

OB117154
#5

ORDINANCE

1
2 AN ORDINANCE, relating to a pedestrian tunnel under and across Minor Avenue, between
3 Columbia and Marion Streets, amending Ordinance 113238, as previously amended by
4 Ordinances 121494 and 121855, updating the insurance and bond requirements, and
5 amending the annual fee; renewing the term of the permit to Swedish Health Services;
6 providing for acceptance of the permit and conditions; and ratifying and confirming
7 certain prior acts.

8 WHEREAS, by Ordinance 74335, the City of Seattle granted the Swedish Hospital permission
9 to construct, operate, and maintain a pedestrian tunnel under and across Minor Avenue,
10 between Columbia and Marion Streets and the permission expired after 20 years; and

11 WHEREAS, by Ordinance 94157, the City of Seattle granted the Swedish Hospital permission
12 to operate and maintain the pedestrian tunnel and the permission expired after 20 years;
13 and

14 WHEREAS, by Ordinance 113238 the City granted permission to Swedish Hospital Medical
15 Center for the ongoing maintenance and operation of the pedestrian tunnel for a ten-year
16 term, renewable for two successive ten-year terms, and has been renewed by Resolution
17 29549 and was due for renewal on January 21, 2007; and

18 WHEREAS, the conditions of Ordinance 113238 were amended by Resolutions 28569 and
19 29549 and Ordinances 121494 and 121855; and

20 WHEREAS, the Swedish Health Services has submitted an application to the Seattle Department
21 of Transportation Director (Director) to continue maintaining and operating the
22 pedestrian tunnel and paid annual fees up to January 2011; and

23 WHEREAS, the Swedish Health Services has satisfied all terms of the original authorizing
24 ordinance and the Director recommends that the term permit be renewed subject to the
25 terms identified in this ordinance; NOW, THEREFORE,

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

27 Section 1: The permission granted to Swedish Health Services by Ordinance 113238 and
28 amended by Ordinances 121494 and 121855 to maintain and operate a pedestrian tunnel under
and across Minor Avenue, between Columbia and Marion Streets, is renewed for a ten-year
period, starting January 22, 2007, and ending at 11:59 p.m. on January 21, 2017, upon the terms



1 and conditions set forth in Ordinance 113238, as amended by Ordinances 121494 and 121855,
2 and as further amended by this ordinance:

3 Section 2. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, and 13 of Ordinance 113238, as
4 amended by Ordinances 121494 and 121855, are amended as follows:

5 1. **Permission.** Subject to the terms and conditions of this ordinance, permission (also
6 referred to in this ordinance as a permit) is ~~((hereby))~~ granted to ~~((Swedish Hospital Medical~~
7 ~~Center))~~ Swedish Health Services (“Permittee”) and its successors and assigns ~~((“Permittee”))~~
8 to maintain and operate a pedestrian tunnel and existing private utilities (tunnel) under and across
9 Minor Avenue, between Columbia and Marion Streets.

11 2. **Term.** The permission ~~((herein))~~ granted to the Permittee~~((;))~~ and its successors and
12 assigns, shall be for a term of ten years, commencing upon the effective date of this ordinance
13 and terminating at 11:59 p.m. on the last day of the tenth year~~((; provided, however, that upon))~~.
14 Upon written application of the Permittee at least 30 days before expiration of the term, the
15 Director of the Seattle Department of Transportation (“Director”) may renew the permit for two
16 successive ten-year terms~~((; provided further that the))~~ subject to the right of the City of Seattle
17 (“City”) to require the removal of the tunnel as provided for in Section 3 or 4, or revise by
18 ordinance any of the conditions of this ordinance. The total term of the permission as originally
19 granted and ~~((thus extended)) renewed shall not exceed ~~((thirty)) 30 years~~~~((; subject to the right~~
20 ~~of the City to revise the fee provided for in Section 12 hereof, and by ordinance to then revise~~
21 ~~any of the terms and conditions contained herein))~~. If a new term permit ordinance is to be
22 requested, the permittee shall submit a written application 180 days prior to the expiration of the
23 total term. Failure to obtain additional permission through a new ordinance, or to remove the
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25
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28~~



1 tunnel prior to expiration of the term, is a violation of Chapter 15.90 of the Seattle Municipal
2 Code (SMC).

3 **3A. Removal for public use or for cause.** The ~~((permit))~~ permission granted ((hereby))
4 is subject to ((the primary and secondary)) use of the street right-of-way by the City and the
5 public for travel ((and utilities)), utility purposes, and other street uses. The City ((of Seattle
6 ((“City”))) expressly reserves the right to require the Permittee to remove the tunnel, or any part
7 thereof or installation thereon, at Permittee’s sole cost and expense in the event that:

8
9 (a) the City Council determines by ordinance that the space occupied by the tunnel
10 is necessary for any ~~((primary or secondary))~~ public use or benefit or that the tunnel
11 interferes with any ~~((primary or secondary))~~ public use or benefit; or

12 (b) ~~((The Board of Public Works or a successor bond or official of the City~~
13 ~~((“Board”)))~~ the Director determines that any term or condition of this ordinance has been
14 violated and the violation has not been corrected by the Permittee by the compliance date
15 after a written request by the City to correct the violation.

16
17 A City Council determination that the space is ~~((necessary for a primary or secondary))~~ needed
18 for or interferes with a public use or benefit shall be conclusive and final without any right of the
19 Permittee to resort to the courts to adjudicate the matter:

20
21 **3B. Protection of utilities.** The permission granted is subject to the Permittee bearing the
22 expense of any protection, support or relocation of existing utilities deemed necessary by the
23 owners of the utilities; and the Permittee being responsible for any subsequent damage to the
24 utilities due to the construction, repair, reconstruction, maintenance, or operation of the tunnel.

25
26 **4. Removal requirements.** ~~((In the event that the permit))~~ If the permission granted is
27 not renewed((, or the permission hereby granted extends to its termination in thirty years,)) at the



1 expiration of a term, or if the permission is extended to its termination date in 30 years and an
2 application for a new permit is not granted, or if acceptance of this ordinance is not timely
3 received as required by this ordinance; or if the City orders removal of the tunnel pursuant to the
4 terms of this ordinance, then within 90 days after ((such)) the expiration((;)) or termination, or
5 ((order of removal,)) prior to the date stated in an Order to Remove((, as the case may be,)); the
6 Permittee shall, at its own expense, remove the tunnel and ((shall place)) replace all portions of
7 the street right-of-way that may have been disturbed for any part of the ((structure,)) tunnel in as
8 good condition for public use as they were prior to construction((;)) of the tunnel and((;)) in at
9 least as good condition in all respects as the abutting portions ((thereof)) of the right-of-way as
10 required by the applicable SDOT standards for right-of-way restoration. ((Whereupon, the
11 Board)) The Director shall then issue a certificate discharging the Permittee, or its successor or
12 assign, from ((responsibilities)) responsibility under this ordinance ((for occurrences after such
13 discharge)).

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15
16 5. **Repair, reconstruction, or relocation.** The Permittee shall not reconstruct, relocate,
17 ((readjust)) or repair the tunnel except under the supervision((,) of the Director and in strict
18 accordance with plans and specifications((;)) approved by the ((Board before any work is
19 commenced)) Director. The ((Board in its judgment)) Director may, in the Director's judgment,
20 order ((such reconstruction, relocation, readjustment or repair of)) the tunnel be reconstructed or
21 repaired at the Permittee's own cost and expense because of: the deterioration or unsafe condition
22 of the tunnel((, grade separations,)); or the installation, construction, reconstruction,
23 maintenance, operation, or repair of any ((and all)) municipally-owned public utilities((;)); or for
24 any other cause.



1 **6. Failure to correct unsafe condition.** After notice to the Permittee and failure of the
2 Permittee to correct an unsafe conditions within the time stated in the notice, the ((Board))
3 Director may order the tunnel be closed or removed at the Permittee's expense if the ((Board))
4 Director deems that it has become unsafe or creates a risk of injury to the public. If there is an
5 immediate threat to the health or safety of the public, a notice to correct is not required.

6 **7. Continuing obligation to remove and restore.** Notwithstanding termination or
7 expiration of the permission granted, or closure or removal of the tunnel, the Permittee shall
8 remain bound by its obligation under this ordinance until:

- 9
- 10 (a) the tunnel and all its equipment and property are removed from the street((;)) right-of-
11 way;
- 12 (b) the area is cleared and restored in a manner and to a condition satisfactory to the
13 ((Board,)) Director; and
- 14 (c) the ((Board)) Director certifies that the Permittee has discharged its obligations
15 ((herein; Provided, that upon)) under this ordinance.

16

17 Upon prior notice to the Permittee and entry of written findings that ((such)) it is in the public
18 interest, the ((Board)) Director may, in ((its)) the Director's sole discretion, ((excuse Permittee,))
19 conditionally or absolutely((;)) excuse the Permittee from compliance with all or any of the
20 Permittee's obligations to remove the tunnel and its property and to restore any disturbed areas
21 any disturbed areas
22 any disturbed areas
23 any disturbed areas
24 any disturbed areas
25 any disturbed areas
26 any disturbed areas
27 any disturbed areas
28 any disturbed areas

23 **8. Release, hold harmless, indemnification, and duty to defend.** The tunnel shall
24 remain the exclusive responsibility of the Permittee and the Permittee agrees to maintain the
25 tunnel in good and safe condition for use by the public. The Permittee, by ((its acceptance of
26 the)) accepting the terms of this ordinance ((and the permission hereby granted, does release)),
27



1 releases the City from any and all claims resulting from damage or loss to ~~((its own))~~ the
2 Permittee's property; and ~~((does covenant and agree))~~ agrees for itself, its successors and
3 assigns~~((, with the City of Seattle))~~; to at all times protect and save harmless ~~((The))~~ the City ~~((of~~
4 Seattle)) from all claims, actions, suits, liability, loss, costs, expense, or damages of every kind
5 and description, ~~((f))~~ excepting only ~~((such))~~ damages that may result from the sole negligence of
6 the City~~((, which))~~; that may accrue to~~((s))~~ or be suffered by~~((s))~~ any person ~~((or persons,))~~ or
7 property including without limitation, damage or injury to the Permittee, its officers, agents,
8 employees, contractors, invitees, tenants and tenants' invitees, licensees or ~~((their))~~ its successors
9 and assigns~~((s))~~; by reason of the maintenance, operation, or use of ~~((said))~~ the tunnel ~~((or the~~
10 occupation or use of a City street, alley)), or any portion thereof~~((s))~~; or by reason of anything
11 that has been done~~((s))~~ or may at any time be done~~((s))~~ by the Permittee, its successors or
12 assigns~~((s))~~ by reason of this ordinance~~((s))~~; or by reason of the Permittee, its successors or
13 assigns~~((s))~~ failing or refusing to strictly comply with ~~((each and))~~ every provision of this
14 ordinance~~((, and if))~~.

17 If any ~~((such))~~ suit, action, or claim ~~((shall be))~~ of the nature described above is filed,
18 instituted, or begun against the City~~((s))~~; the Permittee, its successors or assigns, shall~~((s))~~ upon
19 notice ~~((thereof))~~ from the City~~((s))~~; defend the ~~((same))~~ City at its or their sole cost and
20 expense~~((s))~~; and ~~((in case))~~ if a judgment ~~((shall be))~~ is rendered against the City in any suit or
21 action, the Permittee, its successors or assigns, shall fully satisfy ~~((said))~~ the judgment within 90
22 days after ~~((such))~~ the action or suit ~~((shall have))~~ has been finally determined, if determined
23 adversely to the City. If it is determined by a court of competent jurisdiction that Revised Code
24 of Washington (RCW) 4.24.115 applies to this ordinance, then in the event claims or damages
25 are caused by or result from the concurrent negligence of:
26
27
28



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

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

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

5 **9A. Insurance.** For as long as the Permittee, its successors and assigns, shall
6 exercise any ~~((permissions))~~ permission granted by this ordinance and until the tunnel is entirely
7 removed from its location as described in Section 1 or until discharged by order of the Director
8 as provided in Section 4 of this ordinance, ((it shall)) the Permittee shall obtain and maintain in
9 full force and effect, at its own expense ((deliver to the Director for filing with the City Clerk,)),
10 insurance that protects the City from claims and risks of loss from perils that can be insured
11 against under commercial general ((comprehensive policies of public)) liability (CGL)
12 insurance((, which)) policies ((must be approved by the City Attorney as to form and coverage
13 and which policies must fully protect the City from any and all claims and risks)) in conjunction
14 with:

15
16
17 (a) construction, reconstruction, operation, maintenance, use, or existence of the tunnel
18 ((permitted by this ordinance)) and ((of)) any ((and all)) portions of the tunnel((;))
19 permitted by this ordinance;

20
21 (b) the Permittee's activity upon or the use or occupation of the ((areas)) area described
22 in Section 1 of this ordinance((;)); and

23 (c) ((any and all)) claims and risks in connection with any activity performed by the
24 Permittee by virtue of the permission granted by this ordinance.

25 ~~((Each such policy or policies must specifically name the City of Seattle as an additional insured~~
26 ~~party thereunder and provide the following minimum coverages and minimum limits:~~



1 ~~Minimum Coverage: General comprehensive liability for any injury, death, damage, and/or loss~~
2 ~~of any sort sustained by any person, organization, or corporation (including any liability of the~~
3 ~~City for such to Permittee, its officers, agents and/or employees and any liability of Permittee for~~
4 ~~such to the City of Seattle, its officers, agents and/or employees) in connection with~~

- 5 ~~(a) operation, maintenance, use or existence of the tunnel permitted by this ordinance and~~
6 ~~any and all portions thereof,~~
7
8 ~~(b) any activity upon or use or occupancy of the area described in Section 1 of this~~
9 ~~ordinance, and~~
10 ~~(c) for any activity performed by Permittee by virtue of the permission granted pursuant~~
11 ~~to this ordinance:))~~

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

17
18 ~~((Minimum Limits: (Primary and excess)—not less than those otherwise carried by the~~
19 ~~Permittee and not less than One Million Dollars (\$1,000,000) per occurrence and annual~~
20 ~~aggregate.~~

21
22 Each such policy or endorsement thereto must contain the following provisions:

23 “The City of Seattle is named as an additional insured for all coverage provided by this
24 policy of insurance and shall be fully and completely protected by this policy for all risks and for
25 any and every injury, death, damage and loss of any sort sustained by any person, organization or
26 corporation (including any liability of the City for such to Permittee Swedish Hospital Medical
27



Center, its successors and assigns, any of its employees and/or agents and any liability of
Permittee for such to the City of Seattle, its officers, agents and employees) in connection with

(a) construction, maintenance, use or existence of the tunnel and any appurtenances
thereto, permitted by the City of Seattle ordinance granting Swedish Hospital
Medical Center permission to operate and maintain a tunnel

(b) activities of Swedish Hospital Medical Center its successors and assigns, upon use
or occupation of the areas described in Section 1 of the authorizing ordinance, as
well as

(c) any activity performed by Swedish Hospital Medical Center, its successors and
assigns by virtue of the permission granted by the aforesaid ordinance.”

“The coverage provided by this policy to the City of Seattle or any other named insured
shall not be terminated, reduced or otherwise changed in any respect without providing at least
thirty (30) days prior written notice to the City of Seattle, Attention: Director of
Transportation.”)

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

Permittee shall provide to the City, or cause to be provided, certification of insurance
coverage consisting of the CGL declarations page, schedule of forms and endorsements, and
blanket or additional insured policy provision per the ISO CG 20 12 or equivalent. The insurance



1 coverage certification shall be delivered or sent to the Director or to the Department of
2 Transportation at an address as the Director may specify in writing from time to time.

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

14
15
16 **9B. Adjustment of insurance and bond requirements.** The Director, in consultation
17 with the City Risk Manager, may adjust minimum ~~((levels of))~~ liability insurance levels and
18 surety bond requirements during the term of this permission. ~~((The))~~ If the Director and City
19 Risk Manager determine that an adjustment is necessary to fully protect the interests of the City,
20 the Director shall notify the Permittee of the new requirements in writing. Upon receipt, the
21 Permittee shall, within 60 days, provide proof of the ~~((required levels of))~~ adjusted insurance and
22 surety bond levels to the Director ~~((within 60 days)).~~

23
24 **9C. Contractor insurance.** The Permittee shall contractually require that any and all of
25 its contractors performing work on any premises contemplated by this permit name the "City of
26 Seattle, its elected and appointed officers, officials, employees and agents" as additional insureds
27



1 for primary and non-contributory limits of liability on all CGL, Automobile and Pollution
2 liability insurance and/or self-insurance. The Permittee shall also include in all contract
3 documents with its contractors a third-party beneficiary provision extending construction
4 indemnities and warranties granted to Permittee to the City.

5 10. **Performance bond.** Within 60 days after the effective date of this ordinance the
6 Permittee shall deliver to the Director ~~((of Engineering))~~ for filing with the City Clerk a ~~((good~~
7 ~~and))~~ sufficient bond executed by a surety company authorized and qualified to do business in
8 the State of Washington that is: in the ((sum)) amount of ((Twenty-Five Thousand Dollars
9 ~~(\$25,000) executed by a surety company authorized and qualified to do business in the State of~~
10 ~~Washington))~~ \$85,000, and conditioned with a requirement that the Permittee ((will)) shall
11 comply with each and every provision of this ordinance and with ((each and)) every order ((of))
12 the ((Board pursuant thereto; provided, that if the Mayor of the City in his judgment shall deem
13 any bond or bonds filed to be insufficient and demand a new or additional bond, the Permittee
14 shall furnish a new or additional bond in such amount as the Mayor may specify to be necessary
15 to fully protect the City. Said)) Director issues under this ordinance. The Permittee shall ensure
16 that the bond ((shall remain)) remains in effect until ((such time as)) the tunnel is entirely
17 removed from ((its)) the location as described in Section 1, or until the Permittee is discharged
18 by ((order of the Board of Public Works)) a Director's order as provided in Section 4 ((of this
19 ordinance)). An irrevocable letter of credit approved by the City Risk Manager may be
20 substituted for the bond.

21 ***

22 12A. **Inspection fees.** ~~((That the))~~ The Permittee, its successors and assigns((;)) shall, as
23 provided by SMC Chapter 15.76, pay ((to)) the City ((such)) the amounts ((as may be justly
24



1 ~~chargeable))~~ charged by ((said)) the City as costs ((of inspection of said)) to inspect the tunnel
2 during reconstruction ((or)), repair, annual structural inspections, and at other times ((under the
3 direction of the Director and shall)) deemed necessary to ensure the safety of the tunnel.

4 **12B. Inspection reports.** The Permittee, its successors and assigns shall submit to the
5 Director, or to the Department of Transportation at an address as the Director may specify in
6 writing from time to time, an inspection report that:

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

13

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

19

20 **12C. Annual fee.** Beginning on January 22, 2011, the Permittee shall promptly pay to
21 the City ((in advance)) upon statements or invoices ((rendered)) issued by the Director, an annual
22 fee ((of \$1709.00 for the period beginning January 22, 2002 and ending January 21, 2007 as
23 established by Ordinance 121494. At the end of this period, adjustments)) of \$2,376 or as
24 adjusted annually thereafter, for the privileges granted by this ordinance.

25

26 Adjustments to the annual fee ((amount)) shall be made in accordance with a term permit
27 fee schedule adopted by the City Council ((by ordinance)) and may be ((adjusted)) made every



1 year. In the absence of ~~((such))~~ a schedule, the Director may only increase or decrease the
2 previous year's fee ~~((amount annually))~~ to reflect any inflationary changes so as to charge ~~((said))~~
3 the fee in constant dollar terms. This adjustment will be calculated by adjusting the previous
4 year's fee ~~((amount))~~ by the percentage change between the two most recent year-end values
5 available ~~((of))~~ from the Consumer Price Index for the Seattle-Tacoma-Bremerton Area, All
6 Urban Consumers, All Products, Not Seasonally Adjusted. All payments shall be made to the
7 City Finance Director for credit to the Transportation Operating Fund.

8
9 13. ~~((Non-Discrimination: The Permittee shall not discriminate against any employee or~~
10 ~~applicant for employment in connection with the design, architectural or structural engineering~~
11 ~~work or the repair, or maintenance of the tunnel permitted pursuant to this ordinance, on the~~
12 ~~basis of race, religion, creed, color, sex, marital status, sexual orientation, political ideology,~~
13 ~~ancestry, age, national origin, or the presence of any sensory, mental or physical handicap unless~~
14 ~~based upon bona fide occupational qualification. The foregoing commitment shall be~~
15 ~~implemented as follows:~~

16
17 (a) ~~The Permittee will take affirmative action to ensure that applicants are employed and~~
18 ~~that employees are treated during employment without regard to their race, religion,~~
19 ~~creed, color, age, national origin or the presence of any sensory, mental or physical~~
20 ~~handicap. Such action shall include, but not be limited to, the following:~~
21 ~~employment, upgrading, demotion or transfer, recruitment or recruitment advertising,~~
22 ~~layoff or termination, rates of pay or other forms of compensation and selection for~~
23 ~~training, including apprenticeship.~~



1
2 **Section 3. Acceptance of terms and conditions.** The Permittee shall deliver to the
3 Director its written signed acceptance of the terms of this ordinance within 60 days after the
4 effective date of this ordinance. The Director shall file the written acceptance with the City
5 Clerk. If no such acceptance is received within that 60-day period, the privileges conferred by
6 this ordinance shall be deemed declined or abandoned and the permission granted deemed lapsed
7 and forfeited.

8
9 **Section 4. Successors and assigns.** The rights conferred to the Permittee and the
10 obligations and conditions imposed on the Permittee through this ordinance are also conferred
11 and imposed on the Permittee's successors and assigns. All references in this ordinance to the
12 "Permittee" shall also be deemed to refer to the successors and assigns of the Permittee.
13 References in this ordinance to "Permittee and its successors and assigns" or "Permittee or its
14 successors and assigns" are included as reminders and do not limit the scope of "Permittee" used
15 alone.

16
17 **Section 5. Ratify and confirm.** Any act taken by the City or the Permittee pursuant to the
18 authority and in compliance with the conditions of this ordinance but prior to the effective date
19 of the ordinance is ratified and confirmed.
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1 Section 6. This ordinance shall take effect and be in force 30 days from and after its
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
3 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2011, and signed by
5 me in open session in authentication of its passage this
6 ____ day of _____, 2011.

7
8
9 _____
10 President _____ of the City Council

11
12 Approved by me this ____ day of _____, 2011.

13
14
15 _____
16 Michael McGinn, Mayor

17
18 Filed by me this ____ day of _____, 2011.

19
20
21 _____
22 City Clerk

23 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Department of Transportation	Angela Steel/684-5967	Rebecca Guerra/684-5339

Legislation Title:

AN ORDINANCE, relating to a pedestrian tunnel under and across Minor Avenue, between Columbia and Marion Streets, amending Ordinance 113238, as previously amended by Ordinances 121494 and 121855, updating the insurance and bond requirements, and amending the annual fee; renewing the term of the permit to Swedish Health Services; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation amends Ordinance 113238, as amended by Ordinance 121494 and 121855, for the Swedish Health Services to continue maintaining and operating the existing pedestrian tunnel located under and across Minor Avenue, between Columbia and Marion Streets. An area map is attached for reference.

The permit is renewed for a ten-year term starting on January 22, 2007. The legislation updates the insurance and surety bond provisions as recommended by the City Risk Manager, specifies the conditions under which authorization is granted, and provides for acceptance of the permit and conditions.

The ordinance requires Swedish Health Services to pay the City an annual fee of \$2,376 starting from the last paid annual fee invoice, January 22, 2011, 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 to this fiscal note for reference.

Background:

By Ordinance 74335, the City granted permission to the Swedish Hospital to construct, maintain, and operate a pedestrian tunnel located under and across Minor Avenue, between Columbia and Marion Streets and the permission expired after 20 years.

By Ordinance 94157, the City granted permission to the Swedish Hospital to operate and maintain the existing pedestrian tunnel and the permission expired after 20 years.

By Ordinance 113238, the City granted permission to Swedish Hospital Medical Center to operate and maintain the existing pedestrian tunnel for a ten-year term, renewable for two



successive ten-year terms. Ordinance 113238 was renewed by Resolutions 29549 and was due again for renewal on January 21, 2007.

The conditions of Ordinance 113238 were amended by Resolution 28569 and 29549 and Ordinance 121494 and 121855.

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.

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
Transportation Operating Fund 10310	Seattle Department of Transportation	Annual Fee	2011 Fee = \$2,376	TBD
TOTAL			\$2,376	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

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 of \$2,376. 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 113238, would no longer be permitted.

Does this legislation affect any departments besides the originating department?



None.

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.)

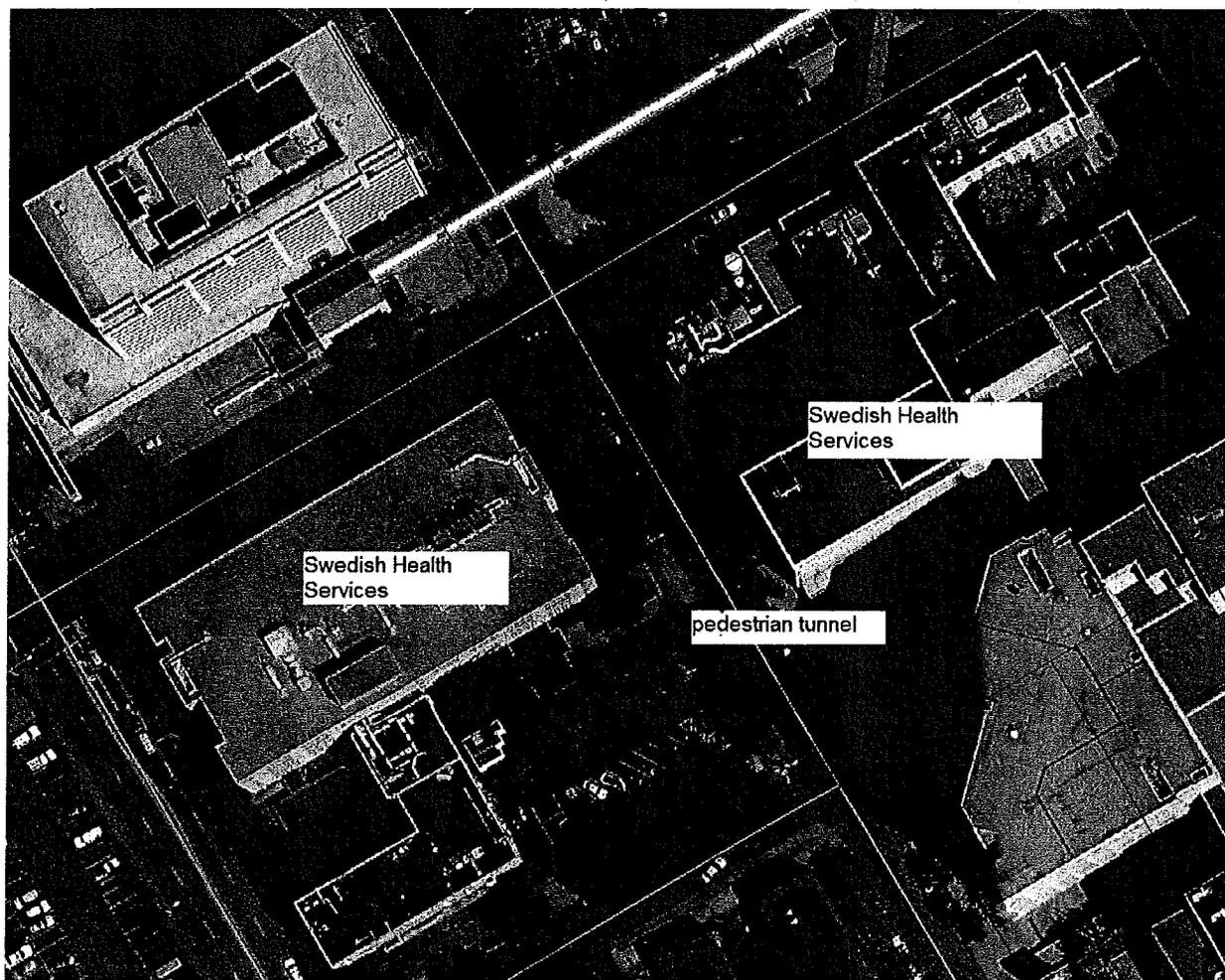
N/A

List attachments to the fiscal note below:

Attachment A – Swedish Minor Tunnel Area Map
Attachment B - Annual Fee Assessment Summary



Attachment A – Swedish Minor 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: 2/1/11

<p>Summary: Land Value: \$165/SF First Year Permit Fee: \$2,376</p>

I. Property Description:

Existing subsurface pedestrian tunnel under and across Minor Avenue, between Marion and Columbia Streets. The tunnel connects the properties of 805 Summit Avenue and 1124 Columbia Street. Adjacent tax parcels are listed below. The tunnel is **720 square feet**.

Applicant:
Swedish Health Services

Abutting Parcels, Property Size, Assessed Value:

1. Parcel 8590900946; 61,440 square feet
Tax year 2011 Appraised Land Value \$10,137,600
Assessed at \$165/SF
2. Parcel 1978200665; 78,897 SF
Tax year 2011 Appraised Land Value \$13,018,000
Assessed at \$165/SF

Average 2011 tax assessed land value: \$165/SF

II. Annual Fee Assessment:

The 2011 permit fee is calculated as follows: $(\$165/\text{SF}) \times (720 \text{ SF}) \times (25\%) \times (8\%) =$ \$2,376, 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

April 12, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that will grant to Swedish Health Services a ten-year renewal permit for an existing pedestrian tunnel under Minor Avenue, between Columbia and Marion Streets, as authorized by Ordinance 113238.

Use of the existing tunnel, which was authorized by Ordinance 113238 and amended by Ordinances 121494 and 121855, provides an underground connection for pedestrians between the Swedish Health Services Broadway Campus. In addition to granting a new permit, the proposed Council Bill updates the insurance and bond requirements, updates 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

