



**Legislative Department  
Seattle City Council  
Memorandum**

Date: July 13, 2011  
To: Councilmembers Bruce Harrell, Richard Conlin, and Nick Licata  
Energy, Technology, and Civil Rights Committee  
From: Martha Lester, City Council Central Staff  
Subject: **C.B. 117224 – DoIT’s Proposed Legislation for Pioneer Square Conduit**

The Department of Information Technology (DoIT) has proposed legislation (C.B. 117224) that would authorize the Chief Technology Officer (CTO) to execute one or more agreements with private entities to lease excess capacity in conduit in Pioneer Square to install fiber optic cable. The goal is to provide broadband internet services to residents and businesses in Pioneer Square.

This proposed legislation will be on the agenda of the Energy, Technology, and Civil Rights (ETCR) Committee on July 20 for discussion and possible vote. This memo provides background and outlines the key elements of the proposed legislation.

### **Background**

Seattle City Light planned to dig up 1st Avenue S. in Pioneer Square. Following the usual practice, City Light notified DoIT, which in turn notified the other entities that are members of the “fiber partnership” to see if any of them wanted to take advantage of the street opening to install underground conduit.

King County Metro responded yes – it wanted to install conduit for bus communication purposes. So as part of the City Light construction project, 4-inch conduit is being installed along 1st Avenue S. from Cherry Street to S. Jackson Street.

The conduit can hold three “inner ducts” – tubing inside the conduit. Only one inner duct is needed for Metro and City purposes, so DoIT has excess conduit and inner duct capacity. Knowing that Pioneer Square businesses and residents want better broadband internet services, DoIT issued a request for proposals (RFP) seeking an internet service provider to lease the excess capacity and provide service.

DoIT received one proposal – from Comcast. DoIT and Comcast are now negotiating a lease agreement.

### **Key Provisions of C.B. 117224**

C.B. 117224 would authorize the CTO to enter into one or more lease agreements for use of excess inner ducts in City-owned conduit in the defined “Pioneer Square Area” (Alaskan Way to 4th Avenue, and Columbia Street to S. Jackson Street). On page 3 of this memo is a map showing the conduit location for the initial lease with Comcast.

Although Comcast is the only interested lessee currently known, the legislation would allow the CTO to enter into other lease agreements in this same area in the future.

Key provisions of C.B. 117224 include:

- a. Lease will encompass both inner duct managed by DoIT and inner duct in conduit or vaults managed by other City departments (e.g., City Light, Seattle Department of Transportation (SDOT)).

- b. Lease is only for installation of fiber optic cable. Lessee can use it for any services legally allowed – e.g., internet, cable, telephone (but must have independent authority to provide those services).
- c. Any lease must require lessee to offer broadband internet services to all residents and businesses in buildings feasibly served by the conduit.
- d. Maximum lease term (including extensions) is ten years. But CTO can then negotiate another lease with same lessee.
- e. Rental rate is to be determined by CTO, based on market conditions, installation costs, number of other users contributing to cost, and amounts charged by SDOT and City Light for their conduit or vault space.
- f. This ordinance doesn't affect franchise agreement(s). (This Pioneer Square Area is within Comcast's existing cable franchise area.)
- g. Ratify-and-confirm clause ratifies actions taken after passage but before effective date of ordinance.

### Budget Implications and Allocation of Costs

DoIT has an existing Capital Improvement Program (CIP) project entitled “Fiber-Optic Communication Installation and Maintenance” within which this work falls. The budget for this CIP project for 2011 is \$2.9 million. No additional appropriation authority is needed.

The table below shows the estimated costs of this Pioneer Square conduit and who will pay:

Row	Item	DoIT's Estimated Cost	----- Who will pay -----	
			Comcast	KC Metro
1	Installation of conduit	\$63,000	\$42,000	\$21,000
2	Installation of inner ducts	\$36,000	\$36,000	
3	2011 cost of SCL, SDOT leases	\$2,500 for 2011	\$2,500 for 2011	
4	2012+ costs of SCL, SDOT leases	\$10,000 per year	\$10,000 per year	
5	Other services that may be purchased by Comcast (e.g., obtaining permits, pulling fiber)	up to \$52,000	up to \$52,000	
6	Total 2011	up to \$153,500	up to \$132,500	\$21,000



## 1st Ave Conduit Route

Produced by the City of Seattle  
May 20, 2011

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