

May 14, 2021

MEMORANDUM

To: Transportation and Utilities Committee
From: Lish Whitson, Analyst
Subject: Council Bill 120076 – Fairmont Olympic Hotel Tunnel

On May 19, 2021, the Sustainability and Transportation Committee will discuss and possibly vote on [Council Bill \(CB\) 120076](#), which would renew and extend approval to IC/RCDP Seattle Hotel, LLC to maintain a tunnel under Seneca Street between 4th and 5th Avenues. The tunnel connects the Fairmont Olympic Hotel to a parking garage on the south side of Seneca Street. Deliveries to the hotel are made in the garage, and the tunnel is used by employees to move supplies between the garage and the hotel across the street. The legislation would provide a new fifteen year term for the term permit, which could be extended once.

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 potential term of the permit by 11 years to 2051.

Permission to build and use the tunnel was first granted in 1981 through [Ordinance 109601](#). In 2011, [Ordinance 123539](#) permitted the tunnel for an additional ten years, eligible to be renewed for two additional ten year terms. CB 120076 would amend Ordinance 123539 to allow the approval to run for a new 15-year term, which could be renewed for one additional 15-year term.

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.

Fairmont Olympic Hotel Tunnel

The Fairmont Olympic Hotel opened in 1924 on the site of the University of Washington's original campus in the heart of Downtown Seattle. The 450-room hotel, a designated National Register Landmark, has traded hands over the years, and is currently operated by Fairmont Hotels and Resorts. The University of Washington owns the land beneath the hotel and the parking garage across the street.

A tunnel connects the hotel to a loading dock located in the parking garage at the southwest corner of 5th Avenue and Seneca Street. The tunnel allows employees of the hotel to move supplies through the tunnel under Seneca Street, rather than at grade.

The proposed bill would amend Ordinance 123539, which granted approval to operate the tunnel between 2010 and 2020. Ordinance 123539 provided for up to two additional ten year terms, requiring renewal in 2020 and 2030 and requiring re-permitting in 2040. The proposed bill would extend approval to the hotel to operate the tunnel for a new fifteen year term, starting in 2021. Permission to operate the tunnel could be renewed for an additional 15-year term running to 2051, after which time the hotel would need to seek a new permit.

Next Steps

If the Transportation and Utilities Committee recommends approval of Council Bill 120076 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