will be taken after the Executive Session.

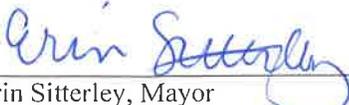
EXECUTIVE SESSION: Pending Litigation RCW 42.30.110(1)(i) / To consider the minimum price at which real estate will be offered for sale or lease RCW 42.30.110(1)(c)

Senior Assistant City Attorney Johnsen announced Council requested an additional 5 minutes at 9:09 p.m.

RECONVENED: Mayor Sitterley reconvened the meeting at 9:15 p.m.

ADJOURNED:

MAYOR SITTERLEY ADJOURNED THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 9:15 P.M.


Erin Sitterley, Mayor


Kristina Gregg, City Clerk

CITY OF SEATAC
Small Business Saturday

WHEREAS, the City of SeaTac, celebrates our local small businesses and the contributions they make to our local economy and community; according to the United States Small Business Administration, there are 30.7 million small businesses in the United States, they represent 99.7 percent of all firms with paid employees in the United States, are responsible for 64.9 percent of net new jobs created from 2000 to 2018; and

WHEREAS, small businesses employ 47.3 percent of the employees in the private sector in the United States; and 94% of consumers in the United States value the contributions small businesses make in their community; and

WHEREAS, 96% of consumers who plan to shop on Small Business Saturday® said the day inspires them to go to small, independently-owned retailers or restaurants that they have not been to before, or would not have otherwise tried; and

WHEREAS, 92% of companies planning promotions on Small Business Saturday said the day helps their business stand out during the busy holiday shopping season; and

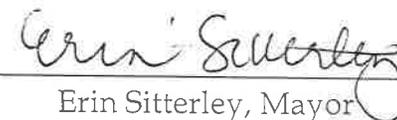
WHEREAS, 59% of small business owners said Small Business Saturday contributes significantly to their holiday sales each year; and

WHEREAS, SeaTac, WA supports our local businesses that create jobs, boost our local economy and preserve our communities; and

WHEREAS, advocacy groups, as well as public and private organizations, across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, I, Erin Sitterley, Mayor of SeaTac, Washington, on behalf of the City Council, do hereby proclaim, November 30, 2019, as **SMALL BUSINESS SATURDAY** And urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Signed this 12th day of November 2019.


Erin Sitterley, Mayor

