

May 14, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Council Bill 120075 – Plaza 600 Tunnel Term Permit Renewal

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On May 19, 2021, the Transportation and Utilities Committee will discuss and possibly vote on [Council Bill \(CB\) 120075](#), which would renew and extend approval to BGO Plaza 600 JV LLC to maintain a tunnel under the alley on the block bounded by Westlake, 6<sup>th</sup> and 7<sup>th</sup> avenues and Stewart Street in the Denny Triangle neighborhood. The tunnel connects the Plaza 600 office building at the corner of Stewart and Westlake to a parking garage on 7<sup>th</sup> Avenue. The legislation would provide a new fifteen year term for the term permit.

The Seattle Department of Transportation (SDOT) is proposing that the terms of significant structure term permits and skybridge permits be extended. Instead of a ten year permit renewable twice, SDOT proposes to move to a fifteen year permit, renewable once. This shift responds to the volume of term permits, the amount of work required to process a permit renewal, and the rarity of significant changes to approvals during term permit renewals. As a result of this shift, this bill would extend the term of the permit by eight years to 2036.

Permission to build and use the tunnel was first granted through [Ordinance 97096](#), in 1968. In 1999, [Ordinance 119508](#) renewed that approval for ten years. [Ordinance 123510](#) amended Ordinance 119508 and extended approval for an additional ten year term to 2018. CB XXXXXX would amend Ordinance 119508 to allow the approval to run for a final 15-year term to 2036.

### 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 approval of and renewal of term permits for significant structures.

[SMC 15.65.073](#) states:

*If the Director of Transportation determines at term renewal that the authorizing ordinance requires an amendment, the Director shall provide a recommendation to City Council as to whether an application for a significant structure term permit renewal should be granted or denied with the appropriate terms and conditions, and the Council shall decide on the renewal and establish the terms and conditions of that renewal consistent with [Section](#)*

15.65.080. *Approval of an amended term renewal for a significant structure term permit shall be granted only by ordinance.*

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.

### **Plaza 600**

Plaza 600 is a 20-story office building in the Denny Triangle. It shares a block with the Hotel Max and Met Tower apartment building. A three-story parking garage located between the hotel and apartment buildings is connected to Plaza 600 through an underground vehicle and pedestrian tunnel under the alley that separates Plaza 600 from the rest of the block.

CB 120075 would amend Ordinance 119508, which granted approval to operate the tunnel between 1998 and 2008. Ordinance 119508 provided for up to two additional ten year terms, requiring renewal in 2008 and 2018 and requiring re-permitting in 2028. Ordinance 123510 amended some of the terms in Ordinance 119508, and extended approval for the tunnel for an additional ten years to 2018. That approval has not yet been renewed.

The proposed bill would extend approval to the owners of Plaza 600 to operate the tunnel for a fifteen year term, ending in 2036. At that time, the owners would need to seek a new permit in order to continue operating the tunnel.

### **Next Steps**

If the Transportation and Utilities Committee recommends approval of Council Bill 120075 at its May 19 meeting, it could be considered by the City Council as early as May 24.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager