

September 10, 2021

### MEMORANDUM

То:	Transportation and Utilities Committee
From:	Lish Whitson, Analyst
Subject:	Council Bill 120174: University of Washington 6th Avenue Tunnel

On September 15, 2021, the Transportation and Utilities Committee (Committee) will receive a briefing and may vote on <u>Council Bill (CB) 120174</u>. This bill would grant an additional 15-year term to the University of Washington's permit for a tunnel under 6th Avenue, north of University Street. The tunnel connects the Washington Athletic Club and the Hilton Seattle Hotel to the Two Union Square office building to the east and to the Skinner building and Rainier Square to the west. The tunnel is open to the public.

Permission to build and use the tunnel was first granted in 1975 through <u>Ordinance 105902</u>. In 2011, <u>Ordinance 123793</u> permitted the tunnel for an additional ten years, eligible to be renewed for two additional ten-year terms.

Consistent with other recent extensions of term permits, Council Bill 120174 would shift the terms of the permit from three ten-year terms to two fifteen-year terms. CB 120174 would amend and supersede the terms of Ordinance 123793 and grant a new 15-year term. The new term would end in 2036 and could be renewed for an additional term to 2051.

#### **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. <u>Seattle Municipal Code (SMC)</u> <u>Chapter 15.65</u> 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 <u>Section 15.65.080</u>. Approval of an amended term renewal for a significant structure term permit shall be granted only by ordinance.

<u>Section 15.65.080</u> 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.

# University of Washington 6th Avenue Tunnel

The University of Washington's 6th Avenue Tunnel runs under 6th Avenue between Union Street and University Street, connecting to a tunnel that runs to 4th Avenue on the west and Two Union Square on the east. The tunnel is accessible to the public during business hours through (1) the western extension of the tunnel at Rainier Square, (2) public stairs at the 5th Avenue Theater in the Skinner Building, (3) the Washington Athletic Club lobby on the west side of 6th Avenue, (4) the parking garage below the Hilton Seattle hotel; and (5) through the lobby of Two Union Square on the east side of 6th Avenue.

Sections of tunnel to the west of the segment of the tunnel that is the subject of this legislation provide access to: the Skinner Building, including the Fifth Avenue Theater; the Rainier Square block; and 4th and 5th avenues. This western section of the tunnel includes retail businesses along the tunnel under the Skinner Building. The eastern section of the tunnel provides access to the tenants and visitors to between Two Union Square and this underground retail corridor.

Permission to build and operate a tunnel was originally granted to UNICO Properties, Inc. in 1975 under Ordinance 105902. At the time UNICO leased and managed the properties in the University of Washington's Metropolitan Tract and approval was granted for tunnels under 5th Avenue in the Tract, the alley between 5th and 6th avenues, and under 6th Avenue. In 2011, the Council approved a 10-year extension of approval for the tunnel under 6th Avenue under Ordinance 123793. That approval was renewable for up to two additional 10-year terms, potentially ending in 2031. CB 120174 would amend that approval, using a 15 year term, renewable once for an additional 15 years, to 2051.

## **Next Steps**

If the Transportation and Utilities Committee recommends approval of CB 120174 at its September 15 meeting, it could be considered by the City Council as early as September 20.

cc: Esther Handy, Executive Director Aly Pennucci, Policy and Budget Manager