



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6b

ACTION ITEM

Date of Meeting December 12, 2017

DATE: November 21, 2017

TO: Dave Soike, Interim Executive Director

FROM: Lance Lyttle, Managing Director, Aviation Division
Clare Gallagher, Director, Capital Project Delivery, Public Affairs

SUBJECT: Second Reading and Final Passage of Resolution No. 3741, Port of Seattle and City of SeaTac 2018 Interlocal Agreement.

ACTION REQUESTED

Request Second Reading and Final Passage of Resolution No. 3741, a Resolution of the Port Commission of the Port of Seattle authorizing the Executive Director to execute an Interlocal Agreement with the City of SeaTac to establish a mutual and cooperative system for exercising their respective jurisdictional authority regarding land use, surface water management, interagency cooperation, economic development, and public safety.

EXECUTIVE SUMMARY

The purpose of this Resolution is to enact an Interlocal Agreement (ILA) between the Port of Seattle and the City of SeaTac to address respective operational and authority issues that could be anticipated to arise with regard to the operation of the airport and related facilities. The Agreement is intended to be a comprehensive and cohesive package of elements for mutual value to both the Port and the City, and a commitment to successful partnership, providing predictability and consistency for activities between the Port and the City. Each element reflects a negotiated outcome between Port and City positions, for overall benefit.

The current ILA between the Port and the City of SeaTac will expire early in 2018. Adopting the new ILA continues a practice first established in 1997 between the Port and the City.

The new ILA continues the model of the current ILA by addressing land use and development regulations to serve the interests of both the Port and the City; delegation of building permitting authority by the City to the Port, attendant responsibilities and documentation/system needs between the Port and the City; and traffic planning between the Port and the City, including support of the City's expected Neighborhood Parking Program. The proposed ILA also addresses storm water management, environmental review and public safety. The framework section, addresses the term of the Agreement, the role of the Joint Advisory Committee, the amendment process, and use of dispute resolution.

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The Port and the City jointly released the proposed Interlocal Agreement, held public briefings on the document on November 14, hosted a public open house on November 16 and accepted electronic comments, took public comment at multiple Commission and Council meetings in November, maintained a comment drop box and provided comment forms to open house attendees. All comments received were consolidated and provided to both the Port Commission and City Council.

JUSTIFICATION

As municipal corporations, the Port of Seattle and the City of SeaTac each have statutory authority to address common subjects such as comprehensive planning, land use, transportation, surface water management, critical areas, public safety, and other matters. Both parties are governed by the State Environmental Policy Act (SEPA) and have lead agency authority to the extent provided in the SEPA rules.

These authorities come into particular focus through the Port ownership and operation of Seattle-Tacoma International Airport (Sea-Tac Airport), which is located primarily within the SeaTac City limits.

Following the City's incorporation in 1995, the Port and the City have entered into Interlocal Agreements to jointly establish a mutual and cooperative system for exercising their respective jurisdictional authority to avoid disputes or potential claims and to obtain fair and equitable resolution of any potential disputes or claims.

This resolution follows previous Interlocal Agreements, which are as follows: Interlocal Agreement I dated September 4, 1997, along with Amendment 1 dated December 14, 1999, Amendment 2 dated December 15, 1999, Amendment 3 dated December 5, 2000, Amendment 4 dated December 26, 2001; and Interlocal Agreement II dated February 16, 2006, and Amendment 1 dated December 22, 2015.

DETAILS

The purpose of this ILA is to jointly establish a mutual and cooperative system to exercise respective jurisdictional authority and avoid disputes between the Port and the City of SeaTac. The use of an ILA recognizes that the City and the Port have a unique relationship and both Parties' benefit from partnership, transparency and collaboration around the operation of Sea-Tac Airport, which is an essential public facility under state law, and the ninth-busiest airport in the national system of airports in the U.S. Having a negotiated agreement provides transparency, predictability and consistency and significantly reduces the potential for litigation between the Port and the City.

Foundational work for the new ILA began in 2016 with the Guiding Principles providing a framework for the upcoming negotiations. Following this, staff from the City of SeaTac and Port of Seattle began active negotiations in January 2017. Work teams, along with City and Port

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executives, completed language for all sections of the agreement, and the JAC finalized negotiations for the proposed agreement in preparation for public briefings and adoption.

The ILA consists of seven Chapters: the Preamble, General Provisions, Land Use & Development, Permitting & Inspections, Transportation, Environmental Regulations, and Public Safety & General Services.

New elements contained within this ILA include a boundary map to delineate delegated permit authority, a process for the Port to support City business license compliance, and a fee structure to support the integration of Port permitting into the City's established system. The proposed ILA also includes new fees for service, including permit fees, and financial support for the City's General Fund for public safety and traffic enforcement. Additionally, the ILA addresses transportation impact fees, and surface water management fees for Port-owned properties.

ATTACHMENTS TO THIS REQUEST

- (1) Resolution No. 3741, Port of Seattle City of SeaTac 2018 Interlocal Agreement
- (2) Proposed 2018 Interlocal Agreement – Port of Seattle and City of SeaTac

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 28, 2017 – First Reading of Resolution No. 3741 and Public Hearing of the Port of Seattle/City of SeaTac 2018 Interlocal Agreement

November 14, 2017 – The Commission was briefed on the negotiations and status of the proposed 2018 Interlocal Agreement.