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Teri Allen
FAS University District BIA Initiation RES
January 6, 2015
Version #4a

CITY OF SEATTLE
RESOLUTION 31563

A RESOLUTION to initiate a University District Parking and Business Improvement Area.

WHEREAS, the owners of business, multi-family residential and mixed use properties that are subject to nearly 65 percent or more of the special assessments that would be assessed upon the establishment of a Business Improvement Area filed a petition with The City of Seattle pursuant to Chapter 35.87A RCW, and said petition is filed in C.F. 313953; and

WHEREAS, upon reviewing the petition, the City Council determined it is in the best interests of the City to proceed, as permitted by RCW 35.87A.030, under the Resolution method of creating a new and expanded University District Parking and Business Improvement Area instead of the petition method; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The City Council of The City of Seattle declares its intention to establish a University District Parking and Business Improvement Area (University District BIA) in accordance with Chapter 35.87A RCW.

Section 2. The University District BIA shall be within the following boundaries as shown on the map attached as Exhibit A, including two additional benefit zones within the University District BIA boundaries (when a street or alley is named, the area boundary is the centerline of the right-of-way including vacated portions unless otherwise specified in the description):



1 A. U District Fund Area: Beginning at the centerline of Northeast Ravenna Boulevard at
2 the crossing of the eastern boundary of Interstate 5, proceed east along Northeast Ravenna
3 Boulevard to the centerline of 15th Avenue Northeast; then south along 15th Avenue Northeast
4 to the State Harbor Line of Portage Bay; then west along the State Harbor Line of Portage Bay to
5 the centerline of Pasadena Place Northeast, then north along Pasadena Place Northeast to the
6 intersection with the eastern boundary of Interstate 5, then north along the eastern boundary of
7 Interstate 5 to the point of origin at the crossing of the centerline of Northeast Ravenna
8 Boulevard.
9

10
11 B. South Ave Cleaning Area: Beginning at the intersection of Brooklyn Avenue
12 Northeast and Northeast 52nd Street, proceed east along Northeast 52nd Street to the centerline
13 of the alley between University Way Northeast and 15th Avenue Northeast; then south along the
14 alley to the centerline of Northeast 41st Street; then west along Northeast 41st Street to the
15 centerline of the alley between Brooklyn Avenue Northeast and University Way Northeast; then
16 north along the alley to a line extending from the southern property line of Parcel No.
17 1142001140, then west along the southern property lines of Parcel Nos. 1142001140,
18 1142000905, and 1142001020 to the centerline of 12th Avenue Northeast; then north along 12th
19 Avenue Northeast to the centerline of Northeast 45th Street; then east along Northeast 45th
20 Street to the centerline of the alley between 12th Avenue Northeast and Brooklyn Avenue
21 Northeast; then north along the alley to the centerline of Northeast 50th Street; then east along
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1 Northeast 50th Street to the centerline of Brooklyn Avenue Northeast; then north along Brooklyn
2 Avenue Northeast to the point of origin at the centerline of Northeast 52nd Street.

3
4 C. North Ave Cleaning Area: Beginning at the intersection of Northeast Ravenna
5 Boulevard and the alley between Brooklyn Avenue Northeast and University Way Northeast,
6 proceed east along Northeast Ravenna Boulevard to the centerline of the alley between
7 University Way Northeast and 15th Avenue Northeast; then south along the alley to the
8 centerline of Northeast 52nd Street; then west along Northeast 52nd Street to the centerline of
9 the alley between Brooklyn Avenue Northeast and University Way Northeast; then north along
10 the alley to the point of origin at the centerline of Northeast Ravenna Boulevard.
11

12 In case of a conflict between the descriptions of the areas and the map, the descriptions
13 shall control.
14

15 **Section 3. Programs.** Special assessment revenues shall be used for the following
16 component programs:
17

- 18 A. Events and marketing;
19 B. Policy and advocacy;
20 C. Cleaning and public safety;
21 D. Economic development;
22 E. Planning;
23 F. Program management.
24
25



1 The listing of services is illustrative and not exclusive. All such activities are
2 supplemental to street maintenance and law enforcement provided by the City and are not
3 intended to displace any services regularly provided by municipal government. The total
4 estimated cost over the five-year special assessment period is \$3,900,000.
5

6 **Section 4.** There shall be an advisory board whose membership is comprised of
7 Ratepayers representative of the variety of locations, sizes, and ratepayer classifications in the
8 University District BIA.
9

10 **Section 5.** To finance the programs authorized in Section 3, there is levied upon and
11 shall be collected from the owners of business property, multi-family residential property
12 (buildings containing four or more residential units), and mixed-use property (multi-family
13 residential and commercial) located within the boundaries of the University District BIA
14 described in Section 2, a five-year special assessment. The initial assessment calculations will be
15 based upon King County Assessor's Office records as of April 30, 2014. Ratepayers will be
16 assessed by the City of Seattle for five annual installments beginning with the base year of
17 authorization, by applying the following assessment rates to each Ratepayer:
18
19

20 A. U District Fund Area Base Formula = \$0.25 times the sum of:

- 21 1. (Total Taxable Value/\$1,000), plus
 - 22 2. ((Total Appraised Value minus Total Taxable Value)/\$1000) x 25%.
- 23
24
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1 Total Taxable Value and Total Appraised Value in these calculations shall be based on
2 Land + Improvements.

3
4 B. Cleaning Area Base Formulas. Ratepayers located in the North Ave Cleaning Area or
5 the South Ave Cleaning Area shall be assessed the following assessment rates, in addition
6 to the assessments under the U District Fund Area Base Formula:

7
8 1. North Ave Cleaning Area Base Formula = \$0.07 per Total Lot Square
9 Foot times the sum of:

10 a. (Total Taxable Value/Total Appraised Value); plus

11 b. ((Total Appraised Value – Total Taxable Value)/Total Appraised
12 Value) x 25%.

13
14 2. South Ave Cleaning Area Base Formula = \$0.12 per Total Lot Square
15 Foot times the sum of:

16 a. (Total Taxable Value/Total Appraised Value); plus

17 b. ((Total Appraised Value – Total Taxable Value)/Total Appraised
18 Value) x 25%.

19
20 Total Taxable Value and Total Appraised Value in these calculations shall be
21 based on Land + Improvements.

22
23 C. For all properties within the University District BIA for which the Taxpayer on record
24 is University of Washington, the aggregate assessment in the first assessment year will be
25



1 \$350,000. The base formulas in Subsections A and B, as well as the provisions in
2 Subsection F, shall not apply.

3 D. Except as provided in Subsection C, properties owned by governmental entities shall
4 not be assessed.
5

6 E. To maintain the current level of services and benefits provided by the University
7 District BIA, the Base Formula assessment rates for the U District Fund Area, North Ave
8 Cleaning Area, and South Ave Cleaning Area, and the University of Washington
9 aggregate assessment, shall be adjusted by an Inflationary Factor applied to each of the
10 assessment rates after the first year assessment. The Inflationary Factor will be the lesser
11 of three percent per year or the percentage change in the Consumer Price Index for All
12 Urban Consumers in Seattle-Tacoma-Bremerton (CPI-U-Seattle) between September
13 2014 and September of the year prior to the assessment year.
14
15

16 1. Second Year Assessment: The Inflationary Factor shall be calculated
17 using the lesser of three percent or the percentage change in the CPI-U-
18 Seattle between September 2014 and September 2015.

19 2. Third Year Assessment: The Inflationary Factor shall be calculated using
20 the lesser of six percent or the percentage change in the CPI-U-Seattle
21 between September 2014 and September 2016.
22
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1 3. Fourth Year Assessment: The Inflationary Factor shall be calculated using
2 the lesser of nine percent or the percentage change in the CPI-U-Seattle
3 between September 2014 and September 2017.

4 4. Fifth Year Assessment: The Inflationary Factor shall be calculated using
5 the lesser of 12 percent or the percentage change in the CPI-U-Seattle
6 between September 2014 and September 2018.

7
8 F. "New Benefit Areas" shall be added to the assessment roll on an annual basis, and
9 will supersede the previous assessment for that parcel. A New Benefit Area is created
10 when a parcel's Net Building Square Footage increases as a result of either a new
11 building or expansion of an existing building, as recorded by the King County Assessor's
12 Office. The Base Formula for a New Benefit Area will be calculated for the following
13 assessment year using the most current available Total Taxable Value (Land +
14 Improvements) and Total Appraised Value (Land + Improvements).
15

16 No Inflationary Factor shall be assessed on a New Benefit Area in its first
17 assessment year. In each subsequent assessment year, the Inflationary Factor for any
18 New Benefit Area shall be the lesser of:

- 19
- 20 1. Three percent per year from the addition of the New Benefit Area to the
21 assessment roll, or
 - 22 2. The percentage change in the CPI-U-Seattle from September of the year
23 prior to the addition of the New Benefit Area to the assessment roll to
24 September of the year prior to the assessment year.
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27



1 G. Rate Changes. Changes in assessment rates other than as described in this section
2 shall only be authorized by ordinance consistent with RCW 35.87A.140 and with the
3 approval of the Ratepayers Advisory Board and shall not occur more than one time per
4 year.

5
6 Adopted by the City Council the ____ day of _____, 2015, and
7 signed by me in open session in authentication of its adoption this ____ day
8 of _____, 2015.

9 _____
10 President _____ of the City Council

11
12 THE MAYOR CONCURRING:

13 _____
14 _____
15 Edward B. Murray, Mayor

16
17 Filed by me this ____ day of _____, 2015.

18
19 _____
20 Monica Martinez Simmons, City Clerk

21
22 (Seal)

23
24 Attachment:
25 Exhibit A: University District Business Improvement Area



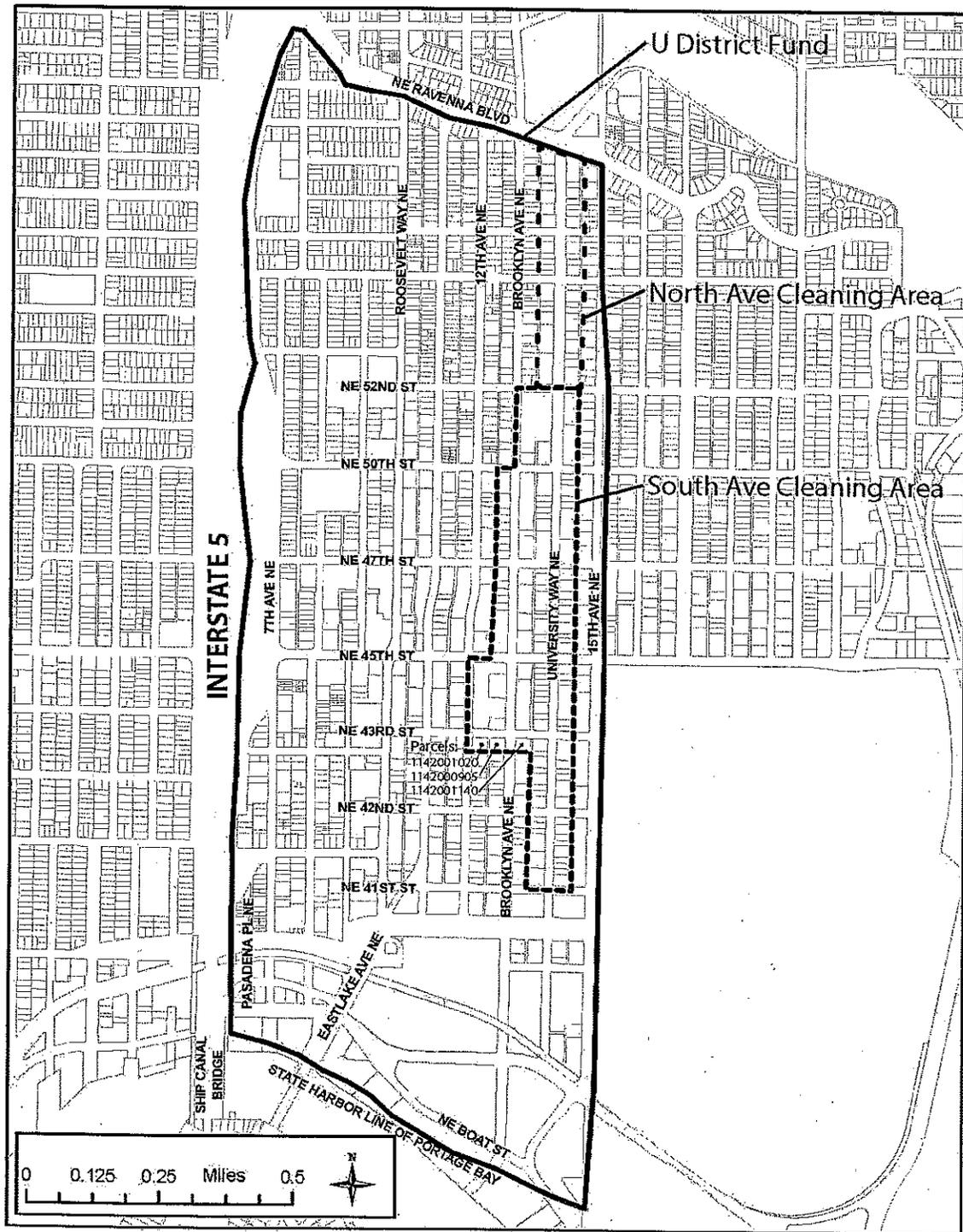


Exhibit A: University District Business Improvement Area
Representing the boundaries of the new and expanded BIA.

This map is for illustrative purposes only and is not intended to modify anything in the legislation.



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:

A RESOLUTION to initiate a University District Parking and Business Improvement Area.

Summary of the Legislation:

This Resolution initiates a new and expanded University District Parking and Business Improvement Area (University District BIA) and is the first of two similar pieces of legislation that must be prepared, per RCW 35.87A. The legislation includes a Resolution to set a public hearing date and location. Subsequently, the Council may introduce an ordinance to create the University District BIA after the public hearing has taken place.

Background:

The U District Partnership put together a proposal recommending the creation of a new and expanded University District BIA, and disestablishing the current BIA that has been operating since 1996. The U District Partnership believes its proposal is efficient, accountable, and responsive to the area's needs. The group collected signatures for a petition to form a business improvement area that will allow for the implementation of the University District BIA business plan that would include the following program components:

- A. Events and marketing;
- B. Policy and advocacy;
- C. Cleaning and public safety;
- D. Economic development;
- E. Planning;
- F. Program management.

The petitioning effort resulted in a show of financial support by ratepayers who would pay nearly 65% of the total special assessment revenues. The special assessment will be levied upon the owners of business, multi-family residential, and mixed use properties within its boundaries. The University of Washington, which owns several parcels within the proposed University District BIA, will pay a flat annual fee of \$350,000 (plus an inflationary factor in subsequent years), which is nearly 50% of the total annual assessments. Assessments will commence as of May 1, 2015, or the effective date of this ordinance, whichever is later. The new University District BIA will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers.



This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2014 Appropriation	2015 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	2014 Revenue	2015 Revenue
1989x BIA- University District	Finance and Administrative Services	Ratepayer Assessments	\$0	\$ 495,000
TOTAL			\$0	\$ 495,000

Revenue/Reimbursement Notes: The 2015 revenue amount represents ratepayer assessment collections for two-thirds of a full year, with assessments commencing on May 1, 2015. In 2016, estimated revenue is \$743,000 plus inflationary adjustments. FAS would collect the assessments from the ratepayers, but the funds would then be kept by FAS only for reimbursement to the University District BIA.

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	2014 Positions	2014 FTE	2015 Positions*	2015 FTE*
TOTAL							

Position Notes: None.

Do positions sunset in the future? Not applicable.



Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2014 Expenditures	2015 Anticipated Expenditures
1989x BIA- University District	Finance and Administrative Services	Not applicable.	\$0	\$ 495,000
TOTAL			\$0	\$ 495,000

Spending/Cash Flow Notes: The Department of Finance and Administrative Services will collect the BIA assessments from its ratepayers. FAS holds the funds solely for the purpose of reimbursing the University District BIA for administering staffing, projects, and other costs associated with the BIA.

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 University District BIA 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?** No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.
- 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
Edward B. Murray
Mayor

December 23, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to present the attached Resolution that will initiate the process to establish a new and expanded University District Parking and Business Improvement Area (University District BIA). The existing business improvement area, established in 1996, would be disestablished through the legislation.

Over the past year, a proposal was developed by the U District Partnership and business owners to expand the current business improvement area. A recent petitioning effort resulted in a nearly 65% show of financial support of the University District BIA by proposed ratepayers within the BIA boundaries, including the University of Washington, which will pay almost 50% of the total assessments. The formation of an expanded University District BIA will continue the work currently done by bringing high-quality services to a larger area of the University District.

Subsequent to the passage of this initiation Resolution by the City Council, a second Resolution will follow, declaring the date, time and location of a public hearing. The second Resolution will show how the University District BIA will be funded by a special assessment levied on the owners of business, multi-family residence, and mixed-use properties. The expanded University District BIA will continue to be overseen by a Ratepayer Advisory Board, which will be broadly representative of the ratepayers within the improvement area.

Thank you for your consideration of this legislation. Should you have questions, please contact Teri Allen at 684-5226.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

