

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

AN ORDINANCE relating to a pedestrian tunnel under and across East Thomas Street, east of 15th Avenue East; amending Ordinance 122597; updating the insurance and bond requirements; amending the annual fee and other terms and conditions of the permit; renewing the term of the permit to Group Health Cooperative, formerly known as Group Health Cooperative of Puget Sound; providing for the acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation amends Ordinance 122597 for Group Health Cooperative to continue maintaining and operating the existing pedestrian tunnel located under and across East Thomas Street, east of 15th Avenue East. An area map is attached for reference.

This permit is renewed for a ten-year term starting on September 28, 2013. The legislation updates the insurance and surety bond provisions, specifies the conditions under which authorization is granted, and provides for acceptance of the permit and conditions.

The ordinance requires Group Health Cooperative to pay the City an annual fee of \$2,104.50 starting on September 28, 2013, and annually thereafter. Adjustments to the annual fee may be made every year and if so made shall be calculated in accordance with a term permit fee schedule adopted by the City Council by Ordinance 123485. An Annual Fee Appraisal Summary is attached for reference.

Background:

By Ordinance 102519, and as further amended by Ordinances 103242, 113876, and 119342, the City granted permission to Group Health Cooperative, formerly known as Group Health Cooperative of Puget Sound, to construct, operate, and maintain a pedestrian tunnel under and across East Thomas Street, east of 15th Avenue East. This permission expired on September 27, 2003 and was reauthorized by Ordinance 122597 for a ten-year term, renewable for two successive ten-year terms.

X This legislation has financial implications.

Appropriations: N/A

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2014 Revenue	2015 Revenue
Transportation Operating Fund 10310	Seattle Department of Transportation	Annual Fee-	2013 Fee = \$2,104.50 2014 Fee = \$2,104.50	TBD
TOTAL			\$4,209	TBD

Revenue/Reimbursement Notes: N/A

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A

Do positions sunset in the future? No

Spending/Cash Flow: N/A

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No
- b) **What is the financial cost of not implementing the legislation?**
If the legislation is not enacted by City Council, the City of Seattle will not receive the annual fee of \$2,104.50. As previously stated, the City of Seattle has the option to adjust the fee amount on an annual basis. The tunnel, as originally permitted under Ordinance 122597, will no longer be permitted and will have to be removed.
- c) **Does this legislation affect any departments besides the originating department?**
No
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** None
- e) **Is a public hearing required for this legislation?** No
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No
- g) **Does this legislation affect a piece of property?**

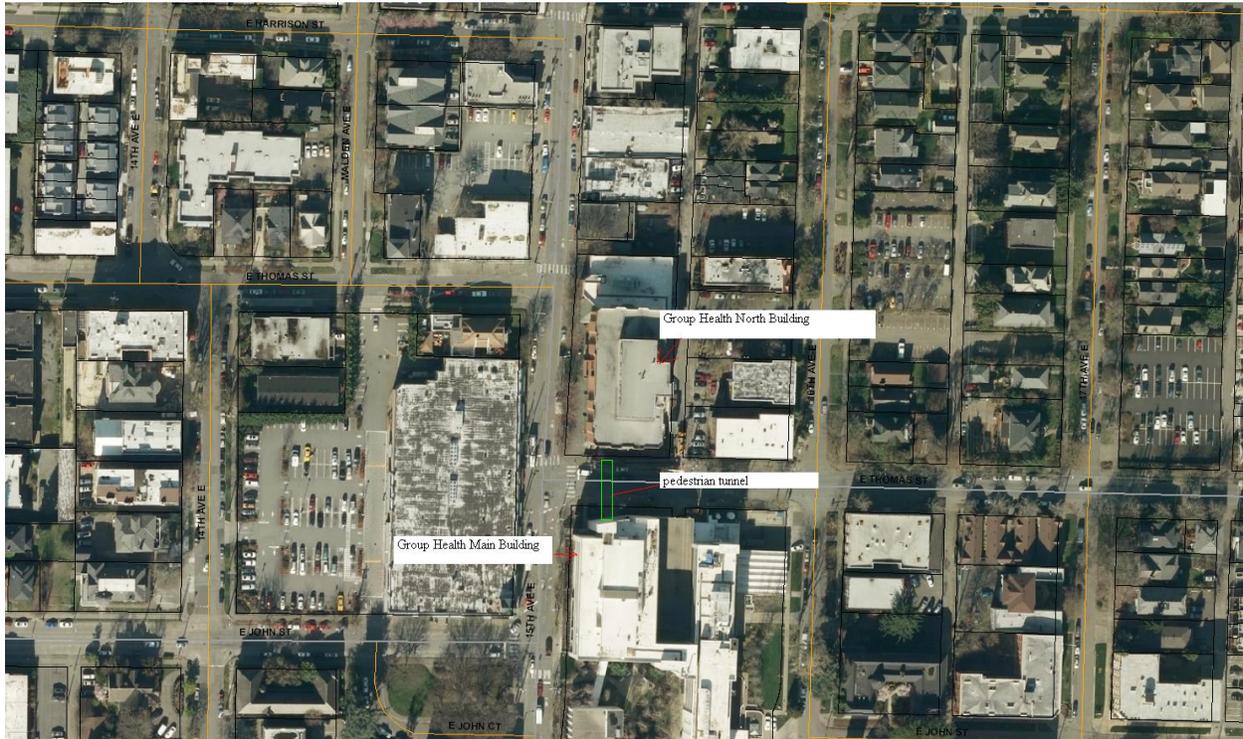
Yes, an area map is attached for reference.

h) Other Issues: None

List attachments to the fiscal note below:

Attachment A – Group Health Cooperative Tunnel Area Map
Attachment B – Annual Fee Assessment Summary

Attachment A – Group Health Cooperative Tunnel Area Map



Map is for informational purposes only and is not intended to modify or supplement the legal description(s) in the Ordinance.

Attachment B - Annual Fee Assessment Summary

STREET USE ANNUAL FEE ASSESSMENT

Date: 4/15/14

<p><u>Summary:</u> Land Value: \$115/SF First Year Permit Fee: \$2,104.50</p>
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I. Property Description:

Existing pedestrian tunnel located under and across East Thomas Street, east of 15th Avenue East. The tunnel connects Tax parcels 3117000005 and 1806900305. Permit is for a total **915 square foot area.**

Applicant:

Group Health Cooperative

Abutting Parcels, Property Size, Assessed Value:

1. Parcel 3117000005; 122,968 SF

Tax year 2013 Appraised Land Value \$14,141,300
Assessed at \$115/SF

2. Parcel 1806900305; 28,800 SF

Tax year 2013 Appraised Land Value \$3,312,000
Assessed at \$115/SF

2013 tax assessed land value: \$115/SF

II. Annual Fee Assessment:

The 2013 permit fee is calculated as follows: $(\$115/\text{SF}) \times (915 \text{ SF}) \times (25\%) \times (8\%) =$
\$2,104.50, where 25% is the degree of alienation for a pedestrian tunnel and 8% is the estimated annual rate of return.

Fee methodology authorized under Ordinance 123485.