

April 26, 2023

MEMORANDUM

To: Transportation and Seattle Public Utilities Committee
From: Lish Whitson, Analyst
Subject: Council Bill 120543 – SeaPort Midstream Partners Pipeline

On May 2, 2023, the Transportation and Seattle Public Utilities Committee (Committee) will discuss and possibly vote on [Council Bill \(CB\) 120543](#), which would repermit a pipeline system in the SW Florida Street right-of-way between 13th Avenue SW and 16th Avenue SW (Council District 1). Four pipelines, owned by SeaPort Midstream Partners, LLC (SeaPort), are located in a 10-foot-wide strip of land in, under, along and across SW Florida St on Harbor Island. The pipeline system connects two oil storage plant facilities owned by SeaPort. The legislation would renew an existing permit for a 15-year term, which could be renewed once.

This memorandum describes the term permit repermitting process and the pipeline permit.

Significant Structure Term Permit Renewals

Significant structures are structures that have “a long-anticipated duration of encroachment, impede the City’s or public’s flexibility in the use of the public place, or are necessary for the functioning of other property of the permittee.” Examples include tunnels below streets that provide utility, pedestrian, or vehicular access between private properties; public art placed in right-of-way; and overhead structures attached to buildings. [Seattle Municipal Code \(SMC\) Chapter 15.65](#) establishes the procedures and criteria for repermitting a term permit for significant structures once the original term of approval has ended.

[SMC 15.65.077](#) states:

Upon completion of final review of an application to continue to maintain and operate an existing significant structure upon expiration of the term of the permission (including any authorized renewals), the Director of Transportation shall transmit a final recommendation to the City Council for its decision to grant or deny the application for a term permit to continue to maintain and operate an existing significant structure. The Council shall include in its consideration those elements set out in subsection [15.65.076.C](#). The City Council shall not approve an application to continue to maintain and operate an existing significant structure upon term expiration unless it finds that continued maintenance and operation of the structure is in the public interest and no reasonable alternative to the structure exists.

[Section 15.65.080](#) provides the terms and conditions that may be included in a term permit ordinance. These include, but are not limited to:

- the term of years that permission is granted and renewal periods, if any;
- provision for regular inspection of and procedures for closure or removal of the structure;
- requirements for performance bonds, public liability insurance, indemnification, conformance with other laws, and annual fees;
- prohibition against assignment without City consent;
- a requirement for execution and recording of a covenant ensuring that obligations and conditions imposed on the permittee run with the land, where applicable;
- public benefit mitigation elements; and
- timely acceptance of permission.

The current practice of the Seattle Department of Transportation (SDOT) is to recommend 15-year permits that can be extended for one additional 15-year term, and then need further Council approval to continue.

SW Florida Street Pipeline System

SeaPort operates two oil storage facilities on Harbor Island located on the north and south sides of SW Florida Street. They currently have a term permit for a pipeline system that occupies a ten-foot-wide section of the street right-of-way between 13th Avenue SW and 16th Avenue SW. The proposed bill would allow SeaPort, or future assignees, to continue to operate, renew, repair, and change the size and number of the pipelines, or remove the pipelines.

Permission for pipelines in the Florida Street right-of-way was first granted to The Texas Company in 1947 through [Ordinance 75817](#). Separate approval was granted in 1956 to the Richfield Oil Corporation under [Ordinance 85730](#). Ordinance 85730 was superseded and permission for the pipelines was granted to the Atlantic Richfield Corporation under [Ordinance 110519](#), which was amended by [Ordinance 119397](#) and renewed by [Resolution 28646](#). Approvals under these bills ended on December 31, 2001. However, the provisions of Ordinance 110519, as amended, remain in effect until the pipelines are removed by the permittee or the City requires removal of the pipelines. Between 2001 and today, ownership of the oil storage facilities and the pipelines transferred to SeaPort, who continue to operate under Ordinance 110519, as amended.

This bill grants a new permit to the current owners of the pipelines, SeaPort Midstream Partners, LLC. Permission would be for a 15-year term, renewable once. The bill is comparable to other term permit bills, except that the insurance requirements in CB 120543 are higher than those for other types of term permits. For example, Section 10.D. of the bill requires that the permittee acquire a pollution liability insurance policy and provide it to the City.

Next Steps

If the Committee recommends approval of CB 120543 at its May 2 meeting, it could be considered by the City Council as early as May 9.

cc: Esther Handy, Director
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