



**Legislative Department
Seattle City Council
Memorandum**

Date: February 24, 2015

To: Tom Rasmussen, Transportation Committee Chair
Mike O'Brien, Transportation Committee Vice-Chair
Jean Godden, Transportation Committee Member

From: Peter Lindsay, City Council Central Staff

Subject: C.B. 118334 and C.B. 118335 – Proposals to Grant Permission and Establish Terms and Conditions for Underground Utility Lines Conveying Heating and Cooling to Certain Properties -- for February 24 Transportation Committee Meeting

Council Bill (C.B.) 118334 and C.B. 118335 are legislation granting permissions – in the form of a term permit -- and establishing terms and conditions for specific utility line improvements underneath certain City streets to convey heating energy to nearby properties in the Denny Triangle neighborhood. On September 15, 2015 Council conceptually approved installation of the utility lines for site specific heat conveyance (although the resolution refers to utility tunnels) under Resolutions No. 31544 and No. 31545. Each resolution contemplated that the permit holder would return to Council for formal approval of the term permit via ordinance.

Both Council Bills establish initial permit durations of ten years with up to two additional ten year extensions to be approved by the Director of the Seattle Department of Transportation or the Council.

C.B. 118334 grants permission to Eco District LLC (Eco District) to construct, operate, and maintain in the public right-of-way underground heat energy conveyance lines from the Westin Building Exchange to the new Acorn Development (Acorn) buildings. Eco District plans to convey excess heat energy from data center facilities located in the Westin Building Exchange to the Acorn properties along 6th Avenue between Lenora and Blanchard Streets. In a reciprocal arrangement, Acorn plans to extract the excess heat energy and return cool water to the Westin Exchange Building to condition air in the data center facilities. For the privilege of accessing and utilizing the public right-of-way Eco District will pay an annual fee of \$12,247.20 based on the term permit fee schedule adopted by the Council by Ordinance 123485.

Similarly, C.B. 118335 grants permission to Acorn to construct, operate, and maintain underground utility lines in the public right-of-way to support Acorn property development in the vicinity of 6th Avenue and Lenora Street. The underground improvements provide site specific heating and cooling conveyance as well as non-potable water, fire protection water, and communications infrastructure to proposed Acorn buildings. For the privilege of accessing and

utilizing the public right-of-way Acorn will pay an annual fee of \$8,305.25 based on the term permit fee schedule adopted by the Council by Ordinance 123485.

Notably, both ordinances acknowledge that the proposed improvements cannot be utilized to provide utility services to third parties other than Acorn, the Westin Building Exchange, and Eco District.

Council Central Staff has reviewed C.B. 118334 and C.B. 118335 and found no significant issues with the legislation.