

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117909

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AN ORDINANCE establishing a new Pioneer Square Parking and Business Improvement Area; levying special assessments upon operators of the business property, and mixed-use property (multi-family residential and commercial) within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the current Pioneer Square Parking and Business Improvement Area that was established in 1983 by Ordinance 111244 (“1983 PSBIA”) as amended by Ordinance 114396, Ordinance 115838 and Ordinance 122000; suspending the issuance of assessments and providing for the winding up of activities under the 1983 PSBIA; and providing for the distribution of remaining funds from and closing of the 1983 PSBIA Account.

WHEREAS, RCW 35.87A authorizes the City to establish business improvement areas to provide special benefits to business and property owners within a defined geographic area through the imposition of special assessments; and

WHEREAS, the current Pioneer Square Parking and Business Improvement Area (“1983 PSBIA”), which was established in 1983 by Ordinance 111244 and amended by Ordinance 114396, Ordinance 115838 and Ordinance 122000 to provide services and amenities for ratepayers paid for through a levy of special assessments, does not provide for an expiration date; and

WHEREAS, businesses and mixed-use properties that are subject to the special assessments levied by this ordinance and that would pay 60 percent of the total special assessments levied by this ordinance filed a petition with The City of Seattle to establish a new and expanded Pioneer Square Parking and Business Improvement Area pursuant to RCW 35.87A, a copy of which is filed in C.F. 313180; and

WHEREAS, the City Council adopted Resolution 31472, initiating a new and expanded Pioneer Square Parking and Business Improvement Area via the Resolution method instead of the petition method as provided for by RCW 35.87A.030; and

WHEREAS, pursuant to RCW 35.87A.040, the City Council on September 3, 2013, adopted Resolution 31481 titled ‘A RESOLUTION of intention to establish a Pioneer Square Parking and Business Improvement Area, and fixing a date and place for a hearing thereon, and superseding Resolution 31473’, which stated its intention to establish the

1 new and expanded Pioneer Square Parking and Business Improvement Area, the
2 proposed boundaries of which include the 1983 PSBIA, and the proposed programs of
3 which are intended to supersede the programs of the 1983 PSBIA, and the date and place
4 for a public hearing; and

5 WHEREAS, pursuant to RCW 35.87A.180, the City Council on September 3, 2013, adopted
6 Resolution 31482, which stated its intention to disestablish the 1983 PSBIA and set a
7 date and place for a public hearing; and

8 WHEREAS, the purpose of the new and expanded Pioneer Square Parking and Business
9 Improvement Area is to enhance conditions for the operation of those businesses and
10 mixed-use properties by performing activities that go beyond the basic services provided
11 by The City of Seattle and are in addition to and different than any services provided by
12 another, overlapping Business Improvement Area; and

13 WHEREAS, as provided by Resolutions 31481 and 31482, the City Council, through its
14 Government Performance and Finance Committee held public hearings on September 4
15 and September 18, 2013, at 9:30 a.m., in City Council Chambers, 600 Fourth Avenue,
16 Seattle, WA, and the testimony received at those hearings resulted in the Council
17 determining that disestablishing the 1983 PSBIA and establishing the new and expanded
18 Pioneer Square Parking and Business Improvement Area is in the best interest of the
19 businesses and mixed-use properties within the Pioneer Square Parking and Business
20 Improvement Area's expanded boundaries; NOW, THEREFORE,

21 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

22 **Section 1.** Disestablished. The current Pioneer Square Parking and Business
23 Improvement Area ("1983 PSBIA") established in 1983 by Ordinance 111244 as amended by
24 Ordinance 114396, Ordinance 115838 and Ordinance 122000, shall be disestablished on the date
25 that assessments commence under Section 18 for the new and expanded Pioneer Square Parking
26 and Business Improvement Area.

27 **Section 2.** 1983 PSBIA Assessments to Cease. No further 1983 PSBIA assessments
28 shall be made after the date that the 1983 PSBIA is disestablished .

1 **Section 3. Winding up of Operations.** The Director of the Department of Finance and
2 Administrative Services, or his designee (“Director”) is authorized to enter into an agreement
3 with the Program Manager of the 1983 PSBIA to provide for continuity of services and winding
4 up of operations of the 1983 PSBIA. All 1983 PSBIA program and management operations shall
5 cease after the date that the 1983 PSBIA is disestablished , and all remaining funds in the 1983
6 PSBIA Account shall immediately be transferred to the account described in Section 9.
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8 **Section 4. Area Established.** As authorized by Chapter 35.87A RCW, there is
9 established a Pioneer Square Parking and Business Improvement Area, within the following
10 boundaries as shown on the map attached as Exhibit A (when a street or alley is named, the
11 area boundary is the centerline of the right-of-way including vacated portions unless otherwise
12 specified in the description): Beginning at the intersection of Occidental Avenue South and
13 Railroad Way South, then south along Occidental Avenue South to South Royal Brougham
14 Way, then west along South Royal Brougham Way to the east line of King County Parcel
15 Number 7666207695 known as the Port of Seattle Terminal, then north along the east lines of
16 King County Parcel Numbers 7666207695, 7667800005, 7666207697, 7666202631, and
17 7666202630 to the Inner Harbor line of Elliott Bay, then north along the Inner Harbor line to
18 Columbia Street, then northeast along Columbia Street to the alley between 1st Avenue and
19 2nd Avenue, then southeast along the alley to Cherry Street, then northeast along Cherry Street
20 to the alley between 2nd Avenue and 3rd Avenue, then southeast along the alley to James
21 Street, then northeast along James Street to 3rd Avenue, then southeast along 3rd Avenue to
22 Jefferson Street, then northeast along Jefferson Street to 4th Avenue, then southeast along 4th
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1 Avenue to Terrace Street, then northeast along Terrace Street to 5th Avenue, then southeast
2 and south along 5th Avenue to Yesler Way, then west along Yesler Way to 4th Avenue South,
3 then south along 4th Avenue South to South Jackson Street, then east along South Jackson
4 Street to 5th Avenue South, then south along 5th Avenue South to South King Street, then west
5 along South King Street to 4th Avenue South, then west along the south edge of the historic
6 Union Station building, then south and northwest along the east and south edges of the
7 properties adjoining the historic King Street Station (King County parcel numbers
8 5247801190, 7666202635, 7666204886), then west along the south line of the properties on
9 the south side of South King Street (King County parcel numbers 7666204878, 7953000000)
10 to Occidental Avenue South, and then south along Occidental Avenue South to the point of
11 beginning.
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14 In case of a conflict between the description of the area and the map, the description shall
15 control.
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17 **Section 5. Programs.** Special Assessment revenues shall be used for the following
18 component programs:
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- 20 1. Neighborhood and business advocacy
- 21 2. Economic development and retail recruitment
- 22 3. Marketing and promotion
- 23 4. Improving the built environment and pedestrian realm
- 24 5. Street civility and public safety
- 25 6. Building neighborhood and organizational capacity

26 The listing of services is illustrative and not exclusive. All such activities are supplemental to
27 street maintenance and law enforcement provided by the City and are not intended to displace
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1 any services regularly provided by municipal government. All such activities are in addition to
2 and different than any services provided by another, overlapping Business Improvement Area.

3
4 **Section 6. Levy of Special Assessments.** To finance the programs authorized in Section
5 5, there is levied upon and shall be collected from the operators of business property and mixed-
6 use property (multi-family residential and commercial) located within the boundaries of the
7 Pioneer Square Parking and Business Improvement Area described in Section 4, a special
8 assessment. Ratepayers will be assessed by the City in annual installments beginning with the
9 base year of the authorization (2014), by applying an annual assessment rate to each ratepayer as
10 described below.
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12
13 A. Records for the assessment calculation are reported by the ratepayer at the time of
14 collection and are subject to verification by the City of Seattle. These rates are called the
15 “Base Year Rates.”

16 B. Except as provided below, all uses will initially be assessed at \$0.20 x Occupied
17 Square Footage.

18 C. Warehouse/Industrial uses will be assessed at \$0.02 x Occupied Square Footage.

19 D. Parking uses will be assessed at \$30 per stall.

20 E. Group homes/day shelters will be assessed at \$0.01 x Occupied Square Footage.

21 F. Residential uses (other than group homes/day shelters) will not be assessed.

22 G. Governmental uses, public utilities, Union Station, and King Street Station and
23 related parcels (King County parcel numbers 5247801190, 7666202635, 7666204886),
24 will not be assessed.

25 H. Ratepayers will be assessed by the City in annual installments beginning with the
26 Base Year Rates (2014). Beginning in January 2015, and each January thereafter, the
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1 assessment rate will increase by the lesser of 3% or the change in the Consumer Price
2 Index for All Urban Consumers in Seattle-Tacoma-Bremerton (CPI-U-Seattle) in the
3 previous year, to maintain approximately the same level of services and benefits as in the
4 base year.

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6 **Section 7. Rate Changes.** Changes in the assessment rate other than those described in
7 Section 6 shall be made only by ordinance and as authorized in RCW 35.87A.140 with the
8 approval of the Ratepayers Advisory Board and shall not occur more than one time per year.

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10 **Section 8. Collection Schedule.** Special assessments shall be collected on a semi-annual
11 basis. The Director or the Director's designee may change the billing frequency by directive to
12 an interval no less frequent than quarterly. A copy of a directive issued under this Section shall
13 be mailed to all Ratepayers not less than 90 days before the new billing due date is to take effect.

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15 **Section 9. Deposit of Revenues.** There is in the City Treasury's Business Improvement
16 Area Fund a separate subaccount designated the Pioneer Square Parking and Business
17 Improvement Area Account (called "the Account"). The following monies shall be deposited in
18 the Account:

- 19
20 A. All revenues from special assessments levied under this ordinance;
21 B. All income to the City from public events financed with special assessments;
22 C. Gifts and donations;
23 D. Interest and all other income from the investment of Account deposits;
24 E. Restitution moneys for expenditures made from the Account; and
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F. Reimbursements due to the Account.

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2 **Section 10.** Delinquent Payments. If an assessment has not been paid within 30 days
3 after its due date, the Director shall send a reminder notice and add a \$5 processing fee. If the
4 assessment is not paid within 60 days after its due date, a delinquency charge shall be added in
5 the amount of ten percent of the assessment. All assessments that are not paid within 60 days of
6 the due date shall also bear interest from the due date at 12 percent per annum. The Director is
7 authorized to refer any unpaid assessments to a collection agency or to bring an action to collect
8 any unpaid assessments in any court of competent jurisdiction in King County.
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11 **Section 11.** Notices. Notices of assessment, installment payments, or delinquency, and
12 all other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the
13 City to the address shown on the records of the Director, and, if no address is shown there, to the
14 address shown on the records of the County Assessor. Failure of the Ratepayer to receive any
15 mailed notice shall not release the Ratepayer from the duty to pay the assessment on the due date
16 and any interest and delinquency charges.
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19 **Section 12.** Disputes. Any Ratepayer aggrieved by the amount of an assessment or
20 delinquency charge may on request obtain a meeting with the Director or the Director's designee.
21 If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the
22 manner provided for a contested case under Chapter 3.02 of the Seattle Municipal Code. The
23 Ratepayer has the burden of proof to show that the assessment or delinquency charge is
24 incorrect.
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1 **Section 13. Audit.** The City may conduct random audits of Ratepayers to ensure that
2 assessments are being properly calculated and reported.

3 **Section 14. Expenditures.** Expenditures from the Account shall be made upon demand
4 and presentation of documentation of allowable expenses to the Director by the Program
5 Manager and shall be used exclusively for the statutory purposes as defined in Section 5.
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7 **Section 15. Ratepayers Advisory Board.** The Director shall appoint an interim
8 Ratepayers Advisory Board comprised of Ratepayers from the Pioneer Square Parking and
9 Business Improvement Area within thirty days of the effective date of this ordinance. The
10 Director shall solicit recommendations from the Ratepayers, and shall appoint the interim board
11 from that list. The interim Ratepayers Advisory Board will recommend a permanent Ratepayers
12 Advisory Board (the "Board") within ninety days of the effective date of this ordinance. The
13 composition of the Board shall be representative of the variety of locations, sizes and
14 classifications of Ratepayers in the Area.
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17 The Director shall appoint the permanent Board members from the list recommended by
18 the interim Ratepayers Advisory Board. The Director may appoint additional members to the
19 Board beyond those recommended by the interim Ratepayers Advisory Board to ensure a broad
20 representation of Ratepayers, provided that the additional members so appointed do not exceed
21 one-third of the entire membership of the Board.
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1 The Ratepayers Advisory Board shall be responsible for adopting bylaws and policy
2 guidelines, and for providing advice and consultation to the Director and to the Program
3 Manager.

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5 The Ratepayers Advisory Board shall meet at least once quarterly; recommend an
6 annual work program and budget; address and discuss Ratepayer concerns and questions
7 regarding the Pioneer Square Parking and Business Improvement Area and programs; review all
8 reports to be submitted to the Director by the Program Manager; and sponsor an annual
9 Ratepayers' meeting.

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11 At the annual Ratepayers' meeting, the Board shall submit for approval its proposed
12 work plan and budget for the next year, and its recommendation regarding whether to continue
13 with the current Program Manager. The work plan, budget, and recommendation regarding
14 whether to continue with the current Program Manager must be approved by a majority vote of
15 the Ratepayers attending the meeting and submitted to the Director.

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18 **Section 16. Administration.** The Director shall administer the program for the City with
19 authority to:

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21 A. Collect the special assessments; refund special assessments when overpaid or
22 otherwise improperly collected; extend the deadline for payment and waive delinquency
23 charges and interest whenever the delinquency results from extenuating circumstances
24 beyond the Ratepayer's control, such as a casualty loss causing premature closure of the
business or bankruptcy, or the total payment due to the City (exclusive of penalty and
interest) is \$10 or less;

25 B. Calculate and collect the interest, penalties, and processing fees for late payments;

1 C. After receiving the recommendation of the interim Ratepayers Advisory Board,
execute a program management contract with a Program Manager; and

2 D. Accept and deposit advance payment of assessments by ratepayers; accept donations
3 from governmental agencies, the public, and owners and operators of businesses on land
4 that is developed or redeveloped during the existence of the Pioneer Square Parking and
5 Business Improvement Area for Pioneer Square Parking and Business Improvement Area
programs.

6 **Section 17. Contract for Program Management.** The Director is authorized to contract
7 with any local non-profit entity experienced in Business Improvement Area management to act
8 as the Program Manager. The Program Manager's duties, subject to the approval of the
9 Ratepayers at each annual meeting, will be to manage the day-to-day operations of the Pioneer
10 Square Parking and Business Improvement Area and to administer the projects and activities. It
11 is the intent of the City Council that the Director contract with the Alliance for Pioneer Square as
12 the initial Program Manager. The selection of a Program Manager upon the recommendation of
13 the Ratepayers Advisory Board acting on behalf of the Ratepayers shall obviate compliance with
14 the consultant selection procedures of Seattle Municipal Code Chapter 20.50 and Section
15 20.42.050.
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18 **Section 18. Commencement of Assessments.** Assessments shall commence as of
19 January 1, 2014, or on the effective date of this ordinance, whichever is later.
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21 **Section 19. Request to Disestablish.** Upon a petition signed by Ratepayers that pay 60
22 percent of the special assessments, the Ratepayers Advisory Board shall request the City Council
23 to disestablish the Pioneer Square Parking and Business Improvement Area in accordance with
24 Chapter 35.87A RCW.
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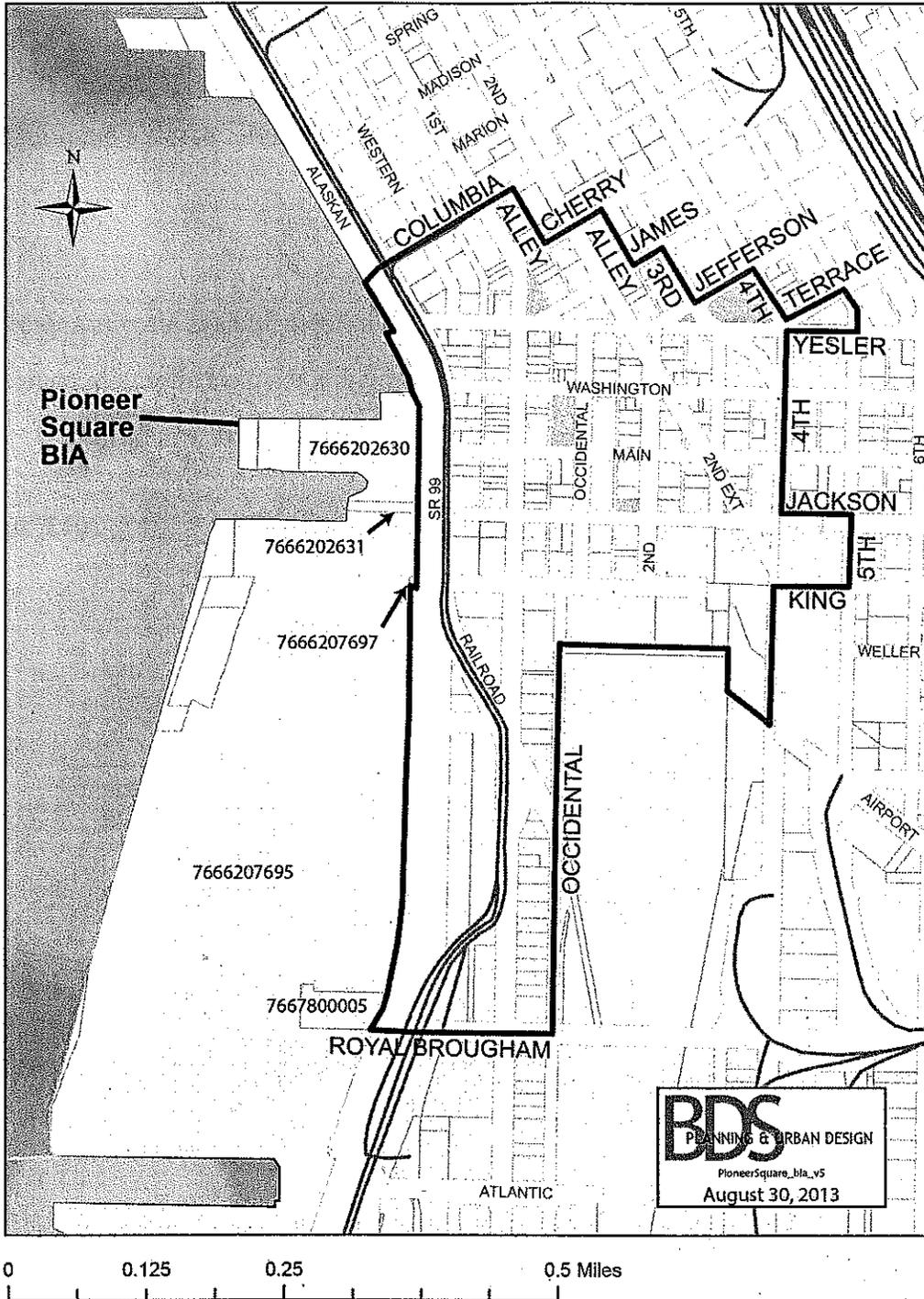


Exhibit A. Pioneer Square BIA

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services	Teri Allen/684-5226	Jennifer Devore/615-1328

Legislation Title:

AN ORDINANCE establishing a Pioneer Square Parking and Business Improvement Area; levying special assessments upon operators of the business property and mixed-use property (multi-family residential and commercial) within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the current Pioneer Square Parking and Business Improvement Area that was established in 1983 by Ordinance 111244 (“1983 PSBIA”) as amended by Ordinance 114396, Ordinance 115838 and Ordinance 122000; suspending the issuance of assessments and providing for the winding up of activities under the 1983 PSBIA; and providing for the distribution of remaining funds from and closing of the 1983 PSBIA Account.

Summary of the Legislation:

This Ordinance creates a new and expanded Pioneer Square Parking and Business Improvement Area (PSBIA), as allowed under RCW 35.87A. The PSBIA is expected to be funded by a special assessment levied on operators of businesses or mixed use properties within its boundaries. The City would contract with a Program Manager to administer the activities set out in the PSBIA business plan. The new PSBIA’s Program Manager will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers in the area covered by the improvement district.

Background:

This Ordinance is the final piece of legislation that must be prepared, per RCW 35.87A, to create a new and expanded PSBIA. The City has passed a Resolution to initiate the formation of the PSBIA along with the passage of a Resolution of intent that included the time, date and location of a public hearing. After the public hearing, the Council agreed to go forward with this Ordinance.

A proposal was put together recommending the continuation and expansion of the current PSBIA. The current Ratepayer Advisory Board developed a proposal that they believe to be efficient, accountable, and responsive to the area’s needs. The Board worked to collect signatures for a petition to form a Business Improvement Area that will allow for the implementation of the PSBIA business plan that would include the following program components:

1. Neighborhood and business advocacy
2. Economic development and retail recruitment
3. Marketing and promotion
4. Improving the built environment and pedestrian realm
5. Street civility and public safety
6. Building neighborhood and organizational capacity

The petitioning effort met the required 60% show of support by the affected ratepayers. The PSBIA is expected to be funded by a special assessment levied on operators of businesses or mixed use properties within its boundaries. The new PSBIA will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers in the area covered by the improvement district.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
TOTAL				

Appropriations Notes: No appropriation authority is required to expend these funds.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
19810 Pioneer Square Improvement Area	Finance and Administrative Services	Ratepayer Assessments	\$ 0	\$ 900,000
TOTAL			\$ 0	\$ 900,000

Revenue/Reimbursement Notes: FAS would collect the assessments from the ratepayers, but the funds would then be kept by FAS only for reimbursement to the Pioneer Square Business Improvement Area.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
TOTAL							

Position Notes:

Do positions sunset in the future? Not applicable.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
19810 Pioneer Square Improvement Area	Finance and Administrative Services	Not applicable	\$ 0	\$ 900,000
TOTAL			\$ 0	\$ 900,000

Spending/Cash Flow Notes: The Department of Finance and Administrative Services (FAS) will collect the PSBIA's assessments from its ratepayers. FAS holds the funds solely for the purpose of reimbursing the Pioneer Square Business Improvement Area, which would actually administer staffing, projects, and other costs associated with the PSBIA.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No.
- b) **What is the financial cost of not implementing the legislation?**
None. The PSBIA is established as a revenue-neutral program.
- c) **Does this legislation affect any departments besides the originating department?**
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
None. Improvement area services are in addition to, and not a replacement of, basic City services, and are funded by assessments on the properties that benefit from the services. If the legislation is not passed, the services under the improvement area will not be provided.

- e) **Is a public hearing required for this legislation?** Yes. The public hearing date is set in the companion FAS Pioneer Square BIA Intention resolution.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** Yes. The companion FAS Pioneer Square BIA Intention resolution must be published to give notice of the public hearing for the ordinance.
- g) **Does this legislation affect a piece of property?** Yes.
- h) **Other Issues:** None.

List attachments to the fiscal note below: None