

#4  
CB 117098

1  
2 **ORDINANCE**

3 AN ORDINANCE granting The Boeing Company permission to maintain and operate two  
4 pedestrian tunnels under and across 16<sup>th</sup> Avenue South, 565 feet south of East Marginal  
5 Way South, and under and across East Marginal Way South, 510 feet east of 16<sup>th</sup> Avenue  
6 South, for a ten-year term, renewable for two successive ten-year terms; specifying the  
7 conditions under which this permit is granted; providing for the acceptance of the permit  
8 and conditions; and ratifying and confirming certain prior acts.

9 WHEREAS, by Ordinance 84493, the City of Seattle (City) granted permission to the Boeing  
10 Airplane Company to construct, maintain, and operate two pedestrian tunnels under and  
11 across East Marginal Way South and 16<sup>th</sup> Avenue South; and

12 WHEREAS, the permission authorized by Ordinance 84493 expired after 25 years; and

13 WHEREAS, by Ordinance 109661, the City granted permission to The Boeing Company for the  
14 ongoing maintenance and operation of the two pedestrian tunnels; and

15 WHEREAS, the conditions of Ordinance 109661 were amended by Ordinances 120504 and  
16 121855 and Resolution 28345; and

17 WHEREAS, the permission authorized by Ordinance 109661 was renewed for two successive  
18 10-year terms by Resolution 28345 and Ordinance 120504 and is due to expire on  
19 November 10, 2010; and

20 WHEREAS, The Boeing Company has submitted an application to the Seattle Department of  
21 Transportation (SDOT) Director to continue maintaining and operating the two pedestrian  
22 tunnels; and

23 WHEREAS, The Boeing Company has satisfied all terms and conditions of the original  
24 authorizing ordinance, the SDOT Director (Director) recommends that the term permit be  
25 approved subject to the terms and conditions of this ordinance; NOW, THEREFORE,

26 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

27 Section 1. **Permission.** Subject to the terms and conditions of this ordinance, permission  
28 (also referred to in this ordinance as a permit) is granted to The Boeing Company (Permittee) and



1 its successors and assigns, to maintain, and operate two pedestrian tunnels and existing private  
2 utilities (tunnels) under and across 16<sup>th</sup> Avenue South, 565 feet south of East Marginal Way  
3 South, and under and across East Marginal Way South, 510 feet east of 16<sup>th</sup> Avenue South.

4       Section 2. **Term.** The permission granted to the Permittee and its successors and assigns  
5 shall be for a term of ten years starting November 11, 2010, and ending at 11:59 p.m. on  
6 November 10, 2020. Upon written application of the Permittee at least 180 days before  
7 expiration of the term, the Director of the Seattle Department of Transportation (Director) may  
8 renew the permit for two successive ten-year terms subject to the right of The City of Seattle  
9 (City) to terminate the permit as provided for in Section 4, require removal as provided for in  
10 Section 5, or revise by ordinance any of the conditions of this ordinance. The total term of the  
11 permission as originally granted and renewed shall not exceed 30 years. Failure to obtain  
12 additional permission through a new ordinance, or to remove the tunnels prior to expiration of  
13 the term, is a violation of Chapter 15.90 of the Seattle Municipal Code (SMC).

14       Section 3. **Protection of utilities.** The permission granted is subject to the Permittee  
15 bearing the expense of any protection, support or relocation of existing utilities deemed necessary  
16 by the owners of the utilities and the Permittee being responsible for any subsequent damage to  
17 the utilities due to the construction, repair, reconstruction, maintenance, or operation of the  
18 tunnels.

19       Section 4. **Removal for public use or for cause.** The permission granted is subject to  
20 use of the right-of-way by the City and the public for travel, utility purposes, and other street  
21  
22  
23  
24  
25  
26  
27  
28



1 uses. The City expressly reserves the right to require the Permittee to remove the tunnels, or any  
2 part thereof or installation thereon, at the Permittee's sole cost and expense in the event that:

3 (a) the City Council determines by ordinance that the space occupied by the tunnels is  
4 necessary for any public use or benefit or that the tunnels interfere with any public use or  
5 benefit; or

6  
7 (b) the Director determines that any term or condition of this ordinance has been  
8 violated and the violation has not been corrected by the Permittee by the compliance date  
9 after written request by the City.

10 A City Council determination that the space is needed for or interferes with a public use or  
11 benefit shall be conclusive and final without any right of the Permittee to resort to the courts to  
12 adjudicate the matter.

13  
14 Section 5. **Removal requirements.** If the permission granted is not renewed at the  
15 expiration of a term, or if the permission is extended to its termination date in 30 years and an  
16 application for a new permit is not granted, or if acceptance of this ordinance is not timely  
17 received as required by this ordinance, or if the City orders removal of the tunnels pursuant to the  
18 terms of this ordinance, then within 90 days after the expiration or termination, or prior to the  
19 date stated in an Order to Remove, the Permittee shall, at its own expense, remove the tunnels  
20 and replace all portions of the right-of-way that may have been disturbed for any part of the  
21 tunnels in as good condition for public use as they were prior to construction of the tunnels and  
22 in at least as good condition in all respects as the abutting portions of the right-of-way as required  
23 by the applicable SDOT standards for right-of-way restoration. The Director shall then issue a  
24  
25  
26  
27  
28



1 certificate discharging the Permittee, or its successor or assign, from responsibility under this  
2 ordinance for occurrences after the discharge date.

3       **Section 6. Repair, reconstruction, readjustment or relocation.** The Permittee shall not  
4 reconstruct or repair the tunnels except under the supervision of the Director and in strict  
5 accordance with plans, specifications, and permits approved by the Director. The Director may,  
6 in the Director's judgment, order the tunnels reconstructed or repaired at the Permittee's own  
7 cost and expense because of: the deterioration or unsafe condition of the tunnels or the  
8 installation, construction, reconstruction, maintenance, operation or repair of any municipally-  
9 owned public utilities, or for any other cause.  
10

11       **Section 7. Failure to correct unsafe condition.** After notice to the Permittee and failure  
12 of the Permittee to correct an unsafe conditions within the time stated in the notice, the Director  
13 may order the tunnels be closed or removed at the Permittee's expense if the Director deems that  
14 it has become unsafe or creates a risk of injury to the public. If there is an immediate threat to  
15 the health or safety of the public, a notice to correct is not required.  
16

17       **Section 8. Continuing obligation to remove and restore.** Notwithstanding termination  
18 or expiration of the permission granted, or closure or removal of the tunnels, the Permittee shall  
19 remain bound by its obligation under this ordinance until:  
20

- 21       (a) the tunnels and all its equipment and property are removed from the right-of-way;
- 22       (b) the area is cleared and restored in a manner and to a condition satisfactory to the  
23       Director; and  
24



1 (c) the Director certifies that the Permittee has discharged its obligations under this  
2 ordinance.

3 Upon prior notice to the Permittee and entry of written findings that it is in the public interest, the  
4 Director may, in the Director's sole discretion, conditionally or absolutely excuse the Permittee  
5 from compliance with all or any of the Permittee's obligations to remove the tunnels and its  
6 property and to restore any disturbed areas.  
7

8 Section 9. **Release, hold harmless, indemnification, and duty to defend.** The tunnels  
9 shall remain the exclusive responsibility of the Permittee, and the Permittee agrees to maintain  
10 the tunnels in good and safe condition for use by the public. The Permittee, by acceptance of the  
11 terms of this ordinance and the permission granted, releases the City from any and all claims  
12 resulting from damage or loss to the Permittee's property and covenants and agrees for itself, its  
13 successors and assigns, with the City, to at all times protect and save harmless the City from all  
14 claims, actions, suits, liability, loss, costs, expense or damages of every kind and description,  
15 excepting only damages that may result from the sole negligence of the City, that may accrue to,  
16 or be suffered by, any person or persons and/or property or properties, including without  
17 limitation, damage or injury to the Permittee, its officers, agents, employees, contractors,  
18 invitees, tenants and tenants' invitees, licensees or its successors and assigns, by reason of the  
19 construction, maintenance, operation or use of the tunnels, or any portion thereof, or by reason of  
20 anything that has been done or may at any time be done by the Permittee, its successors or  
21 assigns by reason of this ordinance or by reason of the Permittee, its successors or assigns failing  
22 or refusing to strictly comply with each and every provision of this ordinance.  
23  
24  
25  
26  
27  
28



1 If any suit, action or claim of the nature described above is filed, instituted or begun  
2 against the City, the Permittee, its successors or assigns shall, upon notice thereof from the City,  
3 defend the same at its or their sole cost and expense, and in case judgment shall be rendered  
4 against the City in any suit or action, the Permittee, its successors or assigns shall fully satisfy  
5 said judgment within 90 days after such action or suit shall have been finally determined, if  
6 determined adversely to the City. If it is determined by a court of competent jurisdiction that  
7 Revised Code of Washington (RCW) 4.24.115 applies to this ordinance, then in the event claims  
8 or damages are caused by or result from the concurrent negligence of:

9  
10 (a) the City, its agents, contractors or employees; and,

11  
12 (b) the Permittee, its agents, contractors, employees or its successors or assigns;

13 this indemnity provision shall be valid and enforceable only to the extent of the negligence of the  
14 Permittee or the Permittee's agents, contractors, employees or its successors or assigns.

15 Section 10. **Insurance.** For as long as the Permittee, its successors and assigns, shall  
16 exercise any permission granted by this ordinance and until the tunnels are entirely removed from  
17 their location as described in Section 1 or until discharged by order of the Director as provided in  
18 Section 5, the Permittee shall obtain and maintain in full force and effect, at its own expense,  
19 insurance that protects the City from claims and risks of loss from perils that can be insured  
20 against under commercial general liability (CGL) insurance policies in conjunction with:  
21

22  
23 (a) construction, reconstruction, operation, maintenance, use or existence of the tunnels  
24 permitted by this ordinance and of any and all portions of the tunnels;



- 1 (b) the Permittee's activity upon, or the use or occupation of the area described in Section  
2 1 of this ordinance; and  
3 (c) claims and risks in connection with any activity performed by the Permittee by virtue  
4 of the permission granted by this ordinance.

5  
6 Minimum insurance requirements are CGL insurance based on the Insurance Services Office  
7 (ISO) form CG 00 01 or equivalent. The City requires insurance coverage to be placed with an  
8 insurer admitted and licensed to conduct business in Washington State or with a surplus lines  
9 carrier pursuant to RCW Chapter 48.15, except that if it is infeasible to obtain coverage with the  
10 required insurer, the City may approve an alternative insurer.

11  
12 Minimum limits of liability shall be \$2,000,000 each occurrence combined single limit  
13 bodily injury and property damage, with \$4,000,000 annual aggregate. Coverage shall name the  
14 "City of Seattle, its elected and appointed officers, officials, employees and agents" as additional  
15 insureds for primary and non-contributory limits of liability subject to a Separation of Insureds  
16 clause.

17  
18 Permittee shall provide to the City, or cause to be provided, certification of insurance  
19 coverage consisting of the CGL declarations page, schedule of forms and endorsements, and  
20 blanket or additional insured policy provision per the ISO CG 20 12 or equivalent. The insurance  
21 coverage certification shall be delivered or sent to the Director or to the Department of  
22 Transportation and address as the Director may specify, from time to time, in writing.

23  
24 Should the Permittee be self-insured, a letter of certification from the Corporate Risk  
25 Manager or appropriate Finance Officer may be submitted in lieu of the insurance coverage  
26



1 certification required by this ordinance, if approved in writing by the City Risk Manager. The  
2 letter of certification must provide all information required by the City Risk Manager and  
3 document, to the satisfaction of the City Risk Manager, that self-insurance equivalent to the  
4 insurance requirements of this ordinance is in force. After a self-insurance certification is  
5 approved, the City may subsequently from time to time require updated or additional  
6 information. The approved self-insured Permittee must provide 30 days notice of any  
7 cancellation or material adverse financial condition of its self-insurance program. The City may  
8 at any time revoke approval of self-insurance and require the Permittee to obtain and maintain  
9 insurance as specified in this ordinance.  
10

11  
12 Section 11. **Contractor insurance.** The Permittee shall contractually require that any  
13 and all of its contractors performing work on any premises contemplated by this permit name the  
14 "City of Seattle, its elected and appointed officers, officials, employees and agents" as additional  
15 insureds for primary and non-contributory limits of liability on all CGL, Automobile and  
16 Pollution liability insurance and/or self-insurance. The Permittee shall also include in all contract  
17 documents with its contractors a third-party beneficiary provision extending construction  
18 indemnities and warranties granted to Permittee to the City as well.  
19

20 Section 12. **Performance bond.** Within 60 days after the effective date of this ordinance  
21 the Permittee shall deliver to the Director for filing with the City Clerk a sufficient bond in the  
22 sum of \$510,000 executed by a surety company authorized and qualified to do business in the  
23 State of Washington, conditioned that the Permittee will comply with each and every provision  
24 of this ordinance and with each and every order of the Director issued under this ordinance. The  
25  
26  
27



1 Permittee shall ensure that the bond shall remain in effect until the tunnels are entirely removed  
2 from their location as described in Section 1, or until the Permittee is discharged by order of the  
3 Director as provided in Section 5. An irrevocable letter of credit approved by the City Risk  
4 Manager may be substituted for the bond.

5  
6 Section 13. **Adjustment of insurance and bond requirements.** The Director, in  
7 consultation with the City Risk Manager, may adjust minimum levels of liability insurance and  
8 surety bond requirements during the term of this permission. If the Director and City Risk  
9 Manager determine that an adjustment is necessary to fully protect the interests of the City, the  
10 Director shall notify the Permittee of the new requirements in writing. Upon receipt, the  
11 Permittee shall, within 60 days, provide proof of the adjusted insurance and surety bond levels to  
12 the Director.

13  
14 Section 14. **Consent for and conditions of assignment or transfer.** The rights,  
15 privileges and authority granted shall not be assignable or transferable by operation of law; nor  
16 shall the Permittee, its successors or assigns transfer, assign, mortgage, pledge or encumber the  
17 same without the Director's consent, which the Director shall not unreasonably refuse. The  
18 Director may approve assignment and/or transfer of the permit to a successor entity in the case of  
19 a change of name and/or ownership if the successor or assignee has demonstrated its acceptance  
20 of all of the terms of the permission provided by this ordinance.

21  
22 Section 15. **Inspection fees.** The Permittee, its successors and assigns shall, as provided  
23 by SMC Chapter 15.76, pay to the City the amounts charged by the City as costs to inspect the  
24



1 tunnels during construction, reconstruction, repair, annual structural inspections, and at other  
2 times deemed necessary to ensure the safety of the tunnels.

3       Section 16. **Inspection reports.** The Permittee, its successors and assigns shall submit to  
4 the Director, or to the Department of Transportation at an address as the Director may specify in  
5 writing from time to time, an inspection report that:

- 6
- 7       (a) describes the physical dimensions and condition of all load bearing elements,
  - 8       (b) describes any damages or possible repairs to any element of the tunnels,
  - 9       (c) prioritizes all repairs and establishes a timeframe for making repairs, and
  - 10       (d) is stamped by a professional structural engineer licensed in the State of  
11               Washington.
- 12

13 The report shall be submitted within 60 days after the effective date of this ordinance; subsequent  
14 reports shall be submitted biennially, within 30 days prior to the anniversary date of the effective  
15 date of this ordinance; or in the event of a natural disaster or other event that may have damaged  
16 the tunnels, the report shall be submitted by the date established by the Director.

17

18       Section 17. **Annual fee.** Permittee shall promptly pay to the City, upon statements or  
19 invoices issued by the Director, an annual fee for the privileges granted by this ordinance in the  
20 amount of \$1,547, beginning on November 11, 2010, and adjusted annually thereafter.

21 Adjustments to the annual fee shall be made in accordance with a term permit fee schedule  
22 adopted by the City Council and may be made every year. In the absence of a schedule, the  
23 Director may only increase or decrease the previous year's fee to reflect any inflationary changes  
24 so as to charge the fee in constant dollar terms. This adjustment will be calculated by adjusting  
25



1 the previous year's fee by the percentage change between the two most recent year-end values  
2 available of the Consumer Price Index for the Seattle-Tacoma-Bremerton Area, All Urban  
3 Consumers, All Products, Not Seasonally Adjusted. All payments shall be made to the City  
4 Finance Director for credit to the Transportation Operating Fund.

5       Section 18. **Non-discrimination.** The Permittee shall comply with the City's laws  
6 prohibiting discrimination in employment and contracting, including Seattle's Fair Employment  
7 Practices Ordinance, Chapter 14.04 and Fair Contracting Practices code, Chapter 14.10.

8       Section 19. **Acceptance of terms and conditions.** The Permittee shall deliver to the  
9 Director its written signed acceptance of the terms of this ordinance within 60 days after the  
10 effective date of this ordinance. The Director shall file the written acceptance with the City  
11 Clerk. If no such acceptance is received within that 60-day period, the privileges conferred by  
12 this ordinance shall be deemed declined or abandoned and the permission granted deemed lapsed  
13 and forfeited.

14       Section 20. **Successors and assigns.** The rights conferred to the Permittee and the  
15 obligations and conditions imposed on the Permittee through this ordinance are also conferred  
16 and imposed on the Permittee's successors and assigns. All references in this ordinance to the  
17 "Permittee" shall be deemed to refer also to the successors and assigns of the Permittee.  
18 References in this ordinance to "Permittee and its successors and assigns" or "Permittee or its  
19 successors and assigns" are included as reminders and do not limit the scope of "Permittee" used  
20 alone.



1 Section 21. **Ratify and confirm.** Any act taken by the City or the Permittee pursuant to  
2 the authority and in compliance with the conditions of this ordinance, but prior to the effective  
3 date, is hereby ratified and confirmed.

4 Section 22. This ordinance shall take effect and be in force 30 days from and after its  
5 approval by the Mayor, but if not approved and returned by the Mayor within ten days after  
6 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

7 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2011, and  
8 signed by me in open session in authentication of its passage this  
9 \_\_\_\_\_ day of \_\_\_\_\_, 2011.

10  
11  
12  
13 \_\_\_\_\_  
14 President \_\_\_\_\_ of the City Council

15 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2011.

16  
17  
18 \_\_\_\_\_  
19 Michael McGinn, Mayor

20 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2011.

21  
22  
23 \_\_\_\_\_  
24 City Clerk

25 (Seal)



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Seattle Department of Transportation	Angela Steel/684-5967	Stephen Barham/733-9084

**Legislation Title:**

AN ORDINANCE granting The Boeing Company permission to maintain and operate two pedestrian tunnels under and across 16<sup>th</sup> Avenue South, 565 feet south of East Marginal Way South, and under and across East Marginal Way South, 510 feet east of 16<sup>th</sup> Avenue South, for a ten-year term, renewable for two successive ten-year terms; specifying the conditions under which this permit is granted; providing for the acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

**Summary of the Legislation:**

This legislation will allow The Boeing Company to continue maintaining and operating the existing tunnels located under and across 16<sup>th</sup> Avenue South, 565 feet south of East Marginal Way South, and under and across East Marginal Way South, 510 feet east of 16<sup>th</sup> Avenue South. An area map is attached for reference.

This tunnel permit is for a term of ten years commencing from the expiration of the last term permit on November 10, 2010. The legislation specifies the conditions under which authorization is granted and provides for acceptance of the permit and conditions.

The Boeing Company is to pay the City of Seattle an annual fee of \$1,547 commencing from the last paid annual fee invoice, November 11, 2010, 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 84493, the City granted permission to the Boeing Airplane Company to construct, maintain, and operate two pedestrian tunnels under and across East Marginal Way South and 16<sup>th</sup> Avenue South. The permission authorized by Ordinance 84493 expired after 25 years. By Ordinance 109661, the City granted permission to The Boeing Company for the ongoing maintenance and operation of the pedestrian tunnels for a ten-year term, renewable for two successive ten-year terms.

The conditions of Ordinance 109661 were amended by Ordinance 120504 and 121855 and Resolution 28345. The permission authorized by Ordinance 109661 was renewed for two



successive ten-year terms by Resolution 28345 and Ordinance 120504 and expired on November 10, 2010.

Please check one of the following:

**This legislation does not have any financial implications.**  
(Stop here and delete the remainder of this document prior to saving and printing.)

**This legislation has financial implications.** (Please complete all relevant sections that follow.)

**Appropriations:** N/A

**Anticipated Revenue/Reimbursement: Resulting from this Legislation:**

This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.

<b>Fund Name and Number</b>	<b>Department</b>	<b>Revenue Source</b>	<b>2011 Revenue</b>	<b>2012 Revenue</b>
Transportation Operating Fund 10310	Seattle Department of Transportation	Annual Fee –	\$1,547 (2010 fee) + \$1,515 (2011 fee)	TBD
<b>TOTAL</b>			<b>\$3,062</b>	<b>TBD</b>

**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

**Spending/Cash Flow Notes:** N/A

**What is the financial cost of not implementing the legislation?**

If the legislation is not enacted by the City Council, the City of Seattle will not receive the annual fee base of \$1,547 for at least ten years. The City of Seattle has the option to adjust the fee amount on an annual basis. The tunnels, as originally permitted under Ordinance 109661, will no longer be permitted.

**Does this legislation affect any departments besides the originating department?**

None.



Angela Steel  
SDOT, Boeing Tunnel FISC  
January 12, 2010  
Version #3

**What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

None.

**Is the legislation subject to public hearing requirements?**

No.

**Other Issues:** (Include long-term implications of the legislation.)

N/A

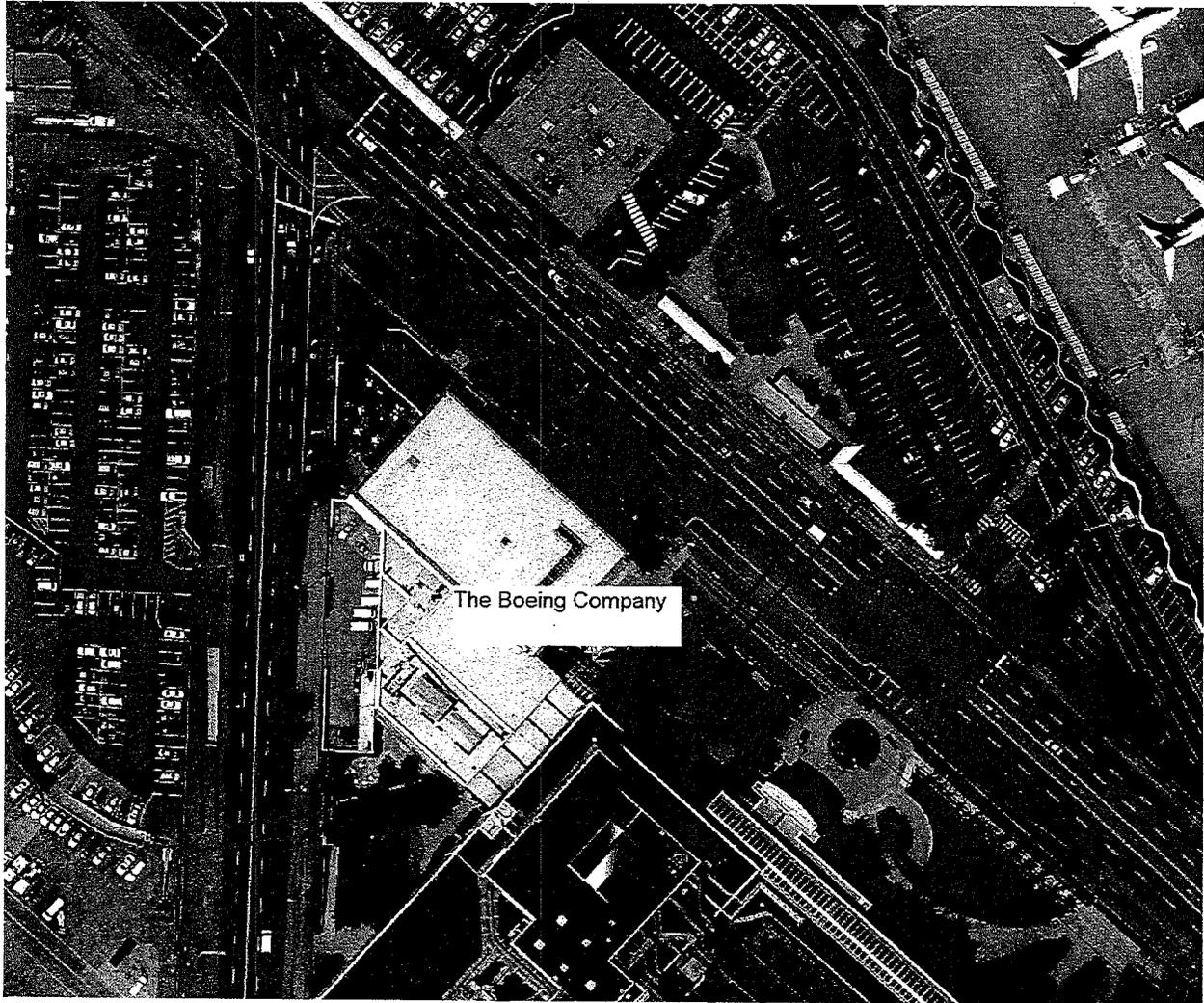
**List attachments to the fiscal note below:**

Attachment A – Boeing Company Tunnel Area Map  
Attachment B - Annual Fee Assessment Summary



Angela Steel  
SDOT Boeing Tunnel ATT A  
October 15, 2010  
Version #1

## Attachment A – Boeing Company 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: 12/16/10

<p><u>Summary:</u> <b>Land Value: \$14.46/SF</b> <b>First Year Permit Fee:</b> <b>\$1547</b></p>
--

**I. Property Description:**

Two existing subsurface pedestrian tunnels: One runs under 16<sup>th</sup> Ave S. between the Boeing employee parking lot and Plant 2 property. The other runs under E Marginal Way S. between the parking lot for the Flight Center at Boeing Field (King County International Airport) and the Plant 2 Property. Adjacent tax parcels are listed below. 16<sup>th</sup> Ave S tunnel is **3,140 square feet**; E. Marginal Wy S tunnel is **2,210 square feet**.

**Applicant:**

The Boeing Company

**Abutting Parcels, Property Size, Assessed Value:**

1. Parcel 2824049009; 349,350 square feet

Tax year 2010 Appraised Land Value \$2,669,600  
Assessed at \$7.64/SF

2. Parcel 2924049098; 4,133 SF

Tax year 2010 Appraised Land Value \$78,500  
Assessed at \$18.99/SF

3. Parcel 2924049056; 9,811 SF

Tax year 2010 Appraised Land Value \$186,400  
Assessed at \$19/SF

4. Parcel 0022000005; 1,631,180 SF

Tax year 2010 Appraised Land Value \$12,465,400  
Assessed at \$7.64/SF

5. Parcel 2824049007; 24,602,500 SF

Tax year 2010 Appraised Land Value \$467,448,400  
Assessed at \$19/SF

Average 2010 tax assessed land value: \$14.46/SF



**II. Annual Fee Assessment:**

The 2010 permit fee is calculated as follows:  $(\$14.46/\text{SF}) \times (5,350 \text{ SF}) \times (25\%) \times (8\%) =$   
 $\$1,547$ , where 25% is the degree of alienation for a pedestrian tunnel and 8% is estimated  
annual rate of return.

Fee methodology authorized under Ordinance 123485.





City of Seattle  
Office of the Mayor

January 18, 2011

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that will grant to The Boeing Company a new ten-year permit for two existing pedestrian tunnels under and across the 16<sup>th</sup> Avenue South, south of East Marginal Way South, and under and across East Marginal Way South, east of 16<sup>th</sup> Avenue South, renewable for two additional ten-year terms.

Use of the existing tunnels, which were authorized by Ordinance 109661, provides an underground connection between The Boeing Company facilities. In addition to granting a new permit, the proposed Council Bill updates the insurance and bond requirements, amends the annual fee, and specifies the conditions under which authorization is granted.

Thank you for your consideration of this legislation. Should you have questions, please contact Angela Steel at (206) 684-5967.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

