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**ORDINANCE \_\_\_\_\_**

AN ORDINANCE, relating to a vehicular and pedestrian tunnel under the alley between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, north of Stewart Street, amending Ordinance 119508, as amended by Ordinance 121855, updating the insurance and bond requirements, and amending the annual fee; renewing the term of the permit to Plaza 600 Building L.L.C.; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

WHEREAS, by Ordinance 97096, the City of Seattle granted the Vance Corporation permission to construct, operate, and maintain a vehicular and pedestrian tunnel under the alley between 6th Avenue and 7th Avenue, north of Stewart Street; and

WHEREAS, the permission authorized by Ordinance 97096 expired after 30 years; and

WHEREAS, by Ordinance 119508 the City granted permission to Plaza 600 Building L.L.C. for the ongoing maintenance and operation of the vehicular and pedestrian tunnel for a ten-year term, renewable for two successive ten-year terms, and this ordinance was amended by Ordinance 121855; and

WHEREAS, the permission authorized by Ordinance 119508 was due for renewal on October 31, 2008; and

WHEREAS, the Plaza 600 Building L.L.C. has submitted an application to the Seattle Department of Transportation Director (Director) to continue maintaining and operating the vehicular and pedestrian tunnel and paid annual fees up to November 2009; and

WHEREAS, the Plaza 600 Building L.L.C. has satisfied all terms of the original authorizing ordinance and the Director recommends that the term permit be renewed subject to the terms identified in this ordinance; NOW, THEREFORE,

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

Section 1. The permission granted to Plaza 600 Building L.L.C. by Ordinance 119508 and amended by Ordinance 121855 to maintain and operate a vehicular and pedestrian tunnel

1 under the alley between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, north of Stewart Street is renewed for a ten-  
2 year period starting November 1, 2008 and ending at 11:59 p.m. on October 31, 2018, upon the  
3 terms and conditions set forth in Ordinance 119508, as amended by Ordinance 121855, and as  
4 further amended by this ordinance.

5 Section 2. Sections 1, 2, 3, 6, 8, 9, 10, 11, 12, and 13 of Ordinance 119508, as amended  
6 by Ordinance 121855, are amended as follows:  
7

8 1. **Permission.** Subject to terms ~~((and conditions))~~ of this ordinance, permission ~~(also~~  
9 ~~referred to in this ordinance as a permit)~~ is ~~((hereby))~~ granted to Plaza 600 Building L.L.C.~~((;))~~  
10 ~~(Permittee) and its successors and assigns, (((“Permittee”)))~~ to maintain and operate a vehicular  
11 and pedestrian tunnel ~~(tunnel)~~ under ~~((and across))~~ the alley between 6<sup>th</sup>-7<sup>th</sup> Avenues ~~((Alley)),~~  
12 north of Stewart Street. ~~((Said))~~ The tunnel shall be used as a passageway for vehicles and  
13 pedestrians in connection with the operation of the Permittee’s business or ~~((any))~~ facilities  
14 ~~((used in connection therewith)).~~

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17 2. **Term.** The permission ~~((herein))~~ granted to the Permittee~~((;))~~ and its successors and  
18 assigns, shall be for a term of ten ~~((10))~~ years, commencing November 1, 1998, and terminating  
19 at 11:59 p.m. on the last day of the tenth year ~~((; provided, however, that upon))~~. Upon written  
20 application of the Permittee at least ~~((thirty (30)))~~ 180 days before expiration of the term, the  
21 Director of the Seattle Department of Transportation ~~((“Director”))~~ (Director) may renew the  
22 ~~((permit))~~ permission for two ~~((2))~~ successive ten ~~((10))~~-year terms. ~~((; provided further that~~  
23 ~~the))~~ The total term of the permission as originally granted and ~~((thus))~~ extended shall not exceed  
24 ~~((thirty (30)))~~ 30 years, subject to the right of ~~((F))~~ the City of Seattle ~~((“City”))~~ (City) to:  
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1 terminate the permit as provided for in Section 3, require removal as provided for in Section 4, or  
2 revise by ordinance ((to then revise any of the terms and)) any conditions ((contained herein)) of  
3 this ordinance. The Permittee shall submit a complete application for a new term permit  
4 ordinance no later than 180 days prior to the expiration of the ordinance term. Failure to obtain  
5 additional permission through a new tunnel ordinance, or to remove the tunnel prior to expiration  
6 of the term, is a violation of Chapter 15.90 of the Seattle Municipal Code (SMC).

8 **3. Removal for public use or cause.** The ((permit)) permission granted ((hereby)) is  
9 subject to ((primary and secondary)) use of the street right-of-way by the City and the public for  
10 travel, ((and)) utility purposes, and other street uses. ((t))The City expressly reserves the right to  
11 require the Permittee to remove the tunnel at Permittee's sole cost and expense in the event that:

13 (a) The City Council determines((s)) by ordinance((s)) that the space occupied by the  
14 tunnel is necessary for any ((primary or secondary)) public use or benefit((s)) or that the tunnel  
15 interferes with any ((primary or secondary)) public use or benefit; or

17 (b) The Director ((of Transportation ("Director"))) determines that any term or condition  
18 of this ordinance has been violated((s)) and ((such)) the violation ((is)) has not been corrected by  
19 the Permittee ((with thirty (30) days of)) by the compliance date after written notification from  
20 the City.

22 A City Council determination that the space is ((necessary for a primary or secondary)) needed  
23 for or interferes with a public use or benefit shall be conclusive and final without any right of the  
24 Permittee to resort to the courts to adjudicate the matter.

\* \* \*

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2       **6. Failure to correct unsafe condition.** After notice to the Permittee((~~g~~)) and failure of  
3 the Permittee to correct ((said)) any unsafe ((or risk-prone)) conditions within the time stated in  
4 ((such)) the notice, the Director may order the tunnel closed or removed at the Permittee's  
5 expense if the Director deems that it has become unsafe or creates a risk of injury to the public.  
6 ((In a situation in which)) If there is an immediate threat to the health or safety of the public, a  
7 notice is not required.  
8

\* \* \*

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11       **8. Release, hold harmless, indemnification, and duty to defend.** The tunnel shall  
12 remain the exclusive responsibility of the Permittee(~~The~~), and the Permittee agrees to maintain  
13 the tunnel in good and safe condition. The Permittee, by ((acceptance)) accepting the terms of  
14 this ordinance and the permission ((hereby)) granted, ((does release)) releases the City from any  
15 and all claims resulting from damage or loss to ((its)) the Permittee's own property and  
16 ((covenant)) covenants and ((agree)) agrees for itself, its successors and assigns, with ((The)) the  
17 City ((of Seattle,)) to at all times protect and save harmless ((The)) the City ((of Seattle)) from all  
18 claims, actions, suits, liability, loss, costs, expense, or damages of every kind and description,  
19 ((f))excepting only ((such)) damages that may result from the sole negligence of the City((t)),  
20 ((which)) that may accrue to, or be suffered by, any person or persons and/or property or  
21 properties, including without limitation, damage or injury to the Permittee, its officers, agents,  
22 employees, contractors, invitees, tenants and tenants' invitees, licensees or its successors and  
23 assigns, by reason of the construction, maintenance, operation or use of ((said)) the tunnel, or any  
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1 portion thereof, or by reason of anything that has been done((;)) or may at any time be done((;))  
2 by the Permittee, its successors or assigns((;)) by reason of this ordinance((;)) or by reason of the  
3 Permittee, its successors or assigns((;)) failing or refusing to strictly comply with each and every  
4 provision of this ordinance((; and if)).

5 If any ((sueh)) suit, action or claim ((be)) of the nature described above is filed, instituted  
6 or begun against the City, the Permittee, its successors or assigns((;)) shall, upon notice thereof  
7 from the City, defend the same at its or their sole cost and expense, and in case judgment shall be  
8 rendered against the City in any suit or action, the Permittee, its successors or assigns((;)) shall  
9 fully satisfy ((said)) the judgment within ((ninety-90)) 90 days after ((sueh)) an action or suit  
10 shall have been finally determined, if determined adversely to the City. ((Provided that if)) If it is  
11 determined by a court of competent jurisdiction that Revised Code of Washington (RCW)  
12 4.24.115 applies to this ordinance, then in the event claims or damages are caused by or result  
13 from the concurrent negligence of:

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

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

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

18 **9. Insurance.** For as long as the Permittee, its successors and assigns, shall exercise any  
19 permission granted by this ordinance and until the tunnel is entirely removed from its location as  
20 described in Section 1 or until discharged by order of the Director as provided in Section 7 ((of  
21 this ordinance)), the Permittee shall obtain and maintain in full force and effect, at its own  
22

1 expense, insurance (~~policeies which~~) that protects the City from ((any all)) claims and risks of  
2 loss from perils that can be insured against under commercial general liability (CGL) insurance  
3 policies in conjunction with:

4  
5 (a) construction, reconstruction, operation, maintenance, use, or existence of the tunnel  
6 permitted by this ordinance and of any and all portions of the tunnel;

7  
8 (b) ~~((the))~~ Permittee's activity upon, or the use or occupation of the area described in  
9 Section 1 ~~((of this ordinance, as well as));~~ and

10  
11 (c) ~~((any and all))~~ claims and risks in conjunction with any activity performed by the  
12 Permittee by virtue of the permission granted by this ordinance.

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

19  
20 Minimum ~~((policy))~~ limits of liability shall be \$2,000,000 ((per occurrence,)) each  
21 occurrence combined single limit bodily injury and property damage, with \$4,000,000 annual  
22 aggregate. Coverage shall ((specifically)) name the ((tunnel exposure)) "City of Seattle, its  
23 elected and appointed officers, officials, employees and agents" as additional insureds for  
24 primary and non-contributory limits of liability subject to a Separation of Insureds clause.  
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1 ~~((Coverage shall add by endorsement The City of Seattle, its elected and appointed officers,~~  
2 ~~officials, employees and agents as additional insured. Coverage shall contain a Separation of~~  
3 ~~Insureds Clause indicating essentially that "except with respect to the limits of insurance, and any~~  
4 ~~rights or duties specifically assigned in this coverage part to the first named insured, this~~  
5 ~~insurance applies as if each named insured were the only named insured, and separately to each~~  
6 ~~insured against whom claim is made or suit is brought. Evidence of current coverage shall be~~  
7 ~~submitted to the City in the form of a copy of the full insurance policy with all endorsements~~  
8 ~~attached thereto, and is a condition to the validity of this permit.))~~

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

16 Should the Permittee be self-insured, a letter of certification from the Corporate Risk  
17 Manager or appropriate Finance Officer may be submitted in lieu of the insurance coverage  
18 certification required by this ordinance, if approved in writing by the City Risk Manager. The  
19 letter must provide all information required by the City Risk Manager and document, to the  
20 satisfaction of the City Risk Manager, that self-insurance equivalent to the insurance  
21 requirements of this ordinance is in force. After a self-insurance certification is approved, the  
22 City may subsequently from time to time require updated or additional information. The  
23 approved self-insured Permittee must provide 30 days notice of any cancellation or material

1 adverse financial condition of its self-insurance program. The City may at any time revoke  
2 approval of self-insurance and require the Permittee to obtain and maintain insurance as specified  
3 in this ordinance.

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

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13 10. **Contractor Insurance.** The Permittee shall contractually require that any and all of  
14 its contractors performing construction work on ~~((the))~~ any premises as contemplated by ~~((this~~  
15 ~~permit,))~~ the permission name ~~((F))~~ the “City of Seattle, its elected and appointed officers,  
16 officials, employees, and agents” as an additional insureds for primary and non-contributory  
17 limits of liability on all ~~((policies of public))~~ CGL, Automobile and Pollution liability insurance~~((s~~  
18 ~~and))~~ and/or self-insurance. Permittee shall also include in all contract documents with its  
19 contractors a third party beneficiary provision extending construction indemnities and warranties  
20 granted to ~~((Plaza 600 Building L.L.C.))~~ Permittee to the City as well.

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23 11. **Performance Bond.** Within ~~((sixty(60)))~~ 60 days after the effective date of this  
24 ordinance the Permittee shall deliver to the Director (~~(of Transportation)~~) for filing with the City  
25 Clerk a ~~((good and))~~ sufficient bond in the sum of ~~((Twenty Five Thousand Dollars~~  
26

1 (~~\$25,000.00~~) \$160,000 executed by a surety company authorized and qualified to do business in  
2 the State of Washington, conditioned that the Permittee will comply with each and every  
3 provision of this ordinance and with each and every order of the Director ~~((pursuant thereto;~~  
4 ~~provided, that if the Mayor of the City of Seattle in his/her judgement shall deem any bond or~~  
5 ~~bonds filed to be insufficient and demand a new or additional bond, the Permittee shall furnish a~~  
6 ~~new or additional bond in such amount as the Mayor may specify to be necessary to fully protect~~  
7 ~~the City. Said))~~ issued under this ordinance. The Permittee shall ensure that the bond ((shall))  
8 remain in effect until ((such time as)) the tunnel is entirely removed from its location as  
9 described in Section 1, or until the Permittee is discharged by order of the Director as provided in  
10 Section 7 ((of this ordinance)). An irrevocable letter of credit approved by the City Risk  
11 Manager may be substituted for the bond.

14 **12. Consent for and conditions of assignment or transfer.** The right, privilege and  
15 authority granted shall not be assignable or transferable by operation of law; nor shall the  
16 Permittee, its successors and assigns ((shall not assign,)) transfer, assign, mortgage, pledge or  
17 encumber ((any privileges conferred by this ordinance)) the same without the Director's consent,  
18 which ((of)) the Director shall not unreasonably refuse. The Director may approve assignment  
19 and/or transferal of the permit to a successor entity in the case of a change of name and/or  
20 ownership ((provided that)) if the successor or assignee has demonstrated its acceptance of all of  
21 the terms of the permission ((granted to the initial Permittee)) provided by this ordinance. ((If  
22 permission is granted, the assignee or transferee shall be bound by all of the terms and conditions

1 of this ordinance. ~~The permission conferred by this ordinance shall not be assignable or~~  
2 ~~transferable by operation of law.))~~

3 13. **A. Inspection fees.** The Permittee, its successors and assigns~~((s))~~ shall, as provided by  
4 SMC Chapter 15.76, pay to ((The)) the City ((of Seattle such)) the amounts ((as may be justly  
5 chargeable)) charged by ((said)) the City as costs ((of inspection of said)) to inspect the tunnel  
6 during construction, reconstruction, repair, annual structural inspections, and at other times  
7 deemed necessary to ensure the safety of the tunnel.((, under the direction of the Director))

8  
9 **B. Inspection report.** The Permittee, its successors and assigns shall submit to the  
10 Director or to the Department of Transportation at an address as the Director may specify, from  
11 time to time, in writing an inspection report that:

- 12  
13 (a) describes the physical dimensions and condition of all load-bearing elements,  
14 (b) describes any damage or possible repairs to any element of the tunnel,  
15 (c) prioritizes all repairs and establishes a timeframe for making the repairs, and  
16 (d) is stamped by a professional structural engineer licensed in the State of Washington.

17  
18 The report shall be submitted within 60 days after the effective date of this ordinance;  
19 subsequent reports shall be submitted biennially, within 30 days before the anniversary date of  
20 the effective date of this ordinance; or in the event of a natural disaster or other event that may  
21 have damaged the tunnel, the report shall be submitted by the date established by the Director.

22  
23 **C. Annual fees.** Permittee shall ~~((and in addition shall))~~ promptly pay to the City, ~~((in~~  
24 ~~advance))~~ upon statements or invoices ~~((rendered))~~ issued by the Director, an annual fee for the  
25 privileges granted ((and exercised hereunder)) by this ordinance in the amount of ((Two  
26

1 ~~Thousand Eight Hundred Seven Dollars (\$2,807.00))~~ \$3,040 beginning on November 1, 2009.  
2 and adjusted annually thereafter. Adjustments to the annual fee ((~~amount~~)) shall be made in  
3 accordance with a term permit fee schedule adopted by the City Council ((~~by ordinance~~)) and  
4 may be ((~~adjusted~~)) made every year. In the absence of ((~~such~~)) a schedule, the Director may only  
5 increase or decrease the previous year's fee ((~~amount annually~~)) to reflect any inflationary  
6 changes so as to charge ((~~said~~)) the fee in constant dollar terms. This adjustment will be  
7 calculated by adjusting the previous year's fee ((~~amount~~)) by the percentage change between the  
8 two most recent year-end values available of the Consumer Price Index for the Seattle-Tacoma-  
9 Bremerton Area, All Urban Consumers, All Products, Not Seasonally Adjusted. All payments  
10 shall be made to the City Finance Director for credit to the Transportation Operating Fund.  
11

12  
13 Section 3. The Permittee shall deliver to the Director its written signed acceptance of the  
14 terms of this ordinance within 60 days after the effective date of this ordinance. The Director  
15 shall file the written acceptance with the City Clerk. If acceptance is not received within that  
16 60-day period, the privileges conferred by this ordinance shall be deemed declined or abandoned  
17 and the permission granted deemed lapsed and forfeited.  
18

19 Section 4. Any act taken by the City or the Permittee pursuant to the authority and in  
20 compliance with the conditions of this ordinance, but prior to the effective date, is hereby ratified  
21 and confirmed.  
22

23 Section 5. **Successors and assigns.** The rights conferred to the Permittee and the  
24 obligations and conditions imposed on the Permittee through this ordinance are also conferred  
25 and imposed on the Permittee's successors and assigns. All references in this ordinance to the  
26

1 "Permittee" shall be deemed to refer also to the successors and assigns of the Permittee.  
2  
3 References in this ordinance to "Permittee and its successors and assigns" or "Permittee or its  
4 successors and assigns" are included as reminders and do not limit the scope of "Permittee" used  
5 alone.

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

9 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2010, and  
10 signed by me in open session in authentication of its passage this  
11 \_\_\_\_ day of \_\_\_\_\_, 2010.

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14 \_\_\_\_\_  
15 President \_\_\_\_\_ of the City Council

16 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2010.

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

21 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2010.

22  
23  
24 \_\_\_\_\_  
25 City Clerk

26 (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, relating to a vehicular and pedestrian tunnel under the alley between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, north of Stewart Street, amending Ordinance 119508, as amended by Ordinance 121855, updating the insurance and bond requirements, and amending the annual fee; renewing the term of the permit to Plaza 600 Building L.L.C.; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

• **Summary of the Legislation:**

This legislation amends Ordinance 119508, as amended by Ordinance 121855, for the Plaza 600 Building L.L.C. to continue maintaining and operating the existing vehicular and pedestrian tunnel located under the alley between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, north of Stewart Street. An area map is attached for reference.

The permit is renewed for a ten-year term starting on November 1, 2008. The legislation updates the insurance and surety bond provisions as recommended by the City Risk Manager. The legislation also specifies the conditions under which authorization is granted and provides for acceptance of the permit and conditions.

The ordinance requires Plaza 600 Building LLC to pay the City an annual fee of \$3,040 starting from the last paid annual fee invoice, November 1, 2009, 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. In the absence of such a schedule, the Director may only increase or decrease the previous year's fee annually to reflect any inflationary changes so as to charge the fee in constant-dollar terms. This adjustment will be calculated by adjusting the previous year's fee by the percentage change between the two most recent year-end values available of the Consumer Price Index for the Seattle-Tacoma-Bremerton Area, All Urban Consumers, All Products, Not Seasonally Adjusted. An Annual Fee Appraisal Summary is attached for reference.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

By Ordinance 97096, the City granted permission to the Vance Corporation to construct, maintain, and operate a vehicular and pedestrian tunnel under the alley between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, north of Stewart Street. The permission authorized by Ordinance 97096 expired after 30 years. By Ordinance 119508, the City granted permission to Plaza 600 Building L.L.C. for the ongoing maintenance and operation of the vehicular and pedestrian

tunnel for a ten-year term, renewable for two successive ten-year terms.

Ordinance 119508 was amended by Ordinance 121855 and the permission authorized by Ordinance 119508 was due for renewal on October 31, 2008.

- 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:** This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
<b>TOTAL</b>				

\*See budget book to obtain the appropriate Budget Control Level for your department.

Notes: 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	2010 Revenue	2011 Revenue
Transportation Operating Fund 10310	Seattle Department of Transportation	Annual Fee –	\$3,040 (2009 fee) + \$3,057.71 (2010 fee w/ .58% CPI)	\$3,040
<b>TOTAL</b>			<b>\$6,097.71</b>	<b>\$3,040</b>

Notes:

**Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact:** This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2010 Positions	2010 FTE	2011 Positions*	2011 FTE*
<b>TOTAL</b>							

\* 2010 positions and FTE are total 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.

Notes: N/A

- **Do positions sunset in the future?** No.

**Spending/Cash Flow:** This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Anticipated Expenditures
<b>TOTAL</b>				

\* See budget book to obtain the appropriate Budget Control Level for your department.

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 of \$3,040 for at least ten years. The City of Seattle has the option to adjust the fee amount on an annual basis. The tunnel, as originally permitted under Ordinance 119508, will 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** N/A
- **List attachments to the fiscal note below:**

Angela Steel  
SDOT Plaza 600 Building LLC Tunnel FISC  
December 8, 2010  
Version #3

Attachment A – Plaza 600 Building LLC Tunnel Area Map  
Attachment B - Annual Fee Appraisal Summary



City of Seattle  
Office of the Mayor

August 31, 2010

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 Plaza 600 Building L.L.C. a ten-year renewal permit for an existing vehicular and pedestrian tunnel under and across the alley between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, north of Stewart Street.

Use of the existing tunnel, which was authorized by Ordinance 119508, provides an underground connection between the Plaza 600 Building and parking facilities. In addition to renewing the 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

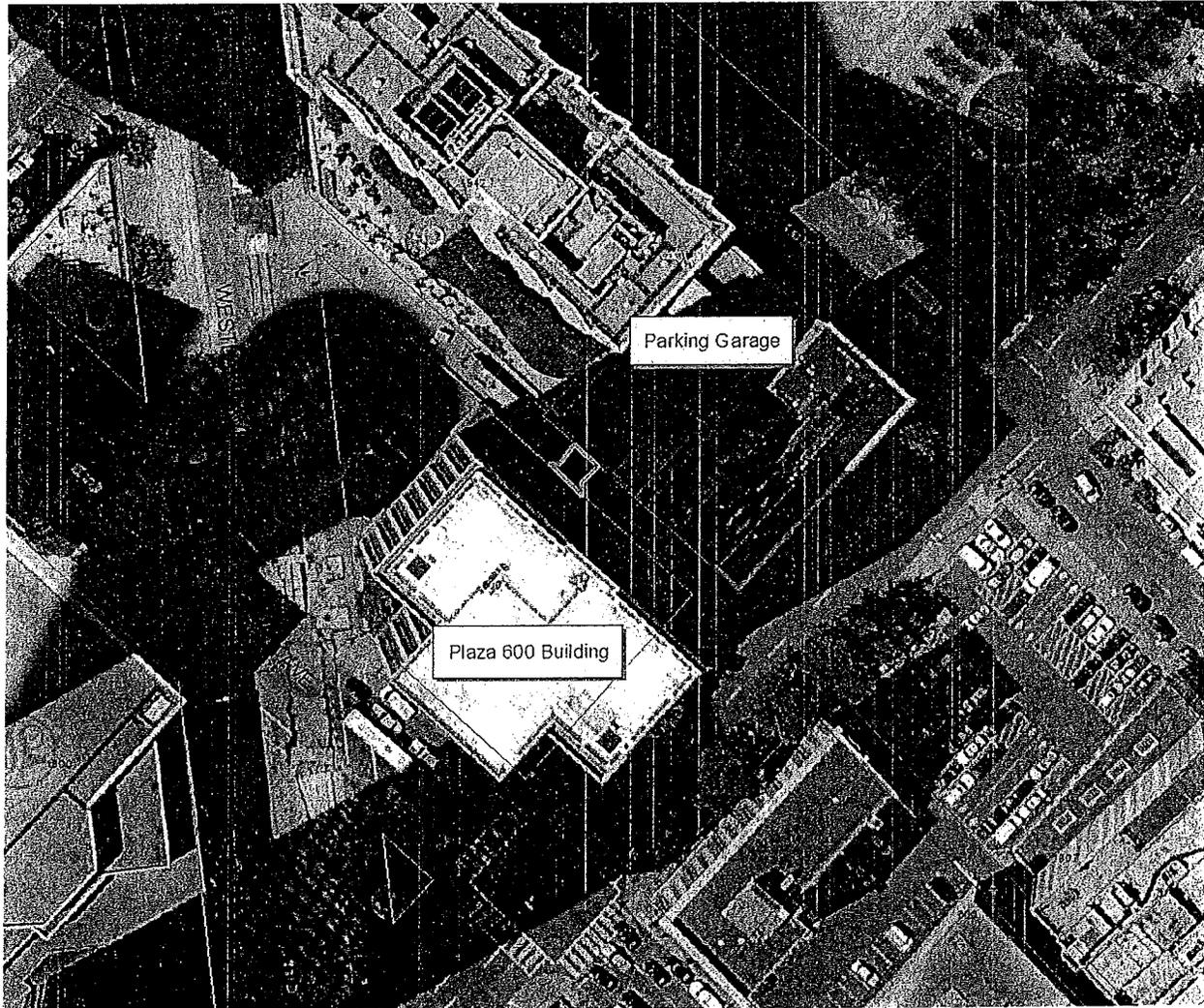
cc: Honorable Members of the Seattle City Council

Parking Garage

Angela Steel  
SDOT Plaza 600 Building LLC Tunnel FISC  
July 30, 2010  
Version #2

Attachment A – Plaza 600 Building LLC Tunnel Area Map  
Attachment B - Annual Fee Appraisal Summary

Attachment A – Plaza 600 Building LLC 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 Appraisal Summary

Summary:  
Land Value: \$500/SF  
First Year Permit Fee:  
\$3,040

**STREET USE VALUE ESTIMATE**

Date: 7/1/2010  
 Prepared by: Leslie M. Bloomer, Sr. Real Property Agent  
 SDOT RW, 206.386.1547

**I. Property Description:**

Existing subsurface tunnel ramp for vehicles to access shared parking garage. Located under the 16 foot wide alley in the block north of Stewart St., between 6<sup>th</sup> Ave and 7<sup>th</sup> Ave. Connecting Tax parcels are 065900-0555 (Plaza 600 office building) and 065900-0625, -0640 (Hotel Max and it's parking garage). Permit is for a 304 square foot area. The degree of alienation or reduction in value to the land because of the subsurface vehicle access is estimated at 25%.

**II. Applicant:**

Plaza 600 Building, LLC

**Zoning, Size, Assessed Value:**

Parcel 065900-0555: DOC2-500/300-500 21,351 square feet--- Assessed \$500/SF (2010)  
 Parcel 065900-0640: DOC2-500/300-500 6,360 square feet--- Assessed \$500/SF (2010)  
 Parcel 065900-0625: DOC2-500/300-500 7,272 square feet--- Assessed \$500/SF (2010)

**III. Highest and Best Use Analysis:**

The highest and best use of this particular public alley right-of-way would be assemblage to the adjoining properties.

**IV. Sales Data Summary:**

	<b>Sale #1</b>	<b>Sale #2</b>	<b>Sale #3</b>	<b>Sale #4</b>
<b>Location</b>	1600 9 <sup>th</sup> Ave.	1912 4 <sup>th</sup> Ave.	800 Stewart St.	5 <sup>th</sup> and Stewart
<b>Sale Price</b>	\$2,000,000	\$10,800,000	\$9,839,000	\$9,000,000
<b>Area SF</b>	7,078	14,400	13,560	12,960
<b>Sale Date</b>	3/2009	4/2006	9/2008	5/2006
<b>Zoning</b>	DOC2-500	DOC2-500	DOC2-500	DOC2-500
<b>Price/SF</b>	<b>\$283</b>	<b>\$750</b>	<b>\$726</b>	<b>\$694</b>
<b>Parcel Number</b>	066000-0860	065900-0410 (multiple)	066000-0625	065900-0455

**Notes:**

A large adjustment for market conditions would have to be made given the age of the comparable sales in the vicinity with similar use and zoning, as evidenced by sale #1. Sale #1 is very inferior as to utility, location and size, so adjustments would be made upward to account for those. I estimate that the larger parcel would sell for around \$500 per square foot.

**V. Conclusion:**

The value of the subsurface vehicle/pedestrian tunnel is estimated at \$500.00 per square foot. The first year permit fee should be calculated as follows:  $(\$500/\text{SF}) \times (304 \text{ SF}) \times (25\%) \times (8\%) = \$3,040.00$ , where 25% is the degree of alienation multiplier and 8% is the rate of return.