

Ordinance No. 121482

Council Bill No. 114890

AN ORDINANCE establishing a Downtown Parking and Business Improvement Area; levying special assessments upon the businesses, multifamily residential or mixed-use projects 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, and providing for an implementation agreement with a program manager.

CF No. _____

Date Introduced: <u>APR 26 2004</u>		
Date 1st Referred: <u>APR 26 2004</u>	To: (committee)	<u>Finance & Budget</u>
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>5-24-04</u>	Full Council Vote:	
Date Presented to Mayor: <u>5-25-04</u>	Date Approved: <u>5/26/04</u>	
Date Returned to City Clerk: <u>5/26/04</u>	Date Published: <u>12 APR</u>	T.O. <u>Z</u> F.T. <u>Z</u>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

Walk-in

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

CITY OF SEATTLE

Received 04 MAY 26 PM 1:42

CITY CLERK

Committee Action

Approved

5-24-04 Passed 8-0

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Law Department

Law Dept. Review

OMP
Review

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City Clerk
Review

Rush!

The City of Seattle - Legislative Department

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Council Bill/Ordinance sponsored by:

Richard J. McLean
Councilmember

Concilmembe

CITY OF SEATTLE

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04 MAY 26 PM 1:42

CITY CLERK

Committee Action:

Approved 2-6 RTM, David Della

5-24-04 Passed 8-0

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Financo & Buqvst

This file is complete and ready for presentation to Full Council.

Committee:

T.O.
F.T.

F.T.

Law Department

Law Dept. Review

OMP Review

**City Clerk
Review**

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Committee: _____ (Initial/Date) _____

Handwritten notes on document:

- Hadley
- General Note (see page 10)
- Confidentiality
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- Indexing

IT IS DUE TO THE QUALITY OF THE DOCUMENT

ORDINANCE 121482

AN ORDINANCE establishing a Downtown Parking and Business Improvement Area; levying special assessments upon the businesses, multifamily residential or mixed-use projects 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, and providing for an implementation agreement with a program manager.

WHEREAS, the businesses, multifamily residential or mixed-use projects located within the area and subject to sixty percent or more of the special assessments levied by this ordinance filed a petition with The City of Seattle to establish a Parking and Business Improvement Area pursuant to RCW 35.87A, which is filed in C.F. 306589; and

WHEREAS, the City adopted Resolution 30669, initiating a 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 on April 12, 2004 adopted Resolution 30670 entitled "A RESOLUTION of intention to establish a Downtown Parking and Business Improvement Area, and fixing a date and place for a hearing thereon," and declaring its intent to establish the same; and

WHEREAS, the Downtown Parking and Business Improvement Area (DBIA) established herein is for the purpose of enhancing conditions for the operation of those businesses, multifamily residential or mixed-use projects; and the budget shall be dedicated to activities in addition to basic services provided by The City of Seattle; and

WHEREAS, as provided by Resolution 30670, the City Council, through its Finance and Budget Committee held a public hearing thereon on May 5, 2004, at 9:30 a.m. in the City Council Chambers, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington; and

WHEREAS, the testimony received at that hearing resulted in the Council determining that establishing a new DBIA is in the best interest of the businesses, multifamily, and mixed-use projects within the DBIA's boundaries; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Area Established. As authorized by Chapter 35.87A RCW, there is hereby established a Downtown Parking and Business Improvement Area ("Downtown Business

NOTICE
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Improvement Area" or "DBIA"), to be known as the "Metropolitan Improvement District" or "MID," within the following boundaries as shown on the map attached as Exhibit "A" (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):

From the corner of 4th Avenue and Denny Way, proceed south on 4th Avenue to Cedar Street, east on Cedar Street to the alley between 4th and 5th Avenues, south down the alley to Vine Street, east on Vine Street to 5th Avenue, south on 5th Avenue to Lenora Street, west on Lenora Street to the Alaskan Way Viaduct, north under the Viaduct to Elliott Avenue, north along Elliott Avenue to Bay Street, west along the Bay Street right-of-way to the water, south along the outer harbor line (including from Pier 71 to Pier 47) to South Jackson Street, south along Alaskan Way to King Street, east along King Street to 4th Avenue, north on 4th Avenue to Washington Street, east on Washington Street to 6th Avenue, north along 6th Avenue to Interstate Highway 5, north along Interstate Highway 5 to Denny Way, west along Denny Way to 4th Avenue.

In case of a conflict between the description of the area and the map, the description shall control.

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



1 A. Public Areas Maintenance

2 The maintenance program will provide sidewalk sweeping, removal of litter, graffiti, and
3 drug paraphernalia and maintenance of public planters, street furniture, newspaper boxes and
4 kiosks. The program will additionally provide special services to clean up problem areas.

5 B. Public Safety

6 The public safety program will identify, report and act as problem solvers on public safety
7 issues, including those problems specific to high rise properties, in coordination with the Seattle
8 Police Department, mental health and substance abuse programs, and human service agencies.

9 C. Business Development

10 The business development program will develop market data resources, market trend
11 information and economic studies to assist in retaining and attracting businesses to the area of the
12 DBIA. The program will also develop and implement programs to improve parking, transit and
13 access in that area.

14 D. Image Communications and Public Relations

15 The program will work to increase visitor, tourism, residential and business traffic by
16 promoting the DBIA.

17 The listing of services is illustrative and not exclusive. All such activities are
18 supplemental to street maintenance and law enforcement provided by the City and are not
19 intended to displace any services regularly provided by municipal government. The estimated
20 cost of these uses and projects over the ten-year period is Thirty-eight Million Six Hundred Ten
21 Thousand Dollars (\$38,610,000).



1 Section 3. Levy of Special Assessments. To finance the programs authorized in Section
2 2, there is levied upon and shall be collected from the businesses, multifamily residential
3 properties (buildings containing more than four residential units), and mixed-use properties
4 (buildings with both multi-family residential and commercial units) (collectively, "Ratepayers")
5 in the Downtown Business Improvement Area described in Section 1, a ten-year special
6 assessment in the amount of approximately Thirty-eight Million Six Hundred Ten Thousand
7 Dollars (\$38,610,000). All businesses and multifamily residential or mixed-use projects within
8 the area established in Section 1 shall be subject to the provisions of this special assessment as
9 authorized by RCW 35.87A.010. The Assessment is measured by the type of use and rate of
10 assessment in the following paragraphs, subject to calculations and limitations in this Section:
11

12
$$\text{Base Year Assessment} = (\text{Land Square Footage} \times \$0.31) + (\text{Total 2002 Assessed Value of}$$

13
$$\text{Site (Property + Improvements)} / \$1,000 \times \$0.29).$$
 Records for the assessment calculation are
14 based on information provided by the King County Assessor's Office for the year 2002. For
15 properties with an assessed value of \$0, including properties deemed historical, the total
16 appraised value of the property will be substituted into the Base Formula in place of the assessed
17 value. Modification or limitations to these assessments are described below.
18

19 No Base Year Assessment for any individual parcel shall exceed a total amount equal to
20 (\$1.50 x Total Assessed Value/\$1,000). This rate is called the "Assessment Ceiling Rate." For
21 the following special classifications of Ratepayers a Special Assessment Ceiling Rate shall be
22 applied as set forth below to adjust the basic Base Year Assessment to determine the actual Base
23 Year Assessment to be applied to that particular class of Ratepayer:
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1. Commercial Mixed-Use: \$1.50/\$1,000 of total assessed value
2. Surface Parking: \$0.85/\$1,000 of total assessed value
3. Multi-Family Residential Apartments – the lesser of: \$0.55/\$1,000 of total assessed value or \$75 per unit.
4. Multi-Family Residential Condominiums: \$75 per unit
5. Industrial Warehouse: \$0.30/\$1,000 of total assessed value
6. Multi-Family Residential Apartments possessing a rent restriction covenant – the lesser of: \$0.15/\$1,000 of total assessed value or \$9 per unit
7. Hotel – the lesser of: \$1.15/\$1,000 of total assessed value or \$65 per room
8. Non-Residential (Owned by a Non-Profit): \$0.30/\$1,000 of total assessed value
9. Historical or Assessed Value of \$0: \$0.07 per building net square foot
10. Floor Area Ratio Greater than 0.5: \$0.014 per building net square foot
11. Non Profit with Assessed Value of \$0: \$0.01 per building net square foot

When both an Assessment Ceiling Rate and one or more Special Assessment Ceiling Rates apply to a single parcel, the Ratepayer shall pay the lesser of the Assessment Ceiling Rate or the lowest Special Assessment Ceiling Rate. The Assessment Ceiling Rate and the Special Assessment Ceiling Rates apply to all properties of the particular class of Ratepayers and shall remain fixed as set out above throughout the ten year assessment period. Property owned by governmental entities or public utilities, and vacant land shall not be assessed.

Subject to the Assessment Ceiling Rate and the Special Assessment Ceiling Rates, Ratepayers will be assessed by the City for each of the ten years of the assessment as follows:

July 1, 2004-June 30, 2005: Base Year Assessment formula applied to determine collection amount.

A credit for payments received for the time period from the establishment date of the DBIA (estimated to be July 1, 2004) through August 22, 2004, shall be applied to the accounts of ratepayers assessed under the existing Downtown Business Improvement Area, established pursuant to Ordinance 119541.

July 1, 2005 - June 30, 2006: Collection amount for each account shall increase three percent.

July 1, 2006 - June 30, 2007: Collection amount for each account shall increase three percent.



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1 July 1, 2007 - June 30, 2008: Base Year Assessment formula applied integrating the most
recent total assessed value for each parcel from the King County Assessor's Office.

2 July 1, 2008 - June 30, 2009: Collection amount for each account shall increase three
percent from the prior year.

3 July 1, 2009 - June 30, 2010: Collection amount shall increase three percent from the
prior year.

4 July 1, 2010 - June 30, 2011: Base Year Assessment formula applied integrating the most
recent total assessed value for each parcel from the King County Assessor's Office.

5 July 1, 2011 - June 30, 2012: Collection amount shall increase three percent from the
prior year.

6 July 1, 2012 - June 30, 2013: Collection amount shall increase three percent from the
prior year.

7
8
9 "New benefit areas" shall be added to the assessment roll on an annual basis, as follows.

10 A "new benefit area" is created when a parcel's net building square footage increases either as a
11 result of a new building or expansion of an existing building. New benefit areas shall be added
12 to the assessment roll annually in July if its value has been added to the King County Assessor
13 assessment rolls at any point during the preceding year.

14
15 During July 1, 2004- June 30, 2005, July 1, 2007-June 30, 2008 and July 1, 2010- June
16 30, 2011, new benefit areas shall be assessed according to the appropriate Base Formula factors
17 and Assessment Ceiling rates applicable to use category applicable after new benefit area has
18 occurred. If new benefit areas are added during July 1, 2006 - June 30, 2007, July 1, 2005 - June
19 30, 2006, July 1, 2008 - June 30, 2009, July 1, 2009 - June 30, 2010, July 1, 2011 - June 30,
20 2012, or July 1, 2012 - June 30, 2013, this new benefit area shall be assessed for that year's
21 collection amount an annual amount in addition to the previous assessment, until the next year in
22 which the Base Year Assessment formula is applied, using the following formula for specific
23 benefit use category of the new benefit area:
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Commercial Condominium

If property is commercial:	\$ 0.07 per net new building square foot
If property is residential:	\$75.00 per new unit
Commercial Mixed-Use	\$ 0.07 per net new building square foot
Hotel	\$65.00 per new room
Industrial Warehouse	\$ 0.03 per net new building square foot
Multifamily Residential Apartment	\$75.00 per new unit
Multifamily Residential Condominium	\$75.00 per new unit
Multifamily Residential Apartment/Rent Restricted	\$ 9.00 per new unit
Owned by Nonprofit (Non-residential)	\$ 0.01 per net new building square foot

For benefit use categories not listed, no additional assessment shall be imposed on those properties whose net building square footage has increased.

Section 4. Rate Changes. Changes in the assessment rate shall only be made by ordinance and as authorized in RCW 35.87A.140.

Section 5. Deposit of Revenues. There is in the City Treasury's Business Improvement Area Fund, a separate subaccount designated the Downtown Business Improvement Area Account (called "the Account"). The following monies shall be deposited in the Account:

- (a) All revenues from special assessments levied under this ordinance;
- (b) All income to the City from public events financed with special assessments;
- (c) Gifts and donations for the Account;
- (d) Interest and all other income from the investment of Account deposits;
- (e) Restitution moneys for expenditures made from the Account and reimbursements due to the Account.

Section 6. Collection Schedule. Special assessments shall be collected on a semi-annual basis. The Director, Department Executive Administration, or the Director's designee ("Director") may change the billing frequency by directive. A copy of the directive shall be mailed to all Ratepayers not less than 90 days before the new billing cycle is to take effect.



1 Section 7. Delinquent Payments. If an assessment has not been paid within thirty (30)
2 days after its due date, the Director shall send a reminder notice and add a Five Dollar (\$5.00)
3 processing fee. If the assessment is not paid within sixty (60) days after its due date, a
4 delinquency charge shall be added in the amount of ten percent (10%) of the assessment in
5 addition to an additional Five Dollar (\$5.00) processing fee. All assessments that are not paid
6 within sixty (60) days of the due date shall also bear interest from the due date at twelve percent
7 (12%) per annum. The Director is authorized to bring an action to collect any unpaid
8 assessments in any court of competent jurisdiction in King County.

9 Section 8. Notices. Notices of assessment, installment payments, or delinquency, and all
10 other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the
11 City to the address shown on the records of the Director, and, if no address is shown there, to the
12 address shown on the records of the County Assessor. Failure of the Ratepayer to receive any
13 mailed notice shall not release the Ratepayer from the duty to pay the assessment and any interest
14 and delinquency charges on the due date.

15 Section 9. Disputes. Any Ratepayer aggrieved by the amount of an assessment or
16 delinquency charge may on request obtain a meeting with the Director or the Director's designee.
17 If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the
18 manner provided for a contested case under Chapter 3.02 of the Seattle Municipal Code. The
19 Ratepayer has the burden of proof to show that the assessment or delinquency fee is incorrect.

20 Section 10. Expenditures. Expenditures from the Account shall be made upon vouchers
21 drawn by the Director and shall be used exclusively for the statutory purposes each as more fully
22 defined in Section 2.

23 Section 11. Ratepayers Advisory Board. The Director shall appoint an interim
24 Ratepayers Advisory Board comprised of Ratepayers from the Area within thirty days of the
25 effective date of this ordinance. The Director shall solicit recommendations from the Ratepayers,
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1 and shall appoint the interim board from that list. The interim Ratepayers Advisory Board will
2 recommend a permanent Ratepayers Advisory Board (the "Board") within ninety days of the
3 effective date of this ordinance. The composition of the Board shall be representative of both the
4 entire geographic area of the District and representative of the special classifications in Section 3.
5 The Director may appoint additional members to the Ratepayers Advisory Board to ensure that a
6 broad representation of Ratepayers is provided. The additional members so appointed shall not
7 exceed one-third (1/3) of the entire membership of the Board.

8 The Ratepayers Advisory Board shall be responsible for adopting bylaws and policy
9 guidelines, providing advice and consultation to the Department initially, and to any individual or
10 agency hired to manage the day-to-day operations of the Business Improvement Area program,
11 on all matters related to the operation of the program.

12 The Ratepayers Advisory Board shall meet at least once quarterly; recommend an annual
13 work program and budget; address and discuss Ratepayer concerns and questions regarding the
14 DBIA district and program; review all reports submitted to the Department by the program
15 manager; and sponsor an annual Ratepayers' meeting.

16 At the annual Ratepayers' meeting, the Board shall submit for approval its proposed work
17 plan and budget for the next year, and its recommendation regarding whether to continue with the
18 current program manager. The work plan, budget, and recommendation regarding whether to
19 continue with the current program manager must be approved by a majority vote of the
20 Ratepayers attending the meeting.

21 Section 12. Administration. The Director shall administer the program for the City with
22 authority to:

23 (a) Classify Ratepayers within the types of use under Section 3 and resolve ambiguities in the
24 application of rates;



1 (b) Collect the special assessments; refund special assessments when overpaid or otherwise
2 improperly collected; extend the deadline for payment and waive delinquency charges and
3 interest whenever the delinquency results from extenuating circumstances beyond the Ratepayer's
4 control, such as a casualty loss causing premature closure of the business or bankruptcy or the
5 total payment due to the City (exclusive of penalty and interest) is Ten Dollars (\$10.00) or less;
6 and exempt homes for which the King County Assessor has granted an exemption from property
7 taxes under RCW 84.36.381 - .389 on account of the low income status of the owner - resident.

8 (c) Calculate and collect the interest for late payments;

9 (d) After receiving the recommendation of the Ratepayers at their annual meeting, execute an
10 annual program management contract with a Program Manager;

11 (e) Accept and deposit advance payment of assessments by ratepayers; accept donations from
12 governmental agencies, the public, and owners and operators of businesses on land that is
13 developed or redeveloped during the existence of the DBIA for DBIA programs.

14 Section 13. Contract for Program Management. The Director is authorized to contract
15 with a Program Manager, after receiving the recommendation of the Ratepayers at the annual
16 meeting, to administer the projects and activities. It is the intent of the City Council that the
17 Director renew the contract with the Downtown Seattle Association (DSA), and its management
18 subsidiary, DBIA Services, to administer the program during the initial year, and for each year
19 thereafter for as long as the Ratepayers concur in its continuation as the Program Manager. The
20 selection of a Program Manager upon the recommendation of the Ratepayers shall obviate
21 compliance with the consultant selection procedures of Seattle Municipal Code Chapter 3.114
22 and Section 20.46A.179. The Seattle Police Department shall review any proposed contract for
23 private security.

24 Section 14. Commencement of Assessments. Assessments shall commence as of July 1,
25 2004.

1 Section 15. Ratification and Confirmation. The making of contracts and expenditures
2 and the sending of assessment notices pursuant to the authority and prior to the effective date of
3 this ordinance are hereby ratified and confirmed.

4 Section 16. Winding up of Operations of Existing DBIA. All program operations shall
5 cease immediately on June 30, 2004. Management operations shall continue, but shall be limited
6 to those necessary to close all outstanding accounts of the DBIA. DSA shall direct persons who
7 may have accounts payable to submit final invoices not later than 30 days after the effective date
8 of this ordinance. DSA shall provide the Director with a balance sheet, financial statement, list
9 of payables, list of major vendors and suppliers over the past year, and any other information
10 requested by the Director, not later than 60 days after the effective date of this ordinance.

11 The Director shall pay all legitimate reimbursable expenses and collect on all outstanding
12 receivables as provided for in Ordinance 119541 for two years after June 30, 2004 in order to pay
13 the legitimate expenses and collect the debts of the DBIA. Delinquent assessments collected
14 before the Account is closed shall be credited to the Account. The Director shall prorate and
15 distribute among the ratepayers the funds remaining in the Account after all expenses are paid.

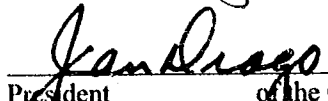
16 The Account shall remain open until two years after the effective date of this ordinance.
17 After distribution of all funds, the Director shall close the account. If any delinquent assessments
18 are recovered after the account is closed, the funds shall be credited to the City's General Fund.



Jessica Nadelman:slc
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1 Section 17. This ordinance shall take effect and be in force thirty days from and after its
2 passage and approval, if approved by the Mayor, but if not approved and returned by the Mayor
3 within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section
4 1.04.020.

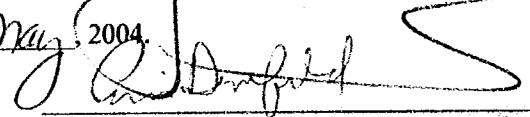
5
6 Passed by the City Council the 24th day of May, 2004, and signed by me in open
7 session in authentication of its passage this 24th day of May, 2004.

8
9 
President _____ of the City Council

10 Approved by me this 26 day of May, 2004.

11
12 
13 Gregory J. Nickels, Mayor

14 Filed by me this 26th day of May, 2004.

15 
16 acting City Clerk

17
18 (Seal)

19 Exhibit "A" DBIA (Metropolitan Improvement District) Boundary Map
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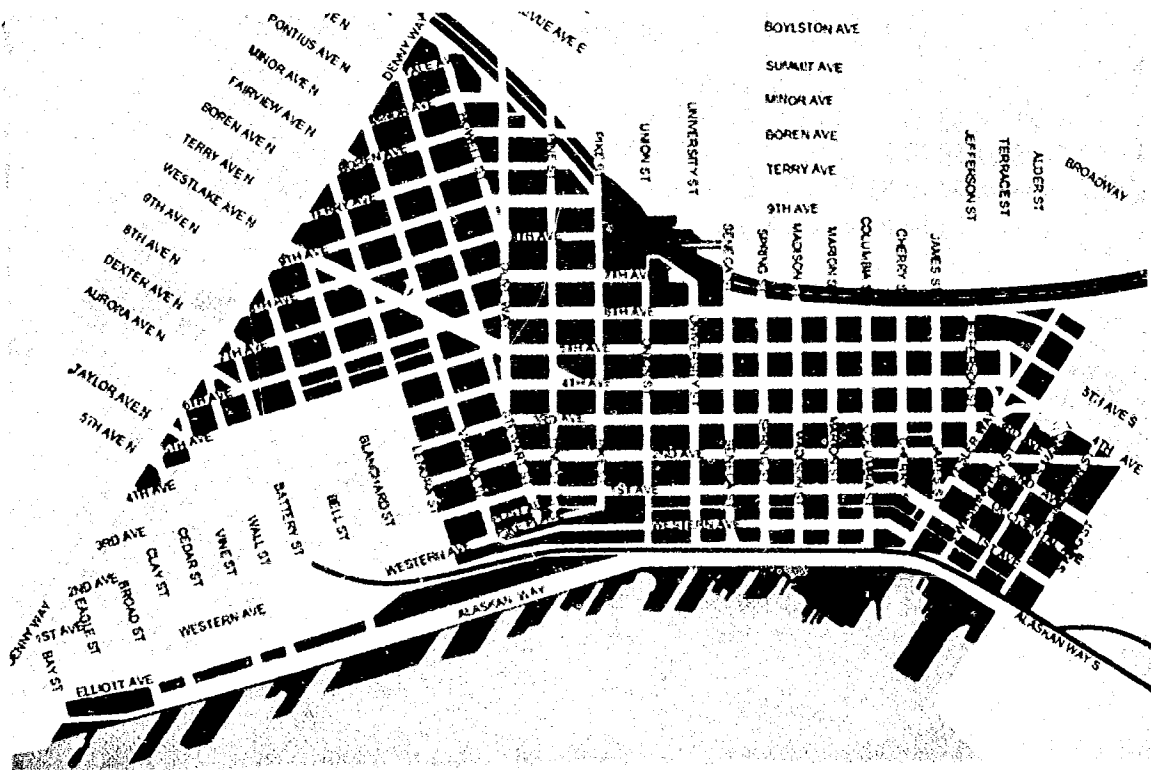


EXHIBIT A to DBIA MID Ordinance



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Executive Administration	Teri Allen/4.5226	Tyler Running Deer/4.8075

Legislation Title:

AN ORDINANCE establishing a Downtown Parking and Business Improvement Area; levying special assessments upon the businesses, multifamily residential or mixed-use projects 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, and providing for an implementing agreement with a program manager.

• **Summary of the Legislation:**

This ordinance re-establishes the Downtown Parking and Business Improvement Area (DBIA), with a special assessment on properties within the downtown area to pay for operations, projects and maintenance. The DBIA established by this ordinance will have the same boundaries as the current DBIA, which expires in August 2004, and will have a ten-year duration. The re-established DBIA will continue to be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers and neighborhoods that are covered by the business improvement area. Finally, the ordinance allows the Director of Executive Administration to renew the contract with the current program manager, the Downtown Seattle Association.

• **Background:**

The Downtown Parking and Business Improvement Area was established in 1999, by Ordinance 119541, as a private-sector initiative to improve the safety, cleanliness, and vitality of Downtown Seattle, including Pioneer Square. The new DBIA will be funded by a special assessment levied on more than 700 downtown properties, which will have inflationary increases to allow for consistent levels of service.

• *Please check one of the following:*

☐ **This legislation does not have any financial implications.** (Stop here and delete the remainder of this document prior to saving and printing.)

☒ **This legislation has financial implications.** (Please complete all relevant sections that follow.)



Anticipated Revenue/Reimbursement: Resulting From This Legislation: This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Fund Name and Number	Department	Revenue Source	2004 Revenue	2005 Revenue
19855 Metropolitan Improvement District	Executive Administration	Ratepayer Assessments	\$1,919,000	\$3,895,570
TOTAL			\$1,919,000	\$3,895,570

Notes: The fiscal year of the proposed DBIA runs from July 1 to June 30. 2004 revenue is based upon one-half of projected revenue (\$3,838,000) for the first fiscal year (2004-2005). The 2005 revenue estimates assume a 3% inflationary adjustment in the second half of the year, as provided under the proposed legislation.

Over the ten-year life of this legislation, the special assessment will provide approximately \$38 million in revenue for project, operations and maintenance costs of the DBIA. The Department of Executive Administration (DEA) would collect the assessments from the ratepayers, but the funds would then be kept by DEA only for reimbursement to the Downtown Seattle Association (DSA), which is the agency that would actually administer the staffing, projects and other costs associated with the DBIA.

Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE Impact: This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2004 Positions	2004 FTE	2005 Positions**	2005 FTE**
TOTAL				0	0	0	0

* List each position separately

** 2005 positions and FTE are total 2005 position changes resulting from this legislation, not incremental changes. Therefore, under 2005, please be sure to include any continuing positions from 2004

Notes:

- **Do positions sunset in the future?** (If yes, identify sunset date):

Not applicable.

Spending/Cash Flow: This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.

Fund Name and Number	Department	Budget Control Level*	2004 Expenditures	2005 Anticipated Expenditures
19855 Metropolitan Improvement District	Executive Administration	Not applicable.	\$1,919,000	\$3,895,570
TOTAL			\$1,919,000	\$3,895,570

* See budget book to obtain the appropriate Budget Control Level for your department.

Notes: Over the ten-year life of this legislation, the special assessment will provide approximately \$38 million in revenue for project, operations and maintenance costs of the DBIA. Again, DEA would collect the assessments from the ratepayers, but the funds would then be kept by DEA only for reimbursement to the DSA, which would actually administer the staffing, projects and other costs associated with the DBIA.

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other costs if the legislation is not implemented.)

None. The DBIA is established as a revenue-neutral program.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)

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.

- **Is the legislation subject to public hearing requirements:** (If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s).)

Yes. A hearing date is scheduled for May 5, 2004.

Gregg Johanson
April 12, 2004
Version #2
DBIA MID Ordinance

- **Other Issues** (including long-term implications of the legislation): **None.**

Please list attachments to the fiscal note below:

None.



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

April 20, 2004

Honorable Jan Drago
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Drago:

I am pleased to transmit the attached proposed Council Bill, establishing a new Downtown Parking and Business Improvement Area (DBIA) for a ten-year period, with the same boundaries as the existing DBIA, which expires in August 2004. The current DBIA, also known as the Metropolitan Improvement District (MID), was established in 1999 by Ordinance 119541 as a private-sector initiative to improve the safety, cleanliness, and vitality of Downtown Seattle, including Pioneer Square.

My understanding is that on May 5, 2004, at 9:30 a.m., the City's Finance and Budget Committee will hold a public hearing in Council Chambers to receive public testimony related to the proposed establishment of the new DBIA. Should you decide to proceed with the establishment of the DBIA, this proposed Council Bill expresses the City's intent to renew the contract with the Downtown Seattle Association and its management subsidiary, DBIA Services, to administer the program in the initial year and for each year thereafter as agreed by the Ratepayer Advisory Board. Under this legislation, the new DBIA will continue to be funded by a special assessment levied on more than 700 downtown properties, which will also have inflationary increases to ensure consistent levels of service. The City Clerk has received petitions, representing about 63% of the total assessed valuations, in support of re-establishing the DBIA.

Thank you for your consideration of the legislation. Should you have questions, please contact Teri Allen, Department of Executive Administration (DEA), at 684-5226, or Ken Nakatsu, DEA, at 684-0505.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over the printed name and title.

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E-mail: mayors.office@seattle.gov

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City of Seattle
Department of Finance

Dwight Dively, Director
Gregory J. Nickels, Mayor



MEMORANDUM

OK for Mayor's Signature 5/26/04

Date: May 26, 2004

To: John Franklin or Sung Yang

From: Lisa Peyer, Assistant to the Director

Subject: Mayoral Action Needed: Legislation Passed By Council

FILED
CITY OF SEATTLE
06 MAY 26 PM 1:42
CITY CLERK

The attached legislation has been passed by the City Council and is being presented for your consideration/signature.

The Department of Finance recommends the following:

- ☒ This legislation was passed by Council without amendments. Finance recommends that it be presented to the Mayor for signature. No additional review is necessary.
- ☐ This legislation was amended**/originated by Council. Finance has reviewed the legislation and recommends that it be presented for the Mayor's signature.
- ☐ Finance is concerned that this legislation, which was amended/originated by Council, could have significant implications. We recommend that you discuss it with _____ prior to having the Mayor sign.

If you have any questions, please call Dwight at 4-5200, or me at 4-0503.

**** Description of Council's amendments to Executive legislation:**

Lisa Peyer - Metropolitan Improvement District BIA

Page 1

From: Gregg Johanson
To: Peyer, Lisa
Date: 5/25/2004 1:45:10 PM
Subject: Metropolitan Improvement District BIA

Lisa:
Ken suggested I start with you. The MID BIA ordinance was passed by City Council yesterday. We want to initiate the new contract by July 1, 2004. Therefore, we'd like to have the Mayor's signature on the Council Bill by no later than June 1, earlier if possible, so the 30 effective days can run. Is that something you might assist us with? Or should I contact Sung Yang instead? Gregg

CC: Nakatsu, Ken

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Seattle City Council **PLEASE PRINT**

PUBLIC HEARING SIGN-UP SHEET

*Subject: Downtown Parking and
Business Improvement Area*

INFORMATION ON THIS SIGN-UP SHEET IS PUBLIC RECORD

#	(PLEASE PRINT) NAME	ORGANIZATION	(OPTIONAL) ADDRESS	ZIP
14. 1	Mark Houtsous	Vana Corp.		
15. 2	LYN KRIZANICH	CUSE PROPERTIES		
16. 3	MARK HOUTSOS	VANA CORP.		
17. 4	TINA BUECHE	Tom. Sq. Res + Bus.		
18. 5	MARK BARBERI			
19. 6	CATHERINE STANFORD	Alice R. MARKET		
20. 7	Paul Lambros	Raymond Henry Group		
21. 8	John Scher	Boyle - Deany Trivale		
22. 9	Jeremy Moller	Gregory Frederick Smith PC		
23. 10	Gary Huse	DATE PARK - DOWNTOWN RESIDENT	Expand the Clean Program around 6-7 PM	
24. 11	DAVE ALLMAN	Director MTD		
25. 12				

PLEASE PRINT

PUBLIC HEARING SIGN-UP SHEET

Date: May 5, 2004

Subject: Downtown Parking and
Business Improvement Area

PUBLIC RECORD

ORGANIZATION	(OPTIONAL) ADDRESS	ZIP	(OPTIONAL) PHONE/FAX
Vance Corp.	✓ -		706 623-8030
CUSE PROPERTIES	✓ +		206-623-7500
Vance Corp.			
Trans. Sq. Res. + Bus.	✓ +		
	✓ -		
Pike PL MARKET	✓ +		
Bayview Housing Group	✓ +		374-9403 x101
Elle Isle - Devony Thivierge	✓ +		622 6567 x3013
Oregon Products Smith & Co			206. 262. 2883
DATE RATE - DOWNTOWN RESIDENT	✓ +		
Director MTD	+		

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STATE OF WASHINGTON - KING COUNTY

--SS.

172770

No. ORDINANCE IN FULL

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

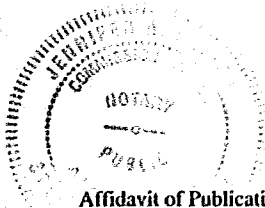
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121482 ORD IN FULL

was published on

6/1/2004



Affidavit of Publication

6/1/2004

Subscribed and sworn to before me on

Notary public for the State of Washington,
residing in Seattle

City of Seattle

ORDINANCE 121482

AN ORDINANCE establishing a Downtown Parking and Business Improvement Area; levying special assessments upon the businesses, multifamily residential or mixed-use projects 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, and providing for an implementation agreement with a program manager.

WHEREAS, the businesses, multifamily residential or mixed-use projects located within the area and subject to sixty percent or more of the special assessments levied by this ordinance filed a petition with The City of Seattle to establish a Parking and Business Improvement Area pursuant to RCW 35.87A, which is filed in C.F. 306559; and

WHEREAS, the City adopted Resolution 30659, initiating a 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 on April 12, 2004 adopted Resolution 30670 entitled "A RESOLUTION of intention to establish a Downtown Parking and Business Improvement Area, and fixing a date and place for a hearing thereon," and declaring its intent to establish the same; and

WHEREAS, the Downtown Parking and Business Improvement Area (DBIA) established herein is for the purpose of enhancing conditions for the operation of those businesses, multifamily residential or mixed-use projects, and the budget shall be dedicated to activities in addition to basic services provided by The City of Seattle; and

WHEREAS, as provided by Resolution 30670, the City Council, through its Finance and Budget Committee held a public hearing thereon on May 6, 2004, at 9:30 a.m. in the City Council Chambers, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington; and

WHEREAS, the testimony received at that hearing resulted in the Council determining that establishing a new DBIA is in the best interest of the businesses, multifamily, and mixed-use projects within the DBIA's boundaries; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Area Established. As authorized by Chapter 35.87A RCW, there is hereby established a Downtown Parking and Business Improvement Area ("Downtown Business Improvement Area" or "DBIA") to be known as the "Metropolitan Improvement District" or "MID" within the following boundaries as shown on the map attached as Exhibit "A" (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):

From the corner of 4th Avenue and Denny Way, proceed south on 4th Avenue to Cedar Street, east on Cedar Street to the alley between 4th and 5th Avenues, south down the alley to Vine Street, east on Vine Street to 5th Avenue, south on 5th Avenue to Lenora Street, west on Lenora Street to the Alaskan Way Viaduct, north under the Viaduct to Elliott Avenue, north along Elliott Avenue to Bay Street, west along the Bay Street right-of-way to the water, south along the outer harbor line (including from Pier 71 to Pier 47) to South Jackson Street, south along Alaskan Way to King Street, east along King Street to 4th Avenue, north on 4th Avenue to Washington Street, east on Washington Street to 6th Avenue, north along 6th Avenue to Interstate Highway 5, north along Interstate Highway 5 to Denny Way, west along Denny Way to 4th Avenue.

In case of a conflict between the description of the area and the map, the description shall control.

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

A. Public Areas Maintenance

The maintenance program will provide sidewalk sweeping, removal of litter, graffiti, and drug paraphernalia and maintenance of public planters, street furniture, newspaper boxes and kiosks. The program will additionally provide special services to clean up problem areas.

B. Public Safety

The public safety program will identify, report and act as problem solvers on public safety issues, including those problems specific to high rise properties, in coordination with the Seattle Police Department, mental health and substance abuse programs, and human service agencies.

C. Business Development

The business development program will develop market data resources, market trend information and economic studies to assist in retaining and attracting businesses to the area of the DBIA. The program will also develop and implement programs to improve parking, transit and access in that area.

D. Image Communications and Public Relations

The program will work to increase visitor, tourism, residential and business traffic by promoting the DBIA.

The listing of services is illustrative and not exclusive. All such activities are supplemental to street maintenance and law enforcement provided by the City and are not intended to displace any services regularly provided by municipal government. The estimated cost of these proposed uses and projects over the ten-year period is Thirty-eight Million Six Hundred Ten Thousand Dollars (\$38,610,000).

Section 3. Levy of Special Assessments. To finance the programs authorized in Section 2, there is proposed to be levied upon and collected from the businesses, multifamily residential properties (buildings containing more than four residential units), and mixed-use properties (buildings with both multifamily residential and commercial units) (collectively, "Ratepayers") in the Downtown Business Improvement Area described in Section 1, a ten-year special assessment in the amount of approximately Thirty-eight Million Six Hundred Ten Thousand Dollars (\$38,610,000). The Assessment is proposed to be measured by the type of use and rate of assessment in the following paragraphs, subject to calculations and limitations in this Section:

Base Year Assessment = (Land Square Footage x \$0.31) + ((Total 2002 Assessed Value of Site (Property + Improvements) \$1,000 x \$0.20). Records for the assessment calculation are based on information provided by the King County Assessor's Office for the year 2002. For properties with an assessed value of \$0, including properties deemed historical, the total appraised value of the property will be substituted into the Base Formula in place of the assessed value. Modification or limitations of the assessed value. Modification or limitations of the assessed value.

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Assessment formula applied to the value of the property.

Status of the owner - resident.

A credit for payments received for the time period from the establishment date of the DBIA (estimated to be July 1, 2004) through August 22, 2004, shall be applied to the accounts of ratepayers assessed under the existing Downtown Business Improvement Area, established pursuant to Ordinance 119541.

July 1, 2005 - June 30, 2006: Collection amount for each account shall increase three percent.

July 1, 2006 - June 30, 2007: Collection amount for each account shall increase three percent.

July 1, 2007 - June 30, 2008: Base Year Assessment formula applied integrating the most recent total assessed value for each parcel from the King County Assessor's Office.

July 1, 2008 - June 30, 2009: Collection amount for each account shall increase three percent from the prior year.

July 1, 2009 - June 30, 2010: Collection amount shall increase three percent from the prior year.

July 1, 2010 - June 30, 2011: Base Year Assessment formula applied integrating the most recent total assessed value for each parcel from the King County Assessor's Office.

July 1, 2011 - June 30, 2012: Collection amount shall increase three percent from the prior year.

July 1, 2012 - June 30, 2013: Collection amount shall increase three percent from the prior year.

"New benefit areas" shall be added to the assessment roll on an annual basis, as follows: A new benefit area is created when a parcel's net building square footage increases either as a result of a new building or expansion of an existing building. New benefit areas shall be added to the assessment roll annually in July if its value has been added to the King County Assessor's assessment rolls at any point during the preceding year.

During July 1, 2004 - June 30, 2005, July 1, 2005 - June 30, 2006 and July 1, 2010 - June 30, 2011, new benefit areas shall be assessed according to the appropriate Base Formula factor and Assessment Ceiling rates applicable to use category applicable after new benefit area has occurred. If new benefit areas are added during July 1, 2006 - June 30, 2007, July 1, 2007 - June 30, 2008, July 1, 2008 - June 30, 2009, July 1, 2009 - June 30, 2010, July 1, 2010 - June 30, 2011, or July 1, 2012 - June 30, 2013, this new benefit area shall be assessed for that year's collection amount an annual amount in addition to the previous assessment, until the next year in which the Base Year Assessment formula is applied, using the following formula for specific benefit use category of the new benefit area:

Commercial Condominium
If property is commercial: \$0.07 per net new building square foot

If property is residential: \$76.00 per new unit

Commercial Mixed-Use \$0.07 per net new building square foot

Hotel \$55.00 per new room

Industrial Warehouse \$0.03 per net new building square foot

Multifamily Residential Apartment \$76.00 per new unit

Multifamily Residential Condominium \$76.00 per new unit

Multifamily Residential Apartment/Rest \$76.00 per new unit

Owned by Nonprofit (Non-residential) \$0.01 per net new building square foot

For benefit use categories not listed, no additional assessment shall be imposed on those properties whose net building square footage has increased.

Section 4. Rate Changes. Changes in the assessment rate shall only be made by ordinance and as authorized in RCW 55.57A.140.

Section 5. Deposit of Revenues. There is in the City Treasury a Business Improvement Area Fund, a separate subaccount designated the Downtown Business Improvement Area Account (called "the Account"). The following monies shall be deposited in the Account:

(a) All revenues from special assessments levied under this ordinance;

(b) All income to the City from public events financed with special assessments;

(c) Gifts and donations for the Account;

(d) Interest and all other income from the investment of Account deposits;

(e) Restitution moneys for expenditure made from the Account and reimbursement due to the Account.

Section 6. Collection Schedule. Special assessments shall be collected on a semi-annual basis. The Director, Department Executive Administration, or the Director's designee ("Director") may change the billing frequency by directive. A copy of a Directive shall be mailed to all Ratepayers not less than 30 days before the new billing cycle is to take effect.

Section 7. Delinquent Payments. If an assessment has not been paid within thirty (30) days after its due date, the Director shall send a reminder notice and add a Five Dollar (\$5.00) processing fee. If the assessment is not paid within sixty (60) days after its due date, a delinquency charge shall be added in the amount of ten percent (10%) of the assessment in addition to an additional Five Dollar (\$5.00) processing fee. All assessments that are not paid within sixty (60) days of the due date shall also bear interest from the due date at twelve percent (12%) per annum. The Director is authorized to bring an action to collect any unpaid assessments in any court of competent jurisdiction in King County.

Section 8. Notices. Notices of assessment, installment payments, or delinquency, and all other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the City to the address shown on the records of the Director, and, if no address is shown there, to the address shown on the records of the County Assessor. Failure of the Ratepayer to receive any mailed notice shall not release the Ratepayer from the duty to pay the assessment and any interest and delinquency charges on the due date.

Section 9. Disputes. Any Ratepayer aggrieved by the amount of an assessment or delinquency charge may on request obtain a meeting with the Director or the Director's designee. If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the manner provided for a contested case under Chapter 3.02 of the Seattle Municipal Code. The Ratepayer has the burden of proof to show that the assessment or delinquency fee is incorrect.

(c) Calculate and collect the interest for late payments;

(d) After receiving the recommendation of the Ratepayers at their annual meeting, execute an annual program management contract with a Program Manager;

(e) Accept and deposit advance payment of assessments by ratepayers, except donations from governmental agencies, the public, and owners and operators of businesses on land that is developed or redeveloped during the existence of the DBIA for DBIA programs.

Section 13. Contract for Program Management. The Director is authorized to contract with a Program Manager, after receiving the recommendation of the Ratepayers at the annual meeting, to administer the projects and activities. It is the intent of the City Council that the Director renew the contract with the Downtown Seattle Association (DSA), and its management subsidiary, DBIA Services, to administer the program during the initial year, and for each year thereafter for as long as the Ratepayers concur in its continuation as the Program Manager. The selection of a Program Manager upon the recommendation of the Ratepayers shall comply with the consultant selection procedures of Seattle Municipal Code Chapter 3.114 and Section 20.460.10. The Seattle Police Department shall review any proposed contract for private security.

Section 14. Commencement of Assessments. Assessments shall commence as of July 1, 2004.

Section 15. Ratification and Confirmation. The making of contracts and expenditures and the sending of assessment notices pursuant to the authority and prior to the effective date of this ordinance are hereby ratified and confirmed.

Section 16. Winding up of Operations of Existing DBIA. All program operations shall cease immediately on June 30, 2004. Management operations shall continue, but shall be limited to those necessary to close all outstanding accounts of the DBIA. DSA shall direct persons who may have accounts payable to submit final invoices not later than 30 days after the effective date of this ordinance. DSA shall provide the Director with a balance sheet, financial statement, list of payables, list of major vendors and suppliers over the past year, and any other information requested by the Director, not later than 30 days after the effective date of this ordinance.

The Director shall pay all legitimate reimbursable expenses and collect on all outstanding receivables as provided for in Ordinance 119541 for two years after June 30, 2004 in order to pay the legitimate expenses and collect the debts of the DBIA. Delinquent assessments collected before the Account is closed shall be credited to the Account. The Director shall prorate and distribute among the ratepayers the funds remaining in the Account after all expenses are paid.

The Account shall remain open until two years after the effective date of this ordinance. After distribution of all funds, the Director shall close the account. If any delinquent assessments are recovered after the account is closed, the funds shall be credited to the City's General Fund.

Section 17. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council on the 24th day of May, 2004, and signed by me in open session in authentication of its passage this 24th day of May, 2004.

Jan Drago
President of the City Council

Approved by me this 26th day of May, 2004.

Gregory J. Nickels, Mayor
Filed by me this 26th day of May, 2004.

(Seal) Judith Pippin, City Clerk

Exhibit "A" DBIA (Metropolitan Improvement District) Boundary Map

See City Clerk for Exhibit

Publication ordered by JUDITH PIPPIN, City Clerk.

Date of publication in the Seattle Daily Journal of Commerce, June 1, 2004.

6(1172770)

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