



MEMORANDUM

To: City Council
From: Evan Maxim, Director of Community and Economic Development
Date: 07/10/2025
Re: Civic Campus Project Feasibility Report, AB 6742 July 22, 2025, RCM

I. PURPOSE OF THIS REPORT

The City of SeaTac is exploring a new Civic Campus, and in July 2025 the City Council will decide on whether to purchase land for the Civic Campus. The Project Feasibility Report for the City of SeaTac Civic Campus (“report”) summarizes the 2024–2025 feasibility analysis performed. The report identifies a preferred site and assesses whether to move forward with purchasing the site. It helps answer, “Should we do this?” by evaluating costs, risks, and opportunities. Since Spring 2024, JLL and City staff have led a process to provide the City with the information and analysis needed for an informed decision by the City Council.

II. CIVIC CAMPUS VISION

Imagine a place where the SeaTac community comes together—a welcoming, inclusive place that reflects SeaTac’s unique identity, where people connect, businesses thrive, and City services are easily accessible. Anchored in our global connections and rich diversity, this community space will serve as a cultural and social gathering place for all generations; by activating the land early, we’ll set the stage for a future that embodies SeaTac’s character, fosters community pride, and creates a lasting, vibrant space for everyone.

III. THE NEED FOR A CIVIC CAMPUS

Existing City Hall: In 2001 the City of SeaTac purchased its current City Hall, a three-story, 75,000 sq. ft. building originally built in 1979 as general office space. Though renovated in 2002, the building’s age and design have resulted in ongoing maintenance costs, issues, and inefficiencies, prompting the City to commission a third-party analysis to explore future options.

Third Party Analysis: In 2020, the City hired ARC Architects to assess renovation vs. replacement of the existing City Hall; their analysis found that even with significant investment, key deficiencies, including parking, security, and space limitations would remain and the cost to

renovate versus rebuild was comparable. In 2022, City Council (Agenda Bill #6288) directed staff to explore building a new City Hall/Civic Campus.

Owners Representative: In 2023, the City issued a competitive Request for Proposals and selected JLL, Inc. (January 2024) as the Owner’s Representative (Agenda Bill #6393) to lead a feasibility analysis to assess potential options and support overall project planning.

Current and Future Space Needs: In 2024, JLL began by assessing City Hall space needs through visioning sessions, department interviews, workshops, and facility tours. Analysis concluded between approximately 55,000 to 97,000 square feet are needed for City Hall and Justice Center functions on a go-forward basis. In addition, 82,500 square feet is needed to accommodate parking, and 35,000 square feet is needed to accommodate exterior functions (a civic plaza and a police sallyport).

Civic Campus Decision: In July 2023, City Council confirmed the City Council’s direction to pursue a “Civic Campus” that would include community, retail, and recreational uses rather than a standalone City Hall (Resolution 23-007).

IV. SITE SELECTION PROCESS AND RANKING

Site Selection: The process primarily focused on the evaluation selection of a preferred site(s) for the future construction of a Civic Campus. In February 2025, the City Council approved site evaluation criteria for potential Civic Campus locations and authorized the City Manager to execute necessary agreements for evaluating and negotiating up to four property sites (AB#6640). The site criteria established in February 2025 are referred to as “Framework A”.

12 Sites Evaluated: The consultant team, staff and City Council evaluated 12 sites (Framework A) located within the City’s Urban Center and included the existing City Hall location, against ten key evaluation criteria, which include: location, compatibility with surrounding land uses, environmental factors, financial criteria, accessibility, site size, transit access, and the site’s ability to accommodate a civic uses (City Hall) and community-based uses.

Expanded Site Evaluation, +1 Site: After further consideration, the City developed modified evaluation criteria (Framework B) to expand site options, resulting in the re-evaluation of two sites and identifying one new site for consideration.

13 Sites Ranked: In total 13 sites were considered and ranked as follows: four sites were identified as top-tier, three as secondary-tier, and six as lower-tier potential sites. One site in the top-tier has been identified as the preferred site.

V. PREFERRED SITE SELECTED

Preferred Site Selected for Purchase Evaluation: Following a detailed analysis and evaluation of select sites, in the Spring of 2025, the City selected its preferred site (referred to as “the site” hereafter): Site J, known as the “S 200th Street” site is a 8.26 acre site located at 2701 South 200th Street at the corner of S. 200th Street and 26th Avenue S, and currently operates as the SeaTac Park: Park-and-Fly.

This site was chosen, among many factors, for its prime location (directly across from the Angle Lake light rail station), its large size (8.26 acres), the site is adjacent to a City-owned 0.32-acre parcel and offers strong visitor access. The Combined subject property is 8.58 acres.



Technical Site Feasibility Analysis: Between February and June 2025, specialized consultants conducted comprehensive investigations of the preferred site to determine soil conditions, identify easements and existing infrastructure, evaluate transportation considerations, and pinpoint potential constraints. There were **no major risks** identified.

Civic Campus Suitability: Architectural analysis confirmed that the site can accommodate a City Hall, a Justice Center, an outdoor plaza, parking, and other community uses. The site can also accommodate 230 housing units that were required as a condition of development by Sound Transit on one of the parcels included in the total site. The site also offers efficient circulation, safety compliance, and potential Puget Sound views. Its location aligns with the City’s goals for

centralized, accessible services, addressing current inefficiencies and creating a strong civic presence for the community.

Civic Uses and Community Based Uses: From the technical feasibility analysis, the zoning allows for a broad mix of uses with the vision of supporting walkable transit-oriented development. Permitted uses Include: Office, Civic and Institutional, Cultural, Multi-family, General Retail, and Hotel. Development of these civic and community uses at this location is generally consistent with the City’s adopted Comprehensive Plan and the Angle Lake Subarea plan.

VI. SITE ACQUISITION

The City started negotiations with HB Management, LLC in early April 2025 for the acquisition of the site. On June 9, 2025, the City and HB Management, LLC signed a Letter of Intent (Appendix M). The Letter of Intent establishes the general terms under which the City will purchase the site from HB Management LLC.

Since June 9, 2025, the City has negotiated a Purchase and Sale Agreement with HB Management for the purchase of the site.

On July 22, 2025, staff will seek City Council authorization for the City Manager to sign the Purchase and Sale Agreement for the purchase of the site. If the Purchase and Sale Agreement is signed by the City, action by the City Council to secure funding is anticipated in October 2025, with a closing date on the purchase no later than December 15, 2025.

VII. NEGOTIATED TERMS OF PURCHASE

Intent to Purchase: Once the City identified the site as its preferred location, City staff took action to begin the process to negotiate terms and pricing to enter into an agreement to purchase the site. In June 2025, the City negotiated a Letter of Intent (LOI) to **purchase the S 200th Street site for \$40,395,000**. Immediately following closing on the purchase of the property, the City intends to activate a portion for the site for community uses.

The LOI also allows a portion of the site to temporarily remain leased as a park-and-fly during the planning and design of the City’s Civic Campus. Revenue from the temporary lease will offset part of the purchase price. During the lease, the City may temporarily close the park-and-fly to hold large community events.

The LOI also includes an option for the seller to purchase back a part of the site to build at least 230 multifamily housing units; at least twenty percent of the units will be affordable to moderate- or low-income families.

VIII. COMMUNITY ENGAGEMENT

Community Engagement: Throughout the feasibility analysis, the City conducted two surveys (1.0 and 2.0) to understand current City Hall service use and desired potential uses and features for a future Civic Campus.

Survey 1.0 (December 2024) gathered input from 301 community members, revealing that the most commonly used services are pet tag purchases, permit applications, and police reports, while services like rental assistance and domestic violence support see lower usage, highlighting the need to prioritize high-use services in future planning.

Survey 2.0 (April 2025) focused on understanding what types of “community uses” the SeaTac community desired on the site. The survey received more than 600 responses and revealed that the top desired community uses on the site were space for a farmer’s market / community events / celebrations, café or restaurant space, community support services for housing / employment / immigration, and support for small businesses and entrepreneurs.

Overall, the results reflect strong community interest in vibrant public spaces, essential services, and amenities that support everyday life and local economic opportunity.

IX. SITE ACQUISITION FINANCING

Based on the strength of the City’s current financial position, as well as its projected decrease in General Fund balance, it is recommended that the City finance the purchase of S 200th Street with a combination of 96% debt and 4% cash reserves. This combination preserves the City’s cash reserves, allowing flexibility for future unexpected expenses or opportunities.

The City anticipates using private placement for land acquisition. Private placement will give the City more flexible payoff options if interest rates decrease or when the City is ready to issue construction debt to build the Civic Campus.

Potential Financing Options: The City, in collaboration with Piper Sandler (consultant) and through public Council meetings (April 8 and June 10, 2025), has identified and reviewed several financing strategies for the site purchase, including:

- Private (taxable) financing;
- Public (tax-exempt) financing; or
- A mix of cash reserves and public or private debt financing.

X. CIVIC CAMPUS CONSTRUCTION: PRELIMINARY COST ESTIMATES

- **Four Civic Campus Preliminary Cost Estimates:** JLL provided SeaTac four preliminary Civic Campus cost estimate options, based on the architectural test-fit scenarios. This amount is currently estimated to be in the range of **\$85M to \$216M** and should be used as a general guide, that will be subject to master planning and detailed design.

Option	Description	Location	Includes	Estimated Cost
A	Renovate and expand existing City Hall	Current City Hall S 188 th St	City Hall, Police	\$116M (2021 ARC Report, updated to 2027 dollars)
B	New single building	S 200th Street	City Hall, Justice Center, parking, plaza	\$145 – 203 M
C	New two buildings	S 200th Street	City Hall, Justice Center, parking, plaza	\$155 - 216 M
D	New building with City Hall only	S 200th Street	City Hall, parking, plaza	\$85 - 119M

XI. OTHER CONSIDERATIONS

Maintenance costs of the existing City Hall over 30-to-50-year period vs maintenance of new building(s)/campus were not scoped as part of this report but are a key consideration when reviewing the preliminary construction costings.

Disposition of existing City Hall property for cost recovery is not included in the costing.

The budget and funding sources will be created for each component of the campus, which may include the use of City reserves, public-private partnership funding, possible federal and state grants, and debt financing, which can either be taxable or tax-exempt.

XII. RECOMMENDATION

Based upon the information in the Project Feasibility Report, JLL recommends the City of SeaTac proceed with the purchase of the site located at 2701 South 200th Street for development of the new Civic Campus. The analysis confirms that the site’s strong location for the intended civic impact; and the analysis confirms that the site is both technically and financially feasible for the

intended project, aligning with City Council priorities while offering significant practical and financial advantages over renovation of the existing facility.

XIII. NEXT STEPS

Next Steps: If the City moves forward with purchasing the site, the City staff will proceed in negotiating a Purchase & Sale Agreement, and the following Phase 2 activities will begin:

1. Conduct detailed due diligence (e.g., soils testing);
2. Finalize site purchase contract (to be finalized pending City Council approval);
3. City to secure financing;
4. Launch community engagement for site development concepts and civic opportunities;
5. Define community uses (secondary program elements, e.g., arts, markets, housing); and
6. Advance conceptual site design