

#3

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 117875

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4 AN ORDINANCE establishing a five-year SoDo (South of Downtown) Parking and Business
5 Improvement Area; levying special assessments upon owners of property within the area;
6 providing for the deposit of revenues in a special account and expenditures therefrom;
7 providing for collection of and penalties for delinquencies; providing for the
8 establishment of a Ratepayers Advisory Board; providing for an implementation
9 agreement with a Program Manager; and ratifying and confirming certain acts related
10 thereto.

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

14 WHEREAS, businesses and mixed-use properties located within the area that are subject to the
15 special assessments levied by this ordinance and that would pay 60 percent of the total
16 special assessments levied by this ordinance filed a petition with The City of Seattle to
17 establish a new SoDo Parking and Business Improvement Area (SoDo BIA) pursuant to
18 RCW 35.87A, a copy of which is filed in C.F. 313179; and

19 WHEREAS, the City Council adopted Resolution 31469, initiating a Parking and Business
20 Improvement Area via the Resolution method as provided for by RCW 35.87A.030; and

21 WHEREAS, pursuant to RCW 35.87A.040, the City Council adopted on September 3, 2013,
22 Resolution 31483 titled 'A Resolution of intention to establish a five-year SoDo (South
23 of Downtown) Parking and Business Improvement Area and fixing a date and place for a
24 hearing thereon, and superseding Resolution 31470'; and

25 WHEREAS, the purpose of the SoDo BIA is to enhance conditions for the operation of those
26 businesses and mixed-use properties by performing activities that go beyond the basic
27 services provided by The City of Seattle; and

28 WHEREAS, as provided by Resolution 31483, the City Council, through its Government
Performance and Finance Committee held public hearings on September 4 and
September 18, 2013, at 9:30 a.m., in City Council Chambers, 600 Fourth Avenue, Seattle,
WA, and the testimony received at those hearings resulted in the Council determining
that establishing the new SoDo BIA is in the best interest of the businesses and mixed-
use properties within the SoDo BIA's boundaries; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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2 **Section 1. Area Established.** As authorized by Chapter 35.87A RCW, there is hereby
3 established a SoDo (South of Downtown) Parking and Business Improvement Area (“SoDo
4 BIA”), within the following boundaries as shown on the map attached as Exhibit A (when a
5 street or alley is named, the area boundary is the centerline of the right-of-way including vacated
6 portions unless otherwise specified in the description):

7
8 From the intersection of South Atlantic Street and Colorado Avenue South, proceed south
9 along Colorado Avenue South to the southwest corner of property parcel number 766207050;
10 then proceed east along the south line of property parcel number 766207050 to Utah Avenue
11 South; then proceed south along Utah Avenue South to South Walker Street; then proceed
12 southwest along the northwest line of property parcel number 7666207214 to Colorado Avenue
13 South; then proceed south on Colorado Avenue South to South Hanford Street; then proceed east
14 along South Hanford Street to 1st Avenue South; then proceed south along 1st Avenue South to
15 South Spokane Street; then proceed east along South Spokane Street to 2nd Avenue South; then
16 proceed south along 2nd Avenue South to South Dakota Street; then proceed west along South
17 Dakota Street to 1st Avenue South; then proceed south along 1st Avenue South to Diagonal Way
18 South; then proceed northeast along Diagonal Way South to 2nd Avenue South; then proceed
19 south along 2nd Avenue South to the Railroad Right-of-Way; then proceed southeast along the
20 Railroad Right-of-Way to the southwest corner of property parcel number 2024049006; then
21 proceed east along the south line of property parcel number 2024049006 to 6th Avenue South;
22 then proceed north along 6th Avenue South, crossing over South Spokane Street, continuing on
23 6th Avenue South to the north line of property parcel number 7666203810; then proceed east
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1 along the north line of property parcel number 7666203810 to the property parcel number
2 7666203850; then proceed north along the northwest line of property parcel number 7666203850
3 to where its northwest corner abuts the property parcel number 7666203785; then proceed east
4 along the north line of property parcel number 7666203850 to 8th Avenue South; then proceed
5 south along 8th Avenue South to Airport Way South; then proceed northeast along Airport Way
6 South to South Horton Street; then proceed east along South Horton Street to Interstate-5; then
7 proceed north along Interstate-5 to South Massachusetts Street (includes full property parcel
8 number 7666202860 in the northeast corner); then proceed west along South Massachusetts
9 Street to 6th Avenue South; then proceed north along 6th Avenue South to the northeast corner of
10 property parcel number 7666204640; then proceed east along the north property line of property
11 number 7666204640 to the northwest corner of this property; then proceed south along the
12 northwest line of property parcel number 7666204640 to the point where it lines up to the west
13 with the north line of property parcel number 7666204625; then proceed west, crossing over 5th
14 Avenue South, and continuing along the north line of property parcel number 7666204625 to 4th
15 Avenue South; then proceed south along 4th Avenue South to the north line of property parcel
16 number 7666204990; then proceed west along the north line of property parcel number
17 7666204990 to 3rd Avenue South; then proceed south along 3rd Avenue South to South Holgate
18 Street; then proceed west along South Holgate Street to Occidental Avenue South; then proceed
19 north along Occidental Avenue South to South Atlantic Street; then proceed west along South
20 Atlantic Street to Colorado Avenue South.
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1 In case of a conflict between the description of the area and the map, the description shall
2 control.

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4 **Section 2. Programs.** Special Assessment revenues shall be used for the following
5 component programs:

- 6 1. Advocacy
- 7 2. Security
- 8 3. Cleaning
- 9 4. Transportation
- 10 5. Marketing
- 11 6. Business Development
- 12 7. Communications and Networking
- 13
- 14

15 The listing of services is illustrative and not exclusive. All such services are supplemental to
16 street maintenance and law enforcement provided by the City and are not intended to displace
17 any services regularly provided by the City.

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19 **Section 3. Levy of Special Assessments.** To finance the programs authorized in Section
20 2, there is levied upon and shall be collected from the owners of property located within the
21 boundaries of the SoDo BIA described in Section 1, a special assessment. Ratepayers will be
22 assessed by the City in five annual installments to be billed semi-annually beginning with the
23 base year of the authorization (2014), by applying an assessment rate to each Ratepayer as
24 described below:
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1 A. In 2014 and 2015, the assessment rate on each property within the SoDo BIA will be
2 \$0.50 per \$1,000 of total taxable value based on 2013 King County records;

3 B. In 2016, 2017, and 2018, the assessment rate will be \$0.50 per \$1,000 of total taxable
4 value based on 2015 King Country records;

5 C. Property owned and operated by a governmental organization and public utilities will
6 not be assessed.
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9 **Section 4. Rate Changes.** Changes in the assessment rate other than those described in
10 Section 3 shall only be made by ordinance and as authorized in RCW 35.87A.140 with the
11 approval of the Ratepayers Advisory Board and shall not occur more than one time per year.
12

13 **Section 5. Collection Schedule.** Special assessments shall be collected on a semi-annual
14 basis. The Director of Finance and Administrative Services ("Director") or the Director's
15 designee may change the billing frequency by directive to an interval no less frequent than
16 quarterly. A copy of a directive issued under this Section shall be mailed to all Ratepayers not
17 less than 90 days before the new billing due date is to take effect.
18

19 **Section 6. Deposit of Revenues.** The Director will create, in the City Treasury's
20 Business Improvement Area Fund, a separate subaccount designated the SoDo BIA Account
21 (called "the Account"). The following monies shall be deposited in the Account:
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- 23 A. All revenues from special assessments levied under this ordinance;
24 B. All income to the City from public events financed with special assessments;
25 C. Gifts and donations;
26

1 D. Interest and all other income from the investment of Account deposits;

2 E. Restitution moneys for expenditures made from the Account; and

3 F. Reimbursements due to the Account.
4

5 **Section 7. Delinquent Payments.** If an assessment has not been paid within 30 days after
6 its due date, the Director shall send a reminder notice and add a \$5 processing fee. If the
7 assessment is not paid within 60 days after its due date, a delinquency charge shall be added in
8 the amount of ten percent of the assessment. All assessments that are not paid within 60 days of
9 the due date shall also bear interest from the due date at 12 percent per annum. The Director is
10 authorized to refer any unpaid assessments to a collection agency or to bring an action to collect
11 any unpaid assessments in any court of competent jurisdiction in King County.
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14 **Section 8. Notices.** Notices of assessment, installment payments, or delinquency, and all
15 other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the
16 City to the address shown on the records of the Director, and, if no address is shown there, to the
17 address shown on the records of the County Assessor. Failure of the Ratepayer to receive any
18 mailed notice shall not release the Ratepayer from the duty to pay the assessment on the due date
19 and any interest and delinquency charges.
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22 **Section 9. Disputes.** Any Ratepayer aggrieved by the amount of an assessment or
23 delinquency charge may on request obtain a meeting with the Director or the Director's designee.
24 If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the
25 manner provided for a contested case under Chapter 3.02 of the Seattle Municipal Code. The
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1 Ratepayer has the burden of proof to show that the assessment or delinquency charge is
2 incorrect.

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4 **Section 10. Audit.** The City may conduct random audits of Ratepayers to ensure that
5 assessments are being properly calculated and reported.

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7 **Section 11. Expenditures.** Expenditures from the Account shall be made upon demand
8 and presentation of documentation of allowable expenses to the Director by the Program
9 Manager and shall be used exclusively for the services as defined in Section 2, including the
10 reimbursement of costs reasonably incurred for the benefit of the SoDo BIA by the Ratepayers or
11 the Program Manager in the formation and creation of the SoDo BIA and its initial work
12 program.

13
14 **Section 12. Ratepayers Advisory Board.** The Director shall appoint an interim
15 Ratepayers Advisory Board comprised of Ratepayers from the SoDo BIA, and, as a non-voting
16 member, a representative of the Port of Seattle, within 30 days of the effective date of this
17 ordinance. The Director shall solicit recommendations from the Ratepayers, and shall appoint
18 the interim board from that list. The interim board shall include Ratepayers who are also
19 members of the Manufacturing Industrial Council of Seattle. The interim Ratepayers Advisory
20 Board will recommend a permanent Ratepayers Advisory Board (the "Board") within 90 days of
21 the effective date of this ordinance. The composition of the Board shall be representative of the
22 varying sizes, locations, and types of property owners and businesses within the geographic area
23 of the SoDo BIA, including manufacturing and industrial property owners and businesses. As
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1 part of the process of creating the permanent Board, the Director shall mail a letter to each
2 Ratepayer describing the newly-established SoDo BIA and the Ratepayers Advisory Board, and
3 soliciting interest in serving on the Board. The Director shall provide all responses to this letter
4 to the interim Ratepayers Advisory Board, which shall consider the responses as it recommends
5 the membership of the permanent Board. The Director shall appoint the permanent Board
6 members from the list recommended by the interim Ratepayers Advisory Board. The Director
7 may appoint additional members to the Board beyond those recommended by the interim
8 Ratepayers Advisory Board to ensure a broad representation of Ratepayers, provided that the
9 additional voting members so appointed do not exceed one-third of the entire voting membership
10 of the Board. The permanent Board shall include a representative of the Port of Seattle as a non-
11 voting member. At least 30 percent (and no fewer than three) of the members of the permanent
12 Board shall be Ratepayers who are also members of the Manufacturing Industrial Council of
13 Seattle.
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17 The Ratepayers Advisory Board shall be responsible for adopting bylaws and policy
18 guidelines, and for providing advice and consultation to the Director and to the Program
19 Manager.
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21 The Ratepayers Advisory Board shall meet at least once quarterly; recommend an
22 annual work program and budget; address and discuss Ratepayer concerns and questions
23 regarding the SoDo BIA and programs; review all reports to be submitted to the Director by the
24 Program Manager; and sponsor an annual Ratepayers' meeting.
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1 At the annual Ratepayers' meeting, the Board shall submit for approval its proposed
2 work plan and budget for the next year, and its recommendation regarding whether to continue
3 with the current Program Manager. The work plan, budget, and recommendation regarding
4 whether to continue with the current Program Manager must be approved by a majority vote of
5 the Ratepayers attending the meeting and submitted to the Director.
6

7 **Section 13. Administration.** The Director shall administer the program for the City with
8 authority to:

9
10 A. Collect the special assessments; refund special assessments when overpaid or
11 otherwise improperly collected; extend the deadline for payment and waive delinquency
12 charges and interest whenever the delinquency results from extenuating circumstances
13 beyond the Ratepayer's control, such as a casualty loss causing premature closure of the
14 business or bankruptcy, or the total payment due to the City (exclusive of penalty and
15 interest) is \$10 or less;

16
17 B. Calculate and collect the interest, penalties, and processing fees for late payments;

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

21 D. Accept and deposit advance payment of assessments by ratepayers; accept donations
22 from governmental agencies, the public, and owners and operators of businesses on land
23 that is developed or redeveloped during the existence of the SoDo BIA for SoDo BIA
24 programs.
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1 **Section 14. Contract for Program Management.** The Director is authorized to contract
2 with any local non-profit entity to act as the Program Manager. The Program Manager's duties,
3 subject to the approval of the Ratepayers at each annual meeting, will be to manage the day-to-
4 day operations of the SoDo BIA and to administer the projects and activities. It is the intent of
5 the City Council that the Director contract with the SoDo Business Association as the initial
6 Program Manager. The selection of a Program Manager upon the recommendation of the
7 Ratepayers Advisory Board acting on behalf of the Ratepayers shall obviate compliance with the
8 consultant selection procedures of Seattle Municipal Code Chapter 20.50 and Section 20.42.050.
9

10 **Section 15. Commencement of Assessments.** Assessments shall commence as of
11 January 1, 2014, or on the effective date of this ordinance, whichever is later.
12

13 **Section 16. Request to Disestablish.** Upon a petition signed by Ratepayers that would
14 pay 60 percent of the proposed special assessments, the Ratepayers Advisory Board shall request
15 the City Council to disestablish the SoDo BIA in accordance with Chapter 35.87A RCW.
16

17 **Section 17. Ratification and Confirmation.** The making of contracts and expenditures
18 and the sending of assessment notices pursuant to the authority and after passage but prior to the
19 effective date of this ordinance are hereby ratified and confirmed.
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21 **Section 18.** This ordinance shall take effect and be in force 30 days after its approval by
22 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
23 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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Passed by the City Council the ____ day of _____, 2013, and
signed by me in open session in authentication of its passage this
____ day of _____, 2013.

President _____ of the City Council

Approved by me this ____ day of _____, 2013.

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment:
Exhibit A – SoDo BIA map

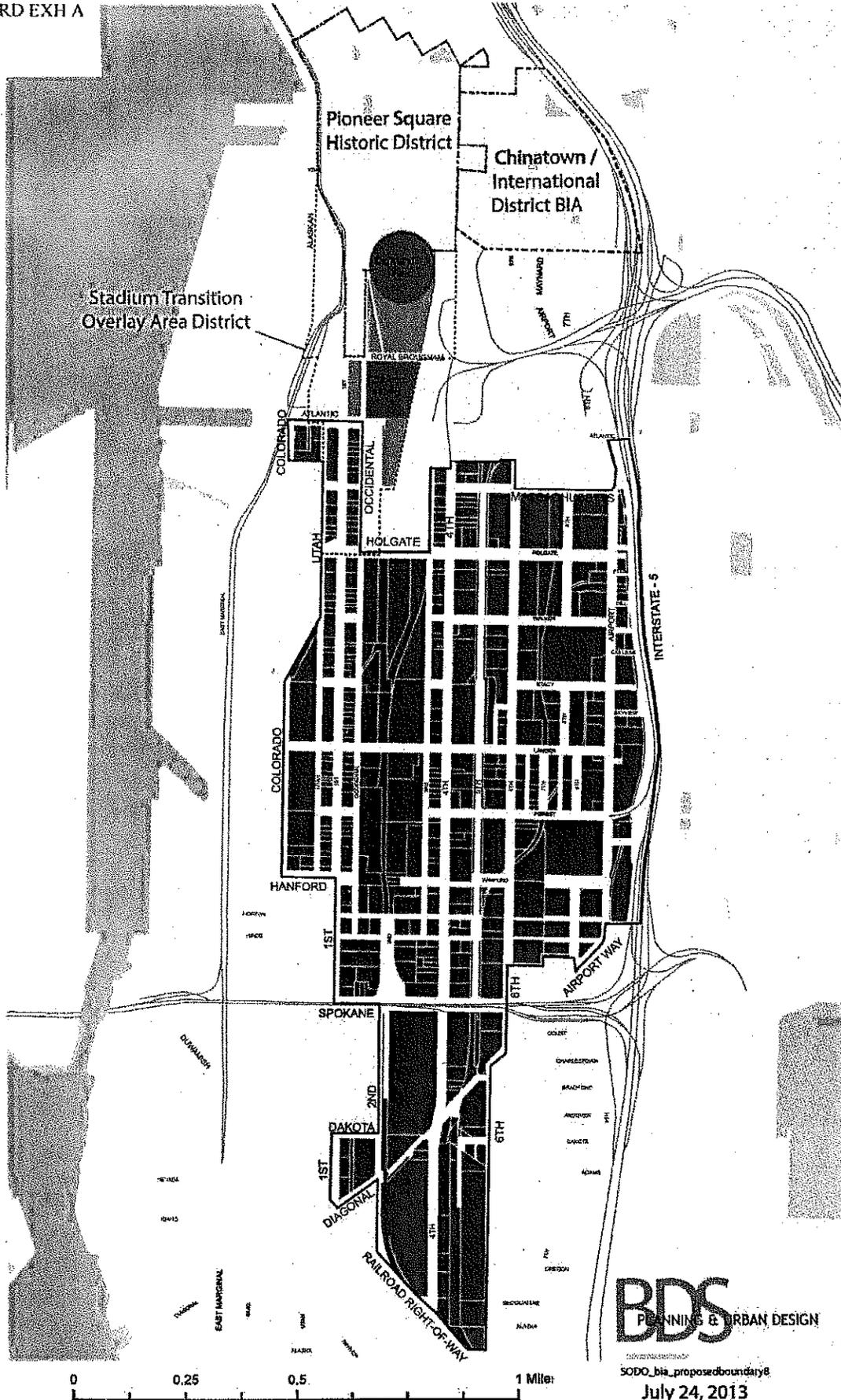


Exhibit A. SoDo BIA

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 five-year SoDo (South of Downtown) Parking and Business Improvement Area; levying special assessments upon owners of property 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; and ratifying and confirming certain acts related thereto.

Summary of the Legislation:

This Ordinance creates a new SoDo (South of Downtown) Parking and Business Improvement Area (SoDo BIA), as allowed under RCW 35.87A. The SoDo BIA will be funded by a special assessment to be levied upon and collected from the owners of property within its boundaries. The City would contract with a Program Manager to administer the activities set out in the SoDo business plan. The SoDo BIA's Program Manager will be overseen by a Ratepayers Advisory Board, which would be broadly representative of the ratepayers in the area covered by the improvement area.

Background:

This Ordinance is the final piece of legislation that must be prepared, per RCW 35.87A, to create a new SoDo BIA. The City has passed a Resolution to initiate the formation of the SoDo BIA 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 City Council agreed to go forward with this ordinance.

In their recommendation for the formation of the SoDo BIA, the local property owners developed a proposal that they believe to be efficient, accountable, and responsive to the area's needs. The group worked to collect signatures for a petition to form a Business Improvement Area that will allow for the implementation of the SoDo business plan that would include the following program components:

1. Advocacy
2. Security
3. Cleaning
4. Transportation
5. Marketing

- 6. Business Development
- 7. Communications and Networking

The petitioning effort resulted in an approximate 60% show of support by more than 250 of the affected ratepayers. This meets the required demonstration of 60% financial support from the responsible ratepayers

The SoDo BIA is expected to be funded by a special assessment levied on the owners of property within its boundaries. The new SoDo BIA will be overseen by a Ratepayers 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
198XX SoDo Business Improvement Area	Finance and Administrative Services	Ratepayer Assessments	\$ 0	\$ 500,000
TOTAL			\$ 0	\$ 500,000

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 SoDo Business Improvement Area.

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

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

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

List attachments to the fiscal note below: None.



City of Seattle
Office of the Mayor

July 16, 2013

Honorable Sally Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to present the attached proposed Council Bill to establish a SoDo (South of Downtown) Parking and Business Improvement Area (SoDo BIA), which follows the passage of two related Resolutions recently passed by the City Council.

Over the past several months, a proposal was developed by local property owners in the SoDo neighborhood to form a new Business Improvement Area. A recent petitioning effort resulted in a 60% show of financial support of the proposal by owners of property, meeting the required demonstration of 60% in financial support from the responsible ratepayers. The formation of a new SoDo BIA will bring high-quality services to SoDo neighborhood to increase the economic viability of the area. The new SoDo BIA will be overseen by a Ratepayers Advisory Board, which will be broadly representative of the ratepayers within the improvement area.

In light of the strong ratepayer support for forming the SoDo BIA during the petitioning process, we anticipate ratepayers will support this initiative. Thank you for your consideration of this legislation. Should you have questions, please contact Teri Allen at 684-5226, or Fred Podesta at 386-0041.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. McGinn", written over a horizontal line.

Michael P. McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council