

City of SeaTac

Regular Council Meeting Minutes

July 8, 2008
6:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Regular Meeting was called to order by Mayor Shape at 6:11 p.m.

COUNCIL PRESENT: Mayor Ralph Shape, Deputy Mayor (DM) Gene Fisher, Councilmembers (CMs) Chris Wythe, Terry Anderson, Anthony (Tony) Anderson, CM Joe Brennan and Mia Gregerson.

FLAG SALUTE: Associate Planner Kate Kaehny led the Council, audience and staff in the Pledge of Allegiance.

ADMINISTRATIVE STAFF: City Manager Craig Ward, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Assistant City Manager (ACM) Todd Cutts, Assistant City Attorney Mark Johnsen, Planning Director Steve Butler, Principal Planner Jack Dodge, Senior Planner Mike Scarey, Associate Planner Kate Kaehny, Associate Planner Dennis Hartwick, Public Works (PW) Director Dale Schroeder, Human Services (HS) Coordinator Colleen Brandt-Schluter, Assistant Fire Chief Brian Wiwel, and Police Captain Annette Louie.

PUBLIC COMMENTS: Earl Gipson spoke regarding the subdivision code presentation. He stated this code affects the same people that the tree retention affects and it takes the citizens property rights and gives it to the discretion of the Planning Department. He questioned what the hurry is to pass these changes.

Pam Fernald, on behalf of Cindy Gailey, provided copies of a news piece on land use limits. She stated that citizens will not give part of their property to the City or County without receiving fair market price.

Pam Fernald clarified that the Community Meeting regarding the Parks, Recreation and Open Space Plan for 2008-2015 scheduled for July 9 at 7 p.m. will be held at SeaTac City Hall, not at the SeaTac Community Center as stated in the paper.

Larry Tannenbaum urged Council to do what is fair for everybody regarding tree retention.

Rick Forschler, Planning Commission (PC) member, stated it is a privilege to serve on the PC and work with staff. Even though staff and the PC may disagree at times, there is still a lot of respect. He stated the PC does appreciate being allowed to voice their opinions.

Timothy Wilson spoke in opposition to the proposed tree retention. He stated his concern that increased property taxes will force him out of his home. He urged Council to consider this in 10 years or longer instead of now.

PRESENTATIONS:

•Council Consideration of Mayoral appointment of John Glover to the Library Advisory Committee

Mayor Shape stated his selection of John Glover for Council consideration.

Council consensus: Referred to the 07/22/08 RCM for Confirmation

•Senior Services

Senior Services Executive Director Denise Klein stated Senior Services is a 40-year old multi-purpose agency whose purpose is to promote the mental, physical and social well being of older adults. The funding from SeaTac totals \$14,500 and is targeted to three programs: (1) \$10,000 - Meals-on-Wheels Program; (2) \$2,000 - Community Dining; and (3) \$2,500 - Transportation Program. About 750 SeaTac residents benefit from all of the programs. She detailed the programs and the number of residents served. Some of the programs are struggling due to the rise in gas prices.

Mayor Shape stated that the 8,374 miles driven to transport SeaTac seniors to their medical appointments are done driven by volunteer drivers. He encouraged people to volunteer.

•Cascade Land Conservancy's (CLC) Cascade Agenda Cities Program and the benefits of membership to the City of SeaTac

Planning Director Butler stated the Land Use & Parks (LUP) Committee previously heard a presentation by CLC Project Manager Jeff Aken and expressed interested in the City becoming a member. This was then presented to the Administration & Finance (A&F) Committee and they requested that Mr. Aken present to the entire Council.

Mr. Aken explained that the Cascade Agenda Cities Program enlists the regions' cities to improve the livability of neighborhoods, making them complete, compact and connected, and spectacular enough for people to choose to live there, saving the region's natural and working lands from poorly planned development. The goals of the program are to (1) manage growth fairly and responsibly, (2) make the most of new housing, and (3) construct

PRESENTATIONS (Continued):

CLC Cascade Agenda Cities Program (Continued): strategic public investments that support quality growth and economic prosperity. The program looks out 100 years to see how cities can grow to protect landscape (forests, farms, acres of parks, natural areas and shoreline) and enhance communities.

Seven cities are currently in the program. There are two ways to join: (1) Member Cities pass a Resolution and designate a primary staff contact; and (2) Leadership Cities pass a Resolution, designate a staff contact, create an inter-departmental team, conduct a self-assessment of livability, identify opportunities and implement improvement strategies, participate in a learning network with other cities, and pay \$5,000 annual membership fee.

He detailed the benefits for the City of SeaTac.

Council discussion ensued as to the membership levels and the benefits. Council discussed joining as a Member City as there is no annual membership fee.

●Amending the Zoning Code with regard to design standards for Townhouse and Multi-family development

Associate Planner Hartwick explained the need for these standards: (1) the current regulations do not adequately address townhouse and duplex development; and (2) the upcoming extended South 154th Street Station Area Rezone. The adoption process/schedule is as follows:

- Rezone Timeline – City Council Public Hearing (PH) tonight, City Council action at the July 22 Regular Council Meeting (RCM), and effective date set for August 15.
- Townhouse Update Timeline – PC PH July 14, City Council action at the July 22 RCM, and effective date set for August 15.

The goals for the standards are to create a sense of community and a safe, family-friendly environment. He reviewed examples of good and bad developments.

He detailed the existing and proposed requirements for Dimensional Standards, Site Design, Open Space, and On-site parking.

Upon a question posed by DM Fisher, Mr. Hartwick stated that the current code allows a maximum of two spaces in the station area. What is proposed to increase is the visitor parking which is not addressed in the current code. The proposed code requires .25 parking spaces per unit.

CM Gregerson requested examples for open space and parking so Council can better understand what is proposed.

Mr. Butler clarified these will be interim standards. To make sure the standards are good, staff will need more time. The interim standards provide the time. A tour of developments in nearby cities is tentatively scheduled for Saturday, July 12. Two CMs have indicated their interest in attending.

●Amending Section 15.35.950 of the SeaTac Municipal Code (SMC) regarding Parking Bonus incentives in the City Center

Associate Planner Kaehny stated the original intent of the Parking Bonus Program was to help implement the vision of the Station Area Plan to create a vibrant new urban neighborhood and a true City Center, and to ensure that the Parking Bonus Program encourages the type and scale of development that fits this vision.

She provided the following background for the Parking Bonus Program:

- Within the City Center, a commercial parking lot is limited to 300 parking spaces unless the Parking Bonus Incentive Program is utilized.
- The original bonus was one parking space for every 25 square feet (SF) of retail/commercial, service, or residential space in addition to the required ground floor retail/commercial or service space.
- Earlier this year, concerns were raised that the Incentive Program, in combination with the 300 parking space base, was overly generous.
- On March 25, 2008, the City Council approved an Ordinance that changed the bonus ratio in the Incentive Program to:
 - 1 parking space for every 250 SF of retail/commercial, service, or residential space in addition to the required ground floor retail/commercial or service space; and
 - .5 parking spaces for every hotel/motel unit in addition to the required ground floor retail/commercial or service space.
 - This Ordinance included a 120 day sunset clause, with an end date of August 3, 2008.

PRESENTATIONS (Continued):

Amending Section 15.35.950 of the SMC regarding Parking Bonus incentives in the City Center (Continued):

- The economic development consulting firm Heartland, LLC was hired to analyze the Incentive Program to determine if the bonus ration provides the right amount of incentive.

Ms. Kaehny stated the proposed code change is one additional parking stall will be awarded for each 250 SF of retail/commercial, service, hotel/motel or residential space, in addition to the minimum ground floor retail/commercial or service space required under SMC 15.35.620, included on the same site as part of a mixed-use development at the time of construction.

The LUP Committee will be briefed on this topic at their July 10 meeting. The PC will hold an open house and PH July 14. Council action is scheduled for the July 22 RCM.

Upon a question posed by CM Brennan, Mr. Butler stated there hasn't been any comprehensive feedback yet from the commercial community, but the two commercial representatives on the PC, along with the rest of the PC members, requested the incentive be reduced even more.

Heartland, LLC Project Manager Matt Anderson stated Heartland, LLC prepared two analysis of which they would be summarizing tonight: (1) as an extension of their work in the South 176th Street and South 154th Street Station Areas – a look at how the bonus incentives would work; and (2) look at some cursory numbers that were provided by a Park 'n Fly (PNF) developer recently.

Heartland, LLC Project Manager Ross Beckley reviewed the contract scope of work, and the methodology used in determining their recommendation.

Mr. Beckley reviewed the key findings and recommendations. He stated the most affective zoning and development incentives typically have a long term view. Even though the incentive is not particularly successful for office and apartment buildings given the current market conditions, it is appropriate to continue to include those in the bonus incentive program so that as conditions change over time, it is a tool available to the developers.

Mr. Butler stated staff has heard from one commercial PNF developer (Dollar Development) that they don't like the proposal.

Mr. Anderson reviewed the Dollar Development Analysis and compared its outcome with the Heartland Development Analysis.

Attorney Mike Murphy, on behalf of James and Doris Cassan and Dollar Development, presented their key assumptions to the feasibility analysis. They feel that the code the City adopted in March is correct. He stated he believes there are errors in the retail scenario presented by Heartland, LLC. SeaTac has a built-in demand for parking. PNF provides a back bone for the developments the City wants to bring in.

Mr. Murphy presented the differences between the two analyses, and the assumptions from Heartland, LLC that he feels do not make sense.

Council discussion ensued as to Heartland, LLC and Mr. Murphy meeting to discuss differences. Mr. Butler stated he will schedule the meeting.

Low Enterprises Director Chip Marshall stated Low Enterprises is moving into building mixed-use developments. They have been talking with the Cassan's about doing a mixed-use development. They believe in the vision that SeaTac can ultimately be transformed and create a dynamic center. Low Enterprises has been contacted by five cities in the last month with plans for City Centers. He stated SeaTac's advantages are Light Rail, good Planning staff and good vision. The disadvantages are that the image of SeaTac is not the best and when looking at comparables, SeaTac trends toward the bottom. Transit alone is not enough. Need more incentives, and not just parking. Without incentives, developers will go to other areas. He stated parking has sort of built SeaTac. Instead of desensitizing parking, he feels SeaTac should use it.

Mr. Anderson clarified that the City has not asked Heartland, LLC to look into more than parking incentives at this point. Heartland, LLC is not suggesting the Parking Bonus Program would be the extent of what will be needed to create the entertainment district.

Mr. Forschler stated the PC has reviewed this many times. He previously suggested Mr. Murphy meet with staff to try and get the numbers to match.

PRESENTATIONS (Continued):

Amending Section 15.35.950 of the SMC regarding Parking Bonus incentives in the City Center (Continued):

PC Member Roxie Chapin stated there is so much information, but not enough time to analyze the conflicting information being presented. She is not sure everyone is receiving all of the information needed to make a good decision for the City.

Mr. Butler explained that if the Council wants more time to review this, the Council would need to extend the August 3 sunset provision. He recommended continuing with the interim approach.

Mayor Shape requested a new sunset date be developed.

PUBLIC COMMENTS (Continued): Mr. Wilson stated Planning Director Butler and Associate Planner Hartwick's ideas related to the rezone of properties within the extended station area are outstanding, but they are too soon. He urged Council to not rush this item through.

PRESENTATIONS (Continued):

● Adopting a New Subdivision Code

Planning Director Butler suggested postponing this presentation.

Council postponed this presentation to a future meeting.

SUSPENSION OF THE RULES:

MOVED BY BRENNAN, SECONDED BY A. ANDERSON TO SUSPEND THE RULES TO BRING FORWARD THE PUBLIC HEARING RELATED TO AMENDING THE ZONING MAP FOR CERTAIN PROPERTIES IN THE EXTENDED SOUTH 154TH STREET STATION AREA AND THE PUBLIC HEARING AND COUNCIL ACTION RELATED TO AGENDA BILL #2962.

MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARINGS (PH):

● Amending the zoning map for certain properties in the extended South 154th Street Station – Planning

Mayor Shape opened the PH at 8:31 p.m.

DM Fisher recused himself from this issue.

Senior Planner Scarey stated the Station Area Plan was adopted in December 2006, making certain areas eligible for rezones. Three community meetings were held. The outcomes were that the community supported the City-initiated rezone process and townhouse standards update, effective at time of rezones. An open house regarding the townhouse standards and the rezones will be held Monday, July 14. A PC PH on the townhouse standards will be held July 14. Council action on the townhouse standards and rezones is scheduled for the July 22 RCM.

Council discussion ensued as to the affect of this rezone on property taxes. Mr. Butler stated this question comes up every time during a rezone. He clarified that this will only affect vacant or sub-dividable properties.

Roger Kadeg stated he requested his email to Council be included in the public record for this PH. He is concerned that the townhouse vision will not bring in high end rent but low-income occupants. He urged the Council to reconsider this item.

Mayor Shape closed the PH at 8:56 p.m.

● Authorizing multi-family tax exemption within designated station areas – City Manager

Mayor Shape opened the PH at 8:56 p.m.

ACM Cutts reviewed the summary below for Agenda Bill #2962. He stated that staff and developers seem to be in agreement that this is one of the tools that could help incentivize development.

He presented a real life case study and reviewed conclusions.

CM T. Anderson explained that the smallest allowable development is 20 units.

CM A. Anderson clarified that this would allow a developer, but not require them, to use this exemption.

PH (Continued):

Authorizing multi-family tax exemption within designated station areas (Continued): Mr. Gipson stated he noticed that the incentives are greater for the higher density (UR-900) and that they can go out to 12 years. He questioned the definition of affordable housing and if it means low-income, whether the City wants to give these tax breaks around the station area.

Mr. Kadege requested his email to Council be included in the public record for this PH. He stated he has documented the fact that the demographic has changed in this area to complete absentee ownership and residents of low-income, primarily refugees. The last thing the City needs to do is incentivize more low-income housing. He stated his disagreement with this incentive.

Mr. Cutts clarified that if a developer chose to go affordable with the 12-year rate, only 20% of the units are required to be affordable housing. At \$1.75 SF, rent would be \$1,400/month. The occupants would need to make approximately \$50,000 a year.

CM Gregerson stated developments usually improve sidewalks and amenities. People will want to work here and live here. The positives need to be visualized.

Mayor Shape closed the PH at 9:19 p.m.

NEW BUSINESS:

Agenda Bill #2962; Ordinance #08-1022 creating a new Chapter 3.85 of the SeaTac Municipal Code (SMC), related to a multi-family property tax exemption

Summary: At a Special Council Meeting (SCM) on May 27, economists from consultant Gardner Johnson provided a presentation regarding the feasibility of multi-family residential construction within both station areas. The presentation and subsequent final study highlighted the fact that the development of new multi-family product in SeaTac is challenging. Gardner Johnson recommended that the City adopt the multi-family tax exemption to assist in making this development more feasible within the station areas. The program serves to assist developers in building multi-family housing that may not be otherwise financially feasible.

The multi-family tax exemption, sanctioned by the State of Washington, has been a tool available to municipalities with populations over 30,000 for a number of years. Effective July 22, 2007, the State began allowing cities in King County (KC) with a population of at least 5,000 to offer the exemption. The property tax exemption may only be applied to the residential portion of the value of the new construction and to the increased value of a rehabilitated building. The exemption does not cover the underlying value of the land or non-housing improvements.

Multi-unit housing developments may be eligible for the following tax exemptions:

- 1) Housing developments that do not include a designated percentage of units for affordable housing will be eligible for a tax exemption of eight successive years.
- 2) Housing development with at least 20% of the units for rent or sale as affordable housing will be eligible for a tax exemption of 12 successive years.

The State has granted municipalities flexibility in implementing the following:

- Location within the City (must be within urban center boundaries)-Staff recommends that the exemption be extended only within the station area boundaries.
 - The City is focusing on incentivizing residential development within the station areas.
 - Station areas often have inflated land values due to their proximity to the airport, making the economics of residential development more difficult.
- Condo vs. Apartment-Staff is recommending extending the exemption to both condominiums and apartments.
 - Owner occupied units bring buyers interested in protecting their investment.
 - Limiting the exemption to condos may preclude any residential developments due to regional market factors, lack of a proven market, and the fact that the exemption does not benefit the developer in condo developments (outside of marketing purposes).
 - Strong apartment developers/managers can ensure compliance and cleanliness, while it is more difficult enforcing this in condo owners.

NEW BUSINESS (Continued):

Agenda Bill #2962; Ordinance #08-1022 (Continued):

- New vs. Rehabilitated Buildings-Staff recommends limiting the exemption to new buildings.
 - In order to earn the exemption, rehabilitated buildings must be vacant for 12 months continuously. Staff is not aware of any such buildings in either station area.
 - A major impetus for implementing this program is to stimulate new, mixed-use development within our station areas.
- Minimum number of units (state law requires at least 4 unit developments)-Staff recommends the exemption be offered only to developments of 20 units or more.
 - A goal in the station areas is to create a dense residential environment to maximize access to light rail.
- Affordable vs. Market Rate Developments-Staff recommends extending the exemption to both affordable and market rate projects.
 - By state law, “affordable” projects require only 20% of the units to be affordable.
 - Market rate developers assist in creating higher median household incomes, which in turn assist in recruitment of retail to the station areas.

The fiscal impact of the multi-family tax exemption relates to revenue forgone by the City during the term of the tax exemption (8 or 12 years) on the residential improvement as opposed to direct expenditures by the City. It is worth noting that the premise behind the tax exemption is to compel multi-family development in locations they would not otherwise be feasible. As presented by Gardner Johnson, the City’s station areas are such locations. Theoretically, if the tax exemption was not in place, no multi-family residential would be developed, therefore, no new tax revenue would be forgone. Further, after the term of the exemption, the City would collect full property taxes on a subject development.

MOVED BY WYTHE, SECONDED BY GREGERSON TO ADOPT ORDINANCE #08-1022.

UPON A ROLL CALL VOTE, THE MOTION PASSED WITH WYTHE, A. ANDERSON, GREGERSON, AND SHAPE VOTING YES, T. ANDERSON AND BRENNAN VOTING NO, AND FISHER ABSTAINING.

DISCUSSION ITEM:

•Summary of \$5,000 - \$25,000 Purchase Requests for the period ended July 3, 2008

City Manager Ward reviewed the purchase requests:

<u>Item Description</u>	<u>Department</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Estimate</u>
ESRI Additional Licenses (2008 Budget Decision Card)	Finance & Systems	\$7,000	\$7,000	\$9,981
		will absorb within existing budget		
Southwest King County Economic Development Initiative (SKCEDI) Business Attraction Program	City Manager's Office (CMO)	\$0	\$7,500	\$7,500

Council consensus: Referred to the 07/08/08 RCM Consent Agenda

AGENDA BILL PRESENTATIONS:

Agenda Bill #2974 – A Resolution amending Resolution No. 06-012 and the City Council Administrative Procedures

Summary: On August 11, 1992, the City Council approved and authorized the City Council Administrative Procedures in connection with the orderly handling of business before the Council and processing of items during Council meetings. Throughout the years, the Administrative Procedures have been amended. The most recent amendment occurred on April 25, 2006 through the passage of Resolution No. 06-012.

Currently, Section 5, subsection (9) of the Administrative Procedures outlines the procedures to be followed for agenda bill presentations at Council meetings. This Resolution changes the format for agendas for Council meetings as to agenda bill presentations in order to give the PC, or its designee, an opportunity to express its viewpoint during the presentation when its recommendation differs from Staff recommendation. The current practice has been that the PC, or its designee, will speak during the public comment period or by an invitation from the Mayor.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #2974 (Continued): The purpose of this proposed change is twofold: (1) it allows the PC, or its designee, to offer input while in the context of the staff presentation; and (2) it provides the Council with all the information necessary to make an informed decision.

DM Fisher reviewed the above summary.

He stated many issues were heard tonight that need full information from both sides. The City is mandated by law to have a PC to advise the Council on issues the Council does not have time to do. The PC members live in the City and are affected by the laws. Most staff do not live in the City and yet are given all the tools and time needed. The A&F Committee did not agree with this bill.

Mayor Shape stated this is already being done. The PC is always invited to present their case. If this is changed for the PC, it needs to be changed for all of the City's committees.

CM A. Anderson requested this item be postponed to the July 22 RCM.

Council consensus: Referred to the 07/22/08 RCM

Agenda Bill #2970 – A Motion authorizing the City Manager to enter into a contract with Western Asphalt, Inc. for construction of Bid Schedules A, B, C, D, E, and F for the 2008 Annual Overlay Project and to authorize a 10% contract contingency

Summary: This project was advertised from June 12 - 26, 2008 to solicit bids. The bid opening took place at 3:15 PM on June 26 and seven bids were received. The Engineer's opinion of probable construction cost was \$366,346.50. Western Asphalt, Inc. submitted the low bid at \$282,302.53.

This contract is for services related to pavement planing, asphalt overlay, and pavement markings of approximately 3,891 lineal feet (lf) of City streets. This contract will provide work at the following locations: (A) South 200th Street – 13th to 18th Avenues South; (B) 28th Avenue South – 28th Avenue South to South 200th Street; (C) 35th Avenue South/South 202nd Street – South 200th Street to 32nd Avenue South; (D) South 201st Street – 35th Avenue South to End of Cul-de-Sac (Additive); (E) South 202nd Street – 35th Avenue South to End of Cul-de-Sac (Additive); and (F) Utility Adjustments - All Streets listed in Bid Schedules A through E (Additive).

Award of Bid Schedules D - F were contingent on whether their expenditures can be paid for from the total funding available for this project. The total expenditures for all schedules are within the available funding.

The project expenditures will be as follows:

OVERLAY CONTRACT	\$282,302.53
CONTINGENCY (10%)	\$28,230.25
MATERIALS TESTING SERVICES (ESTIMATE)	\$5,000.00
TOTAL PROJECT BUDGET	\$315,532.78

This project will be funded as follows:

#102.000.11.542.30.48.060 Street Overlays	\$300,000.00
Transfer of savings from other line items in #102 (Arterial Street fund)	\$15,532.78
TOTAL FUNDING AVAILABLE	\$315,532.78

PW Director Schroeder reviewed the above summary.

Council consensus: Referred to the 07/08/08 RCM Consent Agenda

Agenda Bill #2967 – A Motion authorizing the City Manager to enter into a contract with Lakeridge Paving Co., LLC for the 2008 Square Cut Patching Project

Summary: The bids for this project were opened on Monday, June 23, 2008. Two bids were received. In the normal course of maintaining the City's paved streets, it is necessary to repair localized pavement failures in order to preserve the overall integrity of the roadway surface. Some of these repairs can be large in size and/or be located on heavily traveled roadways requiring equipment and/or a crew size that is not available in house. In these instances, it is more efficient and economical to have the repairs performed by a properly equipped and staffed organization. This is an annual contract, the first of which was awarded in 1993. The PW Maintenance Division prepared construction specifications and used the public bidding process for the 2008 Square Cut

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #2967 (Continued): Patching Project Contract. This is a one-year contract with a provision that allows for annual extensions for up to a maximum of four additional years.

It is recommended that the City Council authorize the City Manager to enter into a contract with Lakeridge Paving Co., LLC in an amount not to exceed \$65,000 for the 2008 Square Cut Patching Project and annual extensions subject to future budget appropriations and satisfactory performance. Funds available to perform this work total \$65,000 and are budgeted in BARS No: 102.000.11.543.30.48.001.

PW Director Schroeder reviewed the above summary.

Council consensus: Referred to the 07/08/08 RCM Consent Agenda

Agenda Bill #2973 – An Ordinance amending Section 15.12.060, allowing Laundromats in the Community Business (CB) and Community Business – Urban Center (CB-C) zones and Section 15.35.140 of the SeaTac Municipal Code (SMC) related to the number of parking spaces permitted in public/private parking lots within the City Center when associated with other non-parking land uses

Summary: This Ordinance amends the following:

1. The use chart under SMC 15.12.060 is amended to allow Laundromats in the CB and CB-C zones.
2. Clarifies the “Government/Office, Business Uses Chart” for the City Center that the number of parking spaces permitted in public/private parking lots when associated with other non-parking land uses is 300. This has always been the City’s policy, but it is not clearly stated in the Code.

A potential business owner recently inquired about locating a Laundromat in the CB and CB-C zones, which is currently not an allowed use. Upon further review of the permitted uses within the CB and CB-C zones, which included a comparison of Laundromats relative to the permitted uses in these zones, it is staff’s opinion that Laundromats should be a permitted use. For example, Laundromats are similar and sometimes affiliated with dry cleaning operations. Dry cleaning operations are permitted uses in the CB and CB-C zones.

Staff recently discovered that the footnote for public/private parking lots that are associated with other non-parking land uses does not indicate that the maximum number of base parking bonus spaces is 300. The footnote for public/private parking lot PNF stand-alone structures, however, does state that the maximum number of base parking bonus spaces is 300. This discrepancy could lead one to assume that there is no maximum for public/private parking lots that are associated with non-parking land uses. The 300 base parking bonus space maximum for any type of public/private parking lot within the City Center has always been the policy, but is not clearly stated in Code. Staff believes the proposed change will prevent any confusion on this matter.

On June 30, 2008, the PC, after conducting a PH, recommended approval of the proposed changes.

Planning Director Butler and Principal Planner Dodge reviewed the above summary.

CM Wythe clarified that 300 parking stalls is already in the code. This is a housekeeping item.

Council consensus: Referred to the 07/08/08 RCM Consent Agenda

Agenda Bill #2972 – A Motion authorizing the City Manager to execute an amendment to a contract for the Redevelopment Coordination Program with Heartland, LLC

Summary: On July 24, 2007, Council approved a contract and scope of services for the Redevelopment Coordination Program with the consulting team of Heartland, LLC and Mithun. Over the last year, work has been completed by City staff and the consultant team in order to realize the vision of both the South 154th Street and SeaTac/Airport Station Area Plans and consequently add amenities for residents, employees and visitors in SeaTac. During that time, both parties have worked with private property owners to assure that redevelopment in accordance with the Station Area Action Plan creates more value for the owner than maintaining the existing use of the property. To understand highest and best use, site analysis and financial modeling have been completed.

Included in the contract under Task 2 was \$10,000 for Heartland, LLC to assist in ongoing property owner negotiations as needed. While staff engaged the consultant in other items under Task 2, the consultant was not tasked with property owner negotiations. However, staff has now determined that the consultant’s assistance is needed in ongoing negotiations with Dollar Development, a property owner within the station area.

AGENDA BILL PRESENTATIONS (Continued):

Agenda Bill #2972 (Continued): Therefore, staff proposes that an amendment to the existing contract be completed, which will only involve amending the scope of services. The revised scope of services outlines additional detail under Task 2 in regards to the proposed negotiating assistance, including: interests and motivations, deal development, and deal refinement and drafting.

The proposed contract amendment will not increase the value of the contract. Rather, the tasks are being reorganized to fit within the existing contract amount. As part of the original contract, Council approved the expenditure of \$87,500 for tasks 1-4. These tasks have been nearly completed. This contract also stipulated that commencement of a task 5 site analysis, not to exceed \$15,000 per property, would need to be approved on a property by property basis by Council. The contract allocated a total of \$120,000 for Task 5, and only one such analysis has been approved to date. Staff now believes that the potential for a task 5 analysis does not exist on four out of the originally conceived eight properties. Therefore, it is proposed that the contract be amended to reallocate the money that was to be originally used for these four properties towards the ongoing negotiations with Dollar Development. This allows the use of a maximum of \$60,000 for assistance in the ongoing negotiations as called out in the revised scope. Should these negotiations require more City funds, Council will be provided with an update on negotiations and asked to approve this additional allocation.

ACM Cutts reviewed the above summary.

DM Fisher stated the A&F Committee recommended this item for approval.

Council consensus: Referred to the 07/08/08 RCM Consent Agenda

Agenda Bill #2976 – A Resolution expressing appreciation for 272nd street as a potential light rail southerly terminus point for an “ST2” package – and urging Sound Transit to bring Light Rail Transit (LRT) at least to that point

Summary: As Sound Transit considers placing the “ST2” package on the ballot in November 2008, they are working to determine which transit extensions should be voted upon. Sound Transit has identified a targeted set of regional transit expansions that would be delivered between 2009 and 2020. With the region’s population projected to increase by 30% by 2030, the package attempts to respond to the highest priority needs by funding light rail, commuter rail and regional express bus service expansions around the region that will provide the greatest and most immediate public benefits.

The “ST2” package currently being considered allows construction of the South 200th Street Station in the City of SeaTac (with a .4% increase in sales tax) and potentially a station at Highline Community College (HCC) (with a .5% increase in sales tax). This Resolution seeks to broaden these expansions to not only include South 200th Street and HCC, but also South 272nd Street in Federal Way.

The fiscal impact is regional, consisting of an increase in sales tax.

Mayor Shape reviewed the above summary.

Council consensus: Referred to the 07/08/08 RCM Consent Agenda

CONSENT AGENDA:

- **Approval of payroll vouchers** (check nos. 46845 – 46892) in the amount of \$421,175.61 for the period ended June 30, 2008.
- **Approval of payroll electronic fund transfers** (check nos. 55724 - 55917) in the amount of \$333,200.40 for the period ended June 30, 2008.
- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$66,337.54 for the period ended June 30, 2008.
- **Summary of \$5,000 - \$25,000 Purchase Requests** for the period ended July 3, 2008.

Approval of Council Meeting Minutes:

- **Regular Council Meeting** held May 27, 2008.
- **Public Safety and Justice Committee Meeting** held June 24, 2008.
- **Transportation and Public Works Committee Meeting** held June 24, 2008.
- **Regular Council Meeting** held June 24, 2008.

CONSENT AGENDA (Continued):

Agenda Items reviewed under Agenda Bill Presentations recommended for placement on this Consent Agenda:

Agenda Bill #2970; Motion authorizing the City Manager to enter into a contract with Western Asphalt, Inc. for construction of Bid Schedules A, B, C, D, E, and F for the 2008 Annual Overlay Project and to authorize a 10% contract contingency

Agenda Bill #2967; Motion authorizing the City Manager to enter into a contract with Lakeridge Paving Co., LLC for the 2008 Square Cut Patching Project

Agenda Bill #2973; Ordinance #08-1023 amending Section 15.12.060, allowing Laundromats in the CB and CB-C zones and Section 15.35.140 of the SeaTac Municipal Code related to the number of parking spaces permitted in public/private parking lots within the City Center when associated with other non-parking land uses

Agenda Bill #2972; Motion authorizing the City Manager to execute an amendment to a contract for the Redevelopment Coordination Program with Heartland, LLC

Agenda Bill #2976; Resolution #08-016 expressing appreciation for 272nd street as a potential light rail southerly terminus point for an "ST2" package – and urging Sound Transit to bring Light Rail Transit at least to that point

MOVED BY WYTHE, SECONDED BY T. ANDERSON TO ACCEPT THE CONSENT AGENDA AS PRESENTED.*

PUBLIC COMMENTS (related to the Consent Agenda): There were no public comments.

*MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to the following Unfinished and New Business): There were no public comments.

UNFINISHED BUSINESS: There was no unfinished business.

NEW BUSINESS: There was no new business.

CITY MANAGER'S COMMENTS: City Manager Ward had the following items: (1) 45 calls related to fireworks were received July 3 - 5. This is fewer than average and no injuries were reported; and (2) SeaTac Times misprinted the July 7 community meeting information. It will be held at City Hall as earlier stated.

COUNCIL COMMENTS: CM A. Anderson stated a crash exercise will be conducted at the Sea-Tac Airport and they are looking for volunteers.

CM Brennan stated CM T. Anderson and he are founders of the City and in the beginning discussed the future of this community. Look at what has been done and where the City is headed. This City is going to progress and needs to be prepared for it.

CM Gregerson stated there was a fire in Burien and five families have been displaced. Sterling Bank in Burien has started a fire fund to assist those families. Also, there will be a car wash fundraiser for the Steve Cox Memorial Fund at the White Center Eagles.

Mayor Shape requested City Manager Ward give an update on the Farmers Market.

Mr. Ward stated the Farmers Market vendors generated a proposal to move from Angle Lake as it isn't profitable for the vendors. There will be an experimental change of location to City Hall in order to be more visible.

EXECUTIVE SESSION: There was no Executive Session.

ADJOURNMENT:

MOVED BY T. ANDERSON, SECONDED BY A. ANDERSON TO ADJOURN THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 10:01 P.M.

MOTION CARRIED UNANIMOUSLY.