

Ordinance No. 124175

Council Bill No. 117736

AN ORDINANCE establishing a ten-year Downtown Parking and Business Improvement Area to be known as the Metropolitan Improvement District; levying special assessments upon operators of the business property, multi-family residential property (buildings containing four or more residential units), and mixed-use property (multi-family residential and commercial) within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the current Downtown Parking and Business Improvement Area that was established by Ordinance 121482 ("2004 DBIA"); suspending the issuance of assessments and providing for the winding up of activities under the 2004 DBIA; and providing for the distribution of remaining funds from and closing of the 2004 DBIA Account.

Related Legislation File: _____

Date Introduced and Referred: <u>3.18.13</u>	To: (committee): <u>Government Performance + Finance</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>5/6/13</u>	Date Presented to Mayor: <u>5/7/13</u>
Date Signed by Mayor: <u>5/14/13</u>	Date Returned to City Clerk: <u>5/14/13</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text _____	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: [Signature]

Committee Action:

Date	Recommendation	Vote
<u>5/1/2013</u>	<u>Pass as Amended</u> ^(EAS)	<u>NL, SC, TS, G - 0 - 0</u>

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

Full Council Action:

Date	Decision	Vote
<u>May 6, 2013</u>	<u>Passed</u>	<u>8-0-1 (disqualified: Bagshaw)</u>

Law Department

CITY OF SEATTLE
ORDINANCE 124175
COUNCIL BILL 117736

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4 AN ORDINANCE establishing a ten-year Downtown Parking and Business Improvement Area
5 to be known as the Metropolitan Improvement District; levying special assessments upon
6 operators of the business property, multi-family residential property (buildings containing
7 four or more residential units), and mixed-use property (multi-family residential and
8 commercial) within the area; providing for the deposit of revenues in a special account
9 and expenditures therefrom; providing for collection of and penalties for delinquencies;
10 providing for the establishment of a Ratepayers Advisory Board; providing for an
11 implementation agreement with a Program Manager; disestablishing the current
Downtown Parking and Business Improvement Area that was established by Ordinance
121482 ("2004 DBIA"); suspending the issuance of assessments and providing for the
winding up of activities under the 2004 DBIA; and providing for the distribution of
remaining funds from and closing of the 2004 DBIA Account.

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

15 WHEREAS, the current Downtown Parking and Business Improvement Area (2004 DBIA),
16 which was established in 2004 by Ordinance 121482 to provide services and amenities
17 for ratepayers paid for through a levy of special assessments, will expire on June 30,
2014; and

18 WHEREAS, approximately 62 percent of the businesses, multi-family residential, and mixed-use
19 properties located within the area that are subject to the special assessments levied by this
20 ordinance filed a petition with The City of Seattle to establish a new and expanded
21 Downtown Parking and Business Improvement Area, to be known as the Metropolitan
Improvement District ("MID") pursuant to RCW 35.87A, a copy of which is filed in C.F.
312838; and

22 WHEREAS, the City Council adopted Resolution 31436, initiating a Parking and Business
23 Improvement Area via the Resolution method instead of the petition method as provided
for by RCW 35.87A.030; and

24 WHEREAS, pursuant to RCW 35.87A.040, the City Council adopted Resolution 31437, which
25 stated its intention to establish the MID, the proposed boundaries of which shall include
26 the 2004 DBIA and the proposed programs of which are intended to supersede the
27 programs provided for in Ordinance 121482, and to set a date and place for a public
hearing; and



1 WHEREAS, pursuant to RCW 35.87A.180, the City Council adopted Resolution 31438, which
2 stated its intention to disestablish the 2004 DBIA and set a date and place for a public
hearing; and

3 WHEREAS, the MID's purpose is to enhance conditions for the operation of those businesses,
4 multi-family residential, or mixed-use properties by performing activities that go beyond
the basic services provided by The City of Seattle; and

5 WHEREAS, as provided by Resolution 31437, the City Council, through its Government
6 Performance and Finance Committee held a public hearing on April 16, 2013 and the
7 testimony received at that hearing resulted in the Council determining that disestablishing
8 the 2004 DBIA and establishing the MID is in the best interest of the businesses, multi-
family, and mixed-use properties within the MID's boundaries; NOW, THEREFORE,

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

10 **Section 1.** Disestablished. The current Downtown Parking and Business Improvement
11 Area ("2004 DBIA") established by Ordinance 121482 shall be disestablished at 12:01 a.m. on
12 July 1, 2013.

14 **Section 2.** 2004 DBIA Assessments to Cease. No further 2004 DBIA assessments shall
15 be made after July 1, 2013.

17 **Section 3.** Winding up of Operations. The Director of the Department of Finance and
18 Administrative Services (Director) is authorized to enter into an agreement with the Program
19 Manager of the 2004 DBIA to provide for continuity of services and winding up of operations of
20 the 2004 DBIA. All 2004 DBIA program and management operations shall cease effective July
21 1, 2013, and all remaining funds in the 2004 DBIA Account shall immediately be transferred to
22 the account described in Section 9.

24 **Section 4.** Area Established. As authorized by Chapter 35.87A RCW, there is hereby
25 established a Downtown Parking and Business Improvement Area to be known as the
26



1 Metropolitan Improvement District ("MID"), within the following boundaries as shown on the
2 map attached as Exhibit A (when a street or alley is named, the area boundary is the centerline of
3 the right-of-way including vacated portions unless otherwise specified in the description): From
4 the corner of Elliott Avenue and Denny Way, proceed west to Elliott Bay; then proceed south
5 along the waterfront to Alaskan Way and Broad Street; then proceed south along Alaskan Way,
6 including the piers, to South King Street; then proceed east on South King Street to Railroad
7 Way South; then proceed southeast along Railroad Way South to 1st Avenue South; then
8 proceed east along southern boundary of parcel number 7666206851 to Occidental Avenue
9 South; then proceed north on Occidental Avenue South to South King Street; then proceed east
10 on South King Street, including properties on the south side of South King Street, to 4th Avenue
11 South; then proceed north on 4th Avenue South to South Washington Street; then proceed east
12 on South Washington Street to 6th Avenue South; then proceed north along 6th Avenue South
13 and 6th Avenue to Marion Street; then proceed north along Interstate-5 to Denny Way; then
14 proceed west along Denny Way to Elliott Avenue. In case of a conflict between the description
15 of the area and the map, the description shall control.
16
17
18

19 **Section 5. Programs.** Special Assessment revenues shall be used for the following
20 component programs:
21

- 22 1. Clean Services
- 23 2. Safety Outreach and Hospitality, including Law Enforcement
- 24 3. Marketing and Communications Services
- 25 4. Businesses Development and Market Research Services
- 26 5. Transit, Bike and Parking Services
- 27 6. Management.



1 The listing of services is illustrative and not exclusive. All such activities are supplemental to
2 street maintenance and law enforcement provided by the City and are not intended to displace
3 any services regularly provided by municipal government. Attached as Exhibit B is the MID
4 Business Plan as of April 18, 2013. It describes the currently-anticipated services to be provided
5 in the MID, including anticipated services in the Belltown area that was not part of the 2004
6 DBIA. Exact services within the component programs listed above will be decided by the
7 Program Manager as described in Section 17.
8

9 **Section 6.** Levy of Special Assessments. To finance the programs authorized in Section
10 5, there is proposed to be levied upon and shall be collected from the operators of business
11 property, multi-family residential property (buildings containing four or more residential units),
12 and mixed-use property (multi-family residential and commercial) located within the boundaries
13 of the MID described in Section 4, a ten-year special assessment. Ratepayers will be assessed by
14 the City for ten annual installments beginning with the base year of the authorization (2013-
15 2014), by applying an assessment rate to each ratepayer as described below:
16
17

18 A. Base Year Assessment = $(\$0.32 \times \text{Land Square Footage}) + (\$0.37 \times (\text{Total Taxable Value (Land + Improvements)} / \$1,000))$. This calculation is called the "Base Formula."
19 Records for the initial assessment calculation are based on information provided by the
20 King County Assessor's office for the year 2012. Modifications or limitations to the Base
21 Year Assessments are described below.

22 B. TAV Ceiling. No Base Year Assessment for any individual parcel shall exceed an
23 amount equal to $(\$1.84 \times (\text{Total Appraised Value} / \$1,000))$. This rate is called the "TAV
24 Ceiling."

25 C. Building Square Footage Ceiling. No Base Year Assessment for any individual
26 parcel shall exceed an amount equal to $(\$0.17 \times \text{Net Building Square Footage})$. This rate
27 is called the "Building Square Footage Ceiling."
28



1 D. Special Assessment Ceiling Rate. For the following special classifications of
2 Ratepayers (using King County Assessor's Present Use Code), a Special Assessment
3 Ceiling Rate as set forth below shall be applied to the Base Year Assessment:

- 4 1. Hotel Room Ceiling: \$80 per room
- 5 2. Residential Unit Ceiling: \$125 per unit. This ceiling applies equally to owned
6 (i.e., condominium) and to rental (i.e., apartment) units.
- 7 3. Surface Parking Ceiling: $(\$0.70 \times (\text{Total Appraised Value}/\$1,000))$

8 E. If the Total Appraised Value and Total Taxable Value in the King County Assessor's
9 records are not equal, then using the King County Assessor's notations about "Tax Value
10 Reason" (TVR), nonprofit rates or other special criteria may apply under the following
11 rules:

- 12 1. If TVR is "OP" (Operating Property), then use Appraised Value.
- 13 2. If TVR is "HP" (Historic Property), then use Taxable Value.
- 14 3. If TVR is "NP" (Nonprofit Org.), then use Taxable Value and calculate the
15 Base Year Assessment as 25% of the Base Formula. 25% of the Base Formula is
16 called the Nonprofit Rate.
- 17 4. If TVR is "EX" or "MX" (Exempt from Taxes), then review the property in
18 detail, and:
 - 19 a. If the property is owned and operated by a governmental organization,
20 it is exempt from mandatory MID assessment.
 - 21 b. If the property is owned and operated by a nonprofit organization, the
22 Base Year Assessment is calculated using Taxable Value and the
23 Nonprofit Rate.
 - 24 c. If the property is owned by a for profit organization, the Base Year
25 Assessment is calculated using Appraised Value.
 - 26 d. For the following properties, special circumstances require assessment
27 calculations reflecting the unique nature of the ownership and use for each
28 property.
 - i. For 2821 Alaskan Way and related overwater parcels, known as
Pier 70 Ainsworth & Dunn Wharf:



- a. PIN#7666202292 is exempt;
- b. PIN#7666202290 will be assessed normally.

ii. For 2411 Alaskan Way and related overwater parcels, known as Edgewater Inn:

- a. PIN#7666202310 will be assessed normally;
- b. PIN#7666202312 is exempt;
- c. PIN#7666202315 is exempt;
- d. PIN#7666202317 is exempt.

iii. For 1515 Alaskan Way and related overwater parcels, known as Pier 59 Seattle Aquarium:

- a. PIN#7666202420 will be assessed at the nonprofit rate;
- b. PIN#7666202422 is exempt.

iv. For 1301 Alaskan Way and related overwater parcels, known as Pier 57 Bay Pavilion:

- a. PIN#7666202433 is exempt;
- b. PIN#7666202435 will be assessed normally.

v. For 1201 Alaskan Way and related overwater parcels, known as Piers 55 & 56:

- a. PIN#7666202485 will be assessed normally;
- b. PIN#7666202487 is exempt.

vi. For 1003 Alaskan Way and related overwater parcels, known as Pier 54 Ivars Acres of Clams:

- a. PIN#7666202495 will be assessed normally;
- b. PIN#7666202497 is exempt.

vii. 1301 Fifth Avenue (King County PIN#0002400003), known as RAINIER PLAZA FAIRMONT OLYMPIC HOTEL will be assessed at 450 rooms multiplied by the Hotel Room Ceiling (initially \$80/room/year and subject to the Inflationary Factor according to the provisions of this ordinance).

viii. For 1326 Fifth Avenue and related parcels (King County PIN#0002400002), known as SKINNER-IBM-WASH-COBB-FIN-BLDS:



1 a. COBB BLDG - RENOVATION TO APTS; SKINNER
2 BLDG; FINANCIAL TOWER; I B M BLDG; PUGET
3 SOUND PLAZA will be assessed at \$0.0875/Net Building
4 Square Foot. This rate will increase at the same
5 Inflationary Factor as applied other properties according to
6 this ordinance.

7 ix. For 1415 Seneca Street (King County PIN#0942000170),
8 known as Olympic Hotel Parking Garage the assessment will be
9 calculated using Total Appraised Value (TAV) instead of Total
10 Taxable Value in the Base Formula.

11 5. If TVR is blank, then use Taxable Value.

12 F. When more than one Assessment Ceiling Rate applies to a single parcel, Ratepayers
13 shall pay the lesser of the applicable Assessment Ceilings.

14 G. Properties owned by governmental entities and public utilities will not be assessed
15 except as provided in subsection E.4.

16 H. To maintain the current level of services and benefits provided by MID, annual
17 assessment rate increases shall be applied consistent with this subsection.

18 1. Assessments in the second and third assessment years, as adjusted pursuant to
19 this subsection, shall be based upon the same property values as in the first
20 assessment year. In the fourth assessment year (2016-2017), the Base Formula
21 shall be calculated using the most recent Total Appraised Value, Total Taxable
22 Value, Land Square Footage, Net Building Square Footage, and other information
23 from the King County Assessor's Office, or the commensurate values from the
24 first assessment year, whichever is greater. Assessments in the fifth and sixth
25 assessment years, as adjusted pursuant to this subsection, shall be based upon the
26 same property values as in the fourth assessment year. In the seventh assessment
27 year (2019-2020), the Base Formula shall be calculated using the most recent
28 Total Appraised Value, Total Taxable Value, Land Square Footage, Net Building
29 Square Footage, and other information from the King County Assessor's Office,
30 or the commensurate values from the first or fourth assessment years, whichever
31 is greater. Assessments in the eighth, ninth, and tenth assessment years, as
32 adjusted pursuant to this subsection, shall be based upon the same property values
33 as in the seventh assessment year.

34 2. After the first assessment year, the Land Square Footage rate, and the ceilings
35 for TAV, Building Square Footage, Hotel Room, and Residential Unit rates shall
36 be adjusted by an Inflationary Factor, which will be equal to the change in the
37



1 annual Consumer Price Index for All Urban Consumers in Seattle – Tacoma –
2 Bremerton (“CPI”), or three percent per year, whichever is less, subject to the
3 following conditions:

- 4 a. Second Assessment Year (2014 – 2015): The Inflationary Factor will
5 be calculated using the change in the annual CPI from 2012 to 2013.
- 6 b. Third Assessment Year (2015 – 2016): The Inflationary Factor will be
7 calculated using the change in the annual CPI from 2013 to 2014.
- 8 c. Fourth Assessment Year (2016 – 2017): The Inflationary Factor will
9 be calculated using the change in the annual CPI from 2014 to 2015.
- 10 d. Fifth Assessment Year (2017 – 2018): The Inflationary Factor will be
11 calculated using the change in the annual CPI from 2015 to 2016.
- 12 e. Sixth Assessment Year (2018 – 2019): The Inflationary Factor will be
13 calculated using the change in the annual CPI from 2016 to 2017.
- 14 f. Seventh Assessment Year (2019 – 2020): The Inflationary Factor will
15 be calculated using the change in the annual CPI from 2017 to 2018.
- 16 g. Eighth Assessment Year (2020 – 2021): The Inflationary Factor will
17 be calculated using the change in the annual CPI from 2018 to 2019.
- 18 h. Ninth Assessment Year (2021 – 2022): The Inflationary Factor will be
19 calculated using the change in the annual CPI from 2019 – 2020.
- 20 i. Tenth Assessment Year (2022 – 2023): The Inflationary Factor will be
21 calculated using the change in the annual CPI from 2020 to 2021.

22 3. Notwithstanding the provisions of subsection H.2, the following shall apply:

- 23 a. The Base Formula rate for the Total Taxable Value portion of the
24 calculation will not exceed \$0.37.
- 25 b. The Base Formula rate for the Land Square Footage portion of the
26 calculation will not exceed \$0.32 x the cumulative Inflationary Factor.
- 27 c. The TAV Ceiling rate will not exceed \$1.84 x the cumulative
28 Inflationary Factor.
- d. The Building Square Footage Ceiling rate will not exceed \$0.17 x the
cumulative Inflationary Factor.



1 e. The Hotel Room Ceiling rate will not exceed \$80 x the cumulative
2 Inflationary Factor.

3 f. The Residential Unit Ceiling rate will not exceed \$125 x the cumulative
4 Inflationary Factor.

5 g. The Surface Parking Ceiling rate will not exceed \$0.70.

6 h. In applying annual rate increases to Ratepayers' assessments, any
7 revisions to Base Formula and assessment ceiling rates will be rounded to
8 the nearest one-hundredth of one cent (\$0.0001).

9 4. "New benefit areas" shall be added to the assessment roll on an annual basis,
10 as follows. A "new benefit area" is created when a parcel's net building square
11 footage increases as a result of either a new building or expansion of an existing
12 building. A new benefit area shall be added to the MID assessment roll as of July
13 1 if its value has been added to the King County Assessor assessment roll during
14 the preceding year. The new benefit area shall be assessed according to the Base
15 Formula factors and Assessment Ceiling rates in effect during the assessment
16 year.

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

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

24 **Section 9. Deposit of Revenues.** There is in the City Treasury's Business Improvement
25 Area Fund a separate subaccount designated the Metropolitan Improvement District Account
26 (called "the Account"). The following monies shall be deposited in the Account:
27



- 1 A. All revenues from special assessments levied under this ordinance;
- 2 B. All income to the City from public events financed with special assessments;
- 3 C. Gifts and donations;
- 4 D. Interest and all other income from the investment of Account deposits;
- 5 E. Restitution moneys for expenditures made from the Account; and
- 6 F. Reimbursements due to the Account.

7
8 **Section 10.** Delinquent Payments. If an assessment has not been paid within 30 days
9 after its due date, the Director shall send a reminder notice and add a \$5 processing fee. If the
10 assessment is not paid within 60 days after its due date, a delinquency charge shall be added in
11 the amount of ten percent of the assessment. All assessments that are not paid within 60 days of
12 the due date shall also bear interest from the due date at 12 percent per annum. The Director is
13 authorized to refer any unpaid assessments to a collection agency or to bring an action to collect
14 any unpaid assessments in any court of competent jurisdiction in King County.
15
16

17 **Section 11.** Notices. Notices of assessment, installment payments, or delinquency, and
18 all other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the
19 City to the address shown on the records of the Director, and, if no address is shown there, to the
20 address shown on the records of the County Assessor. Failure of the Ratepayer to receive any
21 mailed notice shall not release the Ratepayer from the duty to pay the assessment on the due date
22 and any interest and delinquency charges.
23
24

25 **Section 12.** Disputes. Any Ratepayer aggrieved by the amount of an assessment or
26 delinquency charge may on request obtain a meeting with the Director or the Director's designee.
27



1 If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the
2 manner provided for a contested case under Chapter 3.02 of the Seattle Municipal Code. The
3 Ratepayer has the burden of proof to show that the assessment or delinquency charge is
4 incorrect.

5
6 **Section 13. Audit.** The City may conduct random audits of Ratepayers to ensure that
7 assessments are being properly calculated and reported.

8
9 **Section 14. Expenditures.** Expenditures from the Account shall be made upon demand
10 and presentation of documentation of allowable expenses to the Director by the Program
11 Manager and shall be used exclusively for the statutory purposes as defined in Section 5.

12
13 **Section 15. Ratepayers Advisory Board.** The Director shall appoint an interim
14 Ratepayers Advisory Board comprised of Ratepayers from the MID and, as non-voting members,
15 representatives of small (50 or fewer employees) street-level retail uses that are tenants of
16 Ratepayers, within thirty days of the effective date of this ordinance. The Director shall solicit
17 recommendations from the Ratepayers and from neighborhood retail committees within the MID
18 boundary, and shall appoint the interim board from that list. The interim board shall include: at
19 least one representative of a small street-level retail use that is a tenant of a Ratepayer, non-
20 voting; at least one representative of a Belltown residential condominium association; and at
21 least one representative of a Belltown commercial property Ratepayer. The interim Ratepayers
22 Advisory Board will recommend a permanent Ratepayers Advisory Board (the "Board") within
23 ninety days of the effective date of this ordinance. The composition of the Board shall be
24 representative both of the entire geographic area of the District and of the special classifications
25
26
27



1 in Section 6. The Director shall appoint the permanent Board members from the list
2 recommended by the interim Ratepayers Advisory Board. The Director may appoint additional
3 members to the Board beyond those recommended by the interim Ratepayers Advisory Board to
4 ensure a broad representation of Ratepayers and small street-level retail uses, provided that the
5 additional voting members so appointed do not exceed one-third of the entire voting membership
6 of the Board. The permanent Board shall include: at least one representative of a small street-
7 level retail use that is a tenant of a Ratepayer, non-voting; at least one representative of a
8 Belltown residential condominium association; and at least one representative of a Belltown
9 commercial property Ratepayer.
10

11
12 The Ratepayers Advisory Board shall be responsible for adopting bylaws and policy
13 guidelines, and for providing advice and consultation to the Director and to the Program
14 Manager.
15

16 The Ratepayers Advisory Board shall meet at least once quarterly; recommend an
17 annual work program and budget; address and discuss Ratepayer concerns and questions
18 regarding the MID district and programs; review all reports to be submitted to the Director by the
19 Program Manager; and sponsor an annual Ratepayers' meeting.
20

21 At the annual Ratepayers' meeting, the Board shall submit for approval its proposed
22 work plan and budget for the next year, and its recommendation regarding whether to continue
23 with the current Program Manager. The work plan, budget, and recommendation regarding
24 whether to continue with the current Program Manager must be approved by a majority vote of
25 the Ratepayers attending the meeting and submitted to the Director.
26
27



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

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

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

10 C. After receiving the recommendation of the interim Ratepayers Advisory Board,
11 execute a program management contract with a Program Manager for a term of up to ten
12 years; and

13 D. Accept and deposit advance payment of assessments by ratepayers; accept donations
14 from governmental agencies, the public, and owners and operators of businesses on land
15 that is developed or redeveloped during the existence of the MID for MID programs.

16 **Section 17. Contract for Program Management.** The Director is authorized to contract
17 with any local non-profit entity experienced in Business Improvement Area management to act
18 as the Program Manager. The Program Manager's duties, subject to the approval of the
19 Ratepayers at each annual meeting, will be to manage the day-to-day operations of the MID and
20 to administer the projects and activities. It is the intent of the City Council that the Director
21 contract with the Downtown Seattle Association, and its management subsidiary, DBIA
22 Services, as the initial Program Manager. The selection of a Program Manager upon the
23 recommendation of the Ratepayers Advisory Board acting on behalf of the Ratepayers shall
24 obviate compliance with the consultant selection procedures of Seattle Municipal Code Chapter
25 20.50 and Section 20.42.050.



1 **Section 18.** Commencement of Assessments. Assessments shall commence as of July 1,
2 2013, or on the effective date of this ordinance, whichever is later.

3 **Section 19.** Authority to Modify Boundary. As provided in RCW 35.87A.075, the City
4 Council may modify the boundary of the MID by ordinance after holding a public hearing. The
5 Ratepayers Advisory Board may recommend a boundary modification to the City Council.
6

7 **Section 20.** Performance Audit. The City Auditor is requested to conduct a performance
8 audit of the MID's services three years after implementation, with a particular focus on services
9 provided in the Belltown area that was not part of the 2004 DBIA. A primary goal is to assess
10 whether the Belltown area has received the general types and levels (or frequencies) of services
11 as described in the MID Business Plan as of April 18, 2013 (Exhibit B).
12
13

14 **Section 21.** Request to Disestablish. Upon a petition signed by Ratepayers that would
15 pay sixty percent of the proposed special assessments, the Ratepayers Advisory Board shall
16 request the City Council to disestablish the MID in accordance with Chapter 35.87A RCW.
17

18 **Section 22.** Ratification and Confirmation. The making of contracts and expenditures
19 and the sending of assessment notices pursuant to the authority and after passage but prior to the
20 effective date of this ordinance are hereby ratified and confirmed.
21

22 **Section 23.** This ordinance shall take effect and be in force 30 days after its approval by
23 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
24 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
25
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27

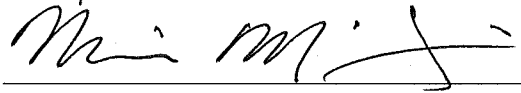


1 Passed by the City Council the 10th day of May, 2013, and
2 signed by me in open session in authentication of its passage this
3 10th day of May, 2013.

4
5 

6 President _____ of the City Council

7
8 Approved by me this 14th day of May, 2013.

9
10 

11 Michael McGinn, Mayor

12
13 Filed by me this 14th day of May, 2013.

14
15 

16 Monica Martinez Simmons, City Clerk

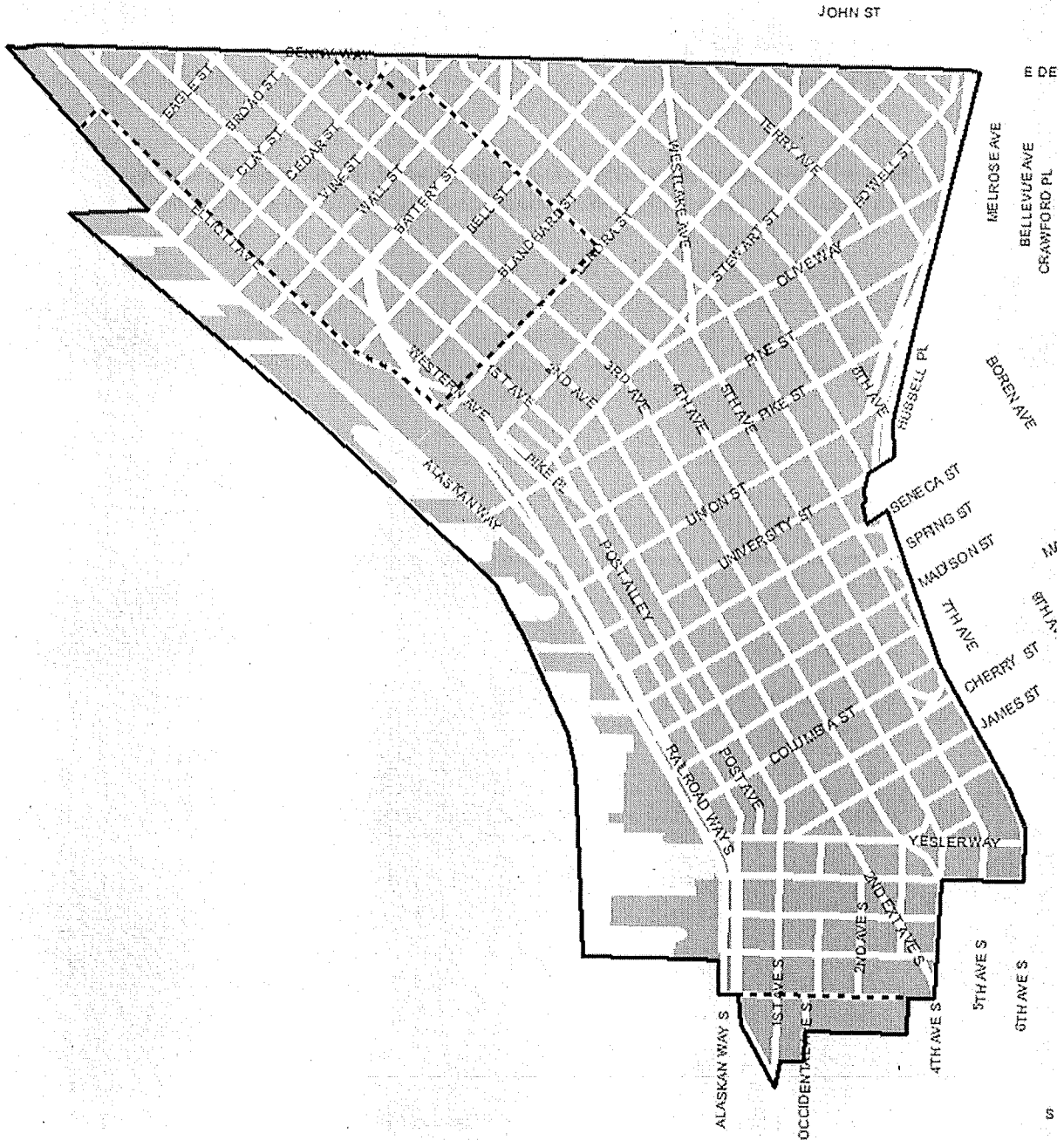
17 (Seal)

18
19 Exhibit A: Metropolitan Improvement District – Service Area

20 Exhibit B: Metropolitan Improvement District (MID) Business Plan, as of April 18, 2013
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22
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26
27

Boundaries

EXHIBIT A. Metropolitan Improvement District – Service Area



The renewed and expanded Metropolitan Improvement District will cover the area generally between Elliott Bay and Interstate-5, and between Denny Way and the sports stadiums to the south.



Exhibit B

Metropolitan Improvement District (MID) Business Plan, as of April 18, 2013

This Exhibit B is the Metropolitan Improvement District (MID) Business Plan as of April 18, 2013. It describes the currently-anticipated services to be provided in the MID, including anticipated services in the Belltown area that was not part of the 2004 DBIA.

This is a working document that will evolve and change over time. Exact services will be decided by the Program Manager pursuant to Sections 5 and 17 of the ordinance introduced as C.B. 117736.

Metropolitan Improvement District (MID) Business Plan

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Overview

Introduction

Enacted by City Council and Mayor in August 1999, and renewed for 10 years in June of 2004, the Downtown Business Improvement Area, doing business as the Metropolitan Improvement District (MID), is funded by more than 800 Downtown property owners. The mission of the Metropolitan Improvement District (MID) is to provide comprehensive management tools and resources to enable downtown neighborhoods to collectively and efficiently address common problems and needs. By focusing on five primary needs — cleaning, public safety, marketing, economic development and transportation — the MID is dedicated to creating an atmosphere that will attract visitors, business and residents to Downtown Seattle. MID programs are intended to extend, enhance and fill gaps in existing municipal services. The Downtown Seattle Association (DSA) founded and manages MID operations.

The current MID legislation was due to expire in June 2014, but the MID Board decided to renew the MID a year early in order to respond to ratepayer desires for new programs and priorities. The MID Board set up a Renewal Committee in July of 2011. This business plan was prepared, revised, and reviewed by the Renewal Committee and the Ratepayer Board, and responds to the needs and issues identified by a broad range of ratepayers. This plan is supplemented by the Basic Services Agreement in the City ordinance, which specifies ongoing City service levels.

The Metropolitan Improvement District's staff, Ratepayers Advisory Board, and Ratepayers are dedicated to making Downtown Seattle a clean, safe and welcoming place for everyone. The MID has a strong record of accomplishment since 1999, and there is strong support from Ratepayers to continue and expand its program. The MID Ratepayer Advisory Board is pleased to submit the following 10-year plan to its Ratepayers and to the City of Seattle. If approved, the new MID would commence on July 1, 2013.

Business Improvement Areas (BIA) Legislation

The Downtown Seattle MID is governed pursuant to the Revised Code of the State of Washington, Chapter on "Parking and Business Improvement Areas", 35.87A." The law includes provisions that:

- Allows BIA's to finance services ranging from security to cleaning, marketing to parking management, planning to special events.
- Allows revenue for improvements and services to be raised from a special assessment based upon benefits received from improvements and services.
- Requires petition support from property owners and/or businesses representing more than 60% of the assessments to be paid.

A BIA is a private sector initiated mechanism to manage the Downtown environment. It is financed by an assessment on properties and/or businesses that is imposed by the City Council at the request of the ratepayers. A BIA assessment is similar to the "Common Area Maintenance" fees found in suburban shopping malls and office parks. These funds are used to improve specific areas through increased maintenance, additional safety initiatives, local promotion, special events, research and development, transportation and parking, and other activities selected and managed by the local BIA Board to benefit the district.

The goal of the BIA is to make the area an attractive, safe and exciting place to live, work, shop and play. These services are designed to maintain and improve the overall viability of Downtown resulting in higher property values and sales. The International Downtown Association estimates that more than 1,200 Business Improvement Areas (BIA's) currently operate in business districts throughout the United States and Canada.



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BIA Approval Process & Timeline

- | | |
|---|-------------------|
| • Petitions to Renew & Expand the MID sent to ratepayers | November/December |
| • Collected Petitions delivered to City of Seattle | January |
| • Petition verification by the City Department of Finance & Administrative Services | February |
| • City Council process, including one or more Public Hearings | March & April |
| • Final Council Approval & Mayor’s Signature | May |
| • Renewed & Expanded MID Operations begin | July 1, 2013 |

DSA Strategic Plan Goals

The Metropolitan Improvement District was formed by the Downtown Seattle Association in 1999 and is a very important tool to implement its strategic plan and achieve its mission: To Champion a Healthy, Vibrant Urban Core. In 2011 the DSA engaged over 500 Downtown stakeholders in developing a strategic plan. The key components of the Strategic Plan are below:

Economy

Increase Economic Competitiveness by Attracting Jobs, Investment and Commerce

DSA Strategic Initiatives:

- Sector Based Job Growth
- Sustainable Downtown

Urban Environment

CREATE A 24/7 URBAN EXPERIENCE THAT IS INVITING, CLEAN AND SAFE FOR EVERYONE

DSA Strategic Initiatives:

- Public Safety & Human Services
- Renew the Metropolitan Improvement District
- Family- & Kid-Friendly Urban Core

Transportation

PROVIDE EFFECTIVE, SAFE & RELIABLE TRANSPORTATION OPTIONS TO, AND WITHIN, DOWNTOWN

DSA Strategic Initiatives:

- Construction of the Viaduct Replacement Tunnel
- Circulation Between Neighborhoods
- Multi-Modal Access

MID Renewal Goals

The MID Ratepayer Advisory Board developed the following goals for MID renewal:

- Keep the MID **Efficient** with resources; **Accountable** to ratepayers; and **Responsive** to changes
- Prioritize **Cleaning, Safety, and Parking** services in that order
- Limit budget increases to the **Consumer Price Index (CPI)** initially and over time (measured with consistent boundaries and independent of future new development)
- Expand MID Boundaries to include **Belltown** and additional parts of the **Pioneer Square Historic District**
- **Continue basic assessment formula** and **retain ratio** of assessment of total value to land area
- Simplify and adjust the assessment formula for **equity**



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MID Accomplishments

The MID keeps an extensive record of services performed in order to demonstrate benefits to Ratepayers, and to manage resources and employee productivity. Data for the 12 months 12/1/11-11/11/12 is shown below.

The MID also has **leveraged close to \$1,000,000** in additional resources since 2004. This includes sponsorship revenue for events; grants for our homelessness outreach; and grants from the City for graffiti removal, trash pickup, the Big Belly solar compacting trash cans and economic development research.

MID Ambassador and MID and SPD Patrols Activity Reports 12/1/11-11/30/12

MID Neighborhood Cleaning Services

Alley Cleanings	539
Animal/Human Waste Removals	10,000
Graffiti Tag & Sticker Removals/Public Property	20,362
Graffiti Tag & Sticker Removals/Parking Pay Stations	2,654
Hypodermic Needle Collection/Disposal	1,580
Sidewalk & Street Gutter Trash Pick-up (33-gallon bags)	14,829
Sidewalk & Storm Drain Leaf Pick-up (33-gallon bags)	7,243
Sidewalk Pressure Washings	109
Trash Cans Emptied (3 rd Avenue between Stewart & University)	3,872

MID Visitor Hospitality Services

Visitor Welcome/Q&A Interactions	31,118
Visitor Directions Provided	216,662
Transit Information Provided	44,290
Pedestrian Security Escorts/Disability Assistance Provided	377

MID Human Services Outreach

Human Welfare Check-ins Conducted	4,647
Housing/Shelter Placement Assistance Provided	7
Social Service Referrals Provided	
Medical Referrals Provided	13
VA Service Referrals Provided	2
Case Manager Connections Provided	17
Family/Support Group Reconnections Provided	8
Public Area Sleeping Morning Wake-ups	7,079
Personal Items/Hygiene Kits Distributed	17
Identification Card/Birth Certificate Assistance	37
Employment Assistance Provided	7

MID Public Safety Services

911 SPD Assistance Calls	136
911 Medical Assistance Calls	61
911 Sobering Van Calls	97
Sit & Lie Ordinance/Pedestrian Interference Enforcement	8,351
Trespass Enforcement	13,383
Alley Patrols	27,391

MID-Funded Police Patrols

Supplemental Officer Patrols	2,040
Narcotic Searches	147
Narcotic Arrests	24
Felony Arrests	43
Human Welfare Check-ins Conducted	89
Sit & Lie Ordinance/Public Civility Enforcement	1,857
Dept. of Corrections Probation Interactions	94



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MID Governance

MID Ratepayer Advisory Board

The MID has a Ratepayer Advisory Board that oversees operations and is actively engaged in day-to-day MID efforts. The Rate Payer Advisory Board is representative of the diverse range of Ratepayers and includes representation from each neighborhood, size and ratepayer type. Appointees may represent more than one category, but the final board composition must represent the geography of the MID and various Ratepayer types and sizes.

The Board representation categories include: the West Edge, Retail Core, Pioneer Square, Waterfront, Denny Triangle and Government/Finance neighborhoods; small, medium and large ratepayers; residential, both condominium and rental; and office, retail, parking, hotel and voluntary. Belltown will be added as a category for the new MID. The Ratepayer Board also has a Finance Committee that meets monthly, and two committees that meet as needed, Clean and Safe and Board Development.

2012/2013 Ratepayer Advisory Board members:

- Kathy O’Kelley - Hines — Board Chair, Board Development Committee
- Cary Clark – Argosy Cruises — Vice Chair, Board Development Committee
- Steve Van Til – Vulcan — Finance Committee Chair
- Janice Blair – Waterfront Landings — Clean & Safe Committee Chair
- Steven Baral – Melbourne Tower
- Dana Bollinger – Vance Corporation
- William Cohen – Washington Athletic Club
- Tina Davis – CBRE (Westlake Office Tower)
- Tim Holt – Washington Holdings
- Daniel Johnson – Washington State Convention Center
- Lita Johnson – Urban Renaissance Group
- Megan Karch – FareStart
- Matt King – YWCA
- Lyn Krizanich – Clise Properties, Newmark condominium resident
- Erik Lausund – Seattle Children’s Research Institute
- Sherry Lawson – General Growth Properties
- Joe McWilliams – Port of Seattle
- David Moseley – Washington State Ferries, Pioneer Square resident
- Jenne Neptune – Alexis Hotel
- Aiden Poile – Plymouth Housing Group
- Joe Polito – Touchstone Corp
- Jill Rinde – CBRE (Dexter Horton Building, 505 1st Ave Building, 83 S King)
- Peter Sill – Watermark Tower condominium resident
- Ryan Smith – Martin Smith Inc
- Broderick Smith – Urban Visions, Colonial Grand Pacific condominium resident
- John Speirs – KG Investment
- Betsy Sutherland – Bentall Kennedy
- Chris Wood – Cristalla condominium resident



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Boundaries

EXHIBIT A. Proposed Metropolitan Improvement District – Service Area



The renewed and expanded Metropolitan Improvement District will cover the area generally between Elliott Bay and Interstate-5, and between Denny Way and the sports stadiums to the south.



Assessment Formula & Methodology

Initial Assessments:

- Continue basic assessment formula; Retain 45%/55% value/land assessment ratio
- Limit the 2013 overall budget to a 2% increase over 2012 (constant boundaries)
- Simplify assessment ceilings by eliminating many ceilings and clarifying methodology
- Adjust Ceilings for CPI inflation: Total Value; Building Net Square Feet; Hotel Rooms
- Raise residential ceilings to a \$125/unit to reflect increased residential demands and more equitable contribution to budget
- Lower surface parking ceilings to 70¢/\$1,000 TAV to compensate for rezoning and return to a more equitable contribution to budget
- Clarify and simplify nonprofit assessment methodology – nonprofits will pay 25% of basic rate

Annual Updates:

- Increase individual assessments up to 3% in the 2nd & 3rd, 5th & 6th, 8th, 9th, & 10th years
- Capture assessment on new development each year
- During 3rd and 6th years, updated King County data will be gathered in order to determine assessments for the 4th and 7th years, respectively.
- For 4th and 7th year assessments, the Land Square Footage rate, and the ceilings for Total Value, Building Square Footage, Hotel Room, and Residential Unit rates shall be adjusted by an Inflationary Factor, which will be equal to the change in the annual Consumer Price Index for All Urban Consumers in Seattle – Tacoma – Bremerton ("CPI"), or three percent per year, whichever is less.

Assessment Formula & Ceiling Factors			
Formula	Rationale	Rate	Notes:
Assessment / \$1,000 TAV	Reflects differential benefit associated with different land uses, investment value of property within land uses, and economic activity.	\$0.37	Total Budget set to 2% over 2012; Ratio set to 45% Value to 55% Land Area
Assessment / Land Sq. Ft.	Reflects common level of service to all benefitting properties.	\$0.32	Total Budget set to 2% over 2012; Ratio set to 45% Value to 55% Land Area
Ceilings	Rationale & Calculation	Factor	
TAV Ceiling	Assures that properties are not unfairly assessed compared to benefits received. (Factor * King County Total Appraised Value / \$1000)	\$1.84 Per \$1,000 Total Appraised Value.	
Building Square Footage Ceiling	Limits assessments on small buildings due to limited rent-producing potential. (If FAR > 0.5, then Factor * Building New Square Feet)	\$0.17 Per Building Net Square Feet.	
Hotel Room Ceiling	Limits assessments on hotels -- value received relates to per room occupancy & revenue potential. (Factor * Number of Rooms)	\$80.00 Per Room.	
Residential Unit Ceiling	Limits assessments on residential units -- value received relates to per unit occupancy. (Factor * Number of Units)	\$125.00 Per Unit.	
Surface Parking TAV Ceiling	Limits assessments on surface parking to compensate for limited benefits. (Factor * King County Total Appraised Value / \$1000)	\$0.70 Per \$1,000 Total Appraised Value.	
Nonprofit Reduced Rate	Limits assessments on properties owned by nonprofits and occupied by charitable uses (Factor applied to occupied % of occupied use for charitable purposes; requires application & documentation process.)	25% Of Basic Formula.	



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MID Services and Budget

Services Summary

1. Clean Services

Keep Downtown Clean

- Daily sweeping, graffiti removal, alley cleaning, pressure washing
- Increased cleaning late afternoons, early evenings and weekends
- Increased leadership in public streetscape maintenance

2. Safety Outreach and Hospitality Services

Make Downtown Safe and Welcoming

- Additional Strategic Police Teams to deal with open air drug dealing, illegal behavior
- Neighborhood Ambassador Teams focused on Human Services and Mental Health Outreach
- Seasonal Concierge in major Parks

3. Marketing and Communications Services

Promote and Market Downtown

- Comprehensive Holiday & Summer marketing campaigns to increase pedestrian traffic
- New campaign to establish and promote reduced evening and weekend parking rates
- MID Ratepayer outreach and services benchmarking

4. Businesses Development and Market Research Services

Recruit and Retain Businesses and Jobs

- In depth data collection and economic trends analysis
- Business retention & recruitment efforts
- New Retail Recruitment Program

5. Transit, Bike and Parking Services

Increase Access and Mobility for Visitors, Commuters and Residents

- Discount Transit Pass sales and commute services for property owners and tenants
- Assistance designing bike facilities to attract tenants
- New parking management strategies to increase parking utilization and improve visitor parking access

6. Management

Excellent Program Management and Administration

- Provide high-quality program administration and excellent customer service
- Effectively develop and implement service programs
- Provide financial and contract management services

City Baseline Services

Note: This plan is supplemented by the *Statement of Principles* in the City ordinance, which specifies ongoing City service levels.

Budget Summary

Program	Proposed 2013/2014 MID Budget	% Budget
Clean	\$3,115,754	41%
Safety, Outreach and Hospitality	\$2,127,832	28%
Marketing and Communications	\$987,922	13%
Business Development and Market Research	\$379,970	5%
Transit, Bike and Parking	\$227,982	3%
Management	\$759,940	10%
TOTAL	\$7,599,400	100%



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CLEAN SERVICES

Keep Downtown Clean

Daily cleaning services:

- o 6:00 a.m. - 9:00 p.m. T-F, 6:00 a.m. - 2:30 p.m. M
- o 7:00 a.m. - 9:00 p.m. Saturday
- o 7:00 a.m. - 3:30 p.m. Sunday
- o Sweeping of sidewalks from building line to curb
- o Curb detailing, removing all debris from curbs
- o Removal of graffiti tags and stickers from light poles, mailboxes, parking signs
- o Removal of all graffiti tags and repainting of all parking pay stations
- o Sidewalk power washing service for ratepayers up to twice yearly
- o Cleanup of trash and other debris left by encampments in the public right of way
- o Check each alley for needed clean up and illegal dumping, focus on problem alleys
- o Human/animal waste removal in public right of way
- o Removal and composting of all leaves in fall season
- o Provide 22 solar compacting trash cans on 3rd Avenue
- o Supervise 3000+ hours of annual court ordered community service
- o Additional focused cleaning in areas with high transit, evening and residential traffic
- o Mechanized sweeping and cleaning to increase efficiency where appropriate

Note: The Clean program will seek to hire people with barriers to employment including felony records, homelessness and addictions

Water Cleanup

- Annual, seasonal cleanup of trash and debris in the water along the shoreline.

Streetscape Management

- Daily reporting and follow up on issues such as:
 - o Graffiti on private property
 - o Illegal encampments in the public right of way
 - o Illegal dumping
 - o Burned out street lights (annual survey)
 - o Abandoned, broken or illegal newspaper boxes
 - o Illegal signs in the right of way
 - o Illegal food or merchandise vending
 - o Public art and street furniture installations that need repair
 - o Customer Service Specialist to resolve Ratepayer issues
- Our intent is to develop an electronic reporting system as budget allows to facilitate reporting, follow up and management



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SAFETY, OUTREACH AND HOSPITALITY SERVICES

Make Downtown Safe and Welcoming

Additional Police Patrols

The MID is increasing the investment in additional Police patrols from \$150,000 to \$300,000 per year. This equates to approximately 12, four person, six- hour Police patrols per month. Their focus will be on neighborhood hot spots including open air drug markets, illegal behavior and bar times.

Neighborhood Ambassador Outreach Teams

- 7:30 a.m. – 9:30 p.m. M-F
- 8:30 a.m. – 7:00 p.m. Saturday and Sunday
- Teams in six Downtown zones on bike and on foot with Ambassadors and Human Services Outreach
- Daily wake ups, welfare checks and services referrals to persons sleeping on the street
- Address illegal behavior including sitting and lying in the public right of way, illegal vending, trespass, aggressive panhandling, urinating/defecating in public - engage Police when necessary
- Frequent checks of alleys and other problem locations for illegal activity
- Work with partners to clean up illegal encampments
- Focused outreach to the most vulnerable and visible people sleeping outside or with mental illness with a goal of getting people off the street and into housing and treatment
- Partner with SPD for special hot spot policing of problem areas
- Partner with SPD Crime Prevention Coordinator on ratepayer education and safety issues
- Partner with Union Gospel Mission to fund a full-time Downtown mental health professional
- Customer service for visitors including directions and transit information

Seasonal Concierge in Major Parks

Provide Concierge Ambassadors in Information booths in Downtown parks from May thru October. Start with one Concierge Ambassador in 2014 and phase in one or two concierge/kiosk locations a year as MID revenue grows. The goal is to add Concierge services over time in 5 parks - Westlake, Occidental, Victor Steinbrueck, Bell Street and Waterfront. Parks Concierge will provide information to visitors and be the steward of quality of life in the Park, including the following activities:

- Giving information on the location of businesses and attractions
- Resource on bus schedules
- Knowledge of daily events in Seattle
- Assist Parks staff to set out tables and chairs and games
- Work with Park Rangers and SPD to report illegal behavior
- Work with Parks on the events schedule and advise on event set up and take down

MARKETING AND COMMUNICATIONS

Promote and Market Downtown

Comprehensive Holiday and Summer Marketing Campaigns

Summer in Seattle and *Holidays in Seattle* (in partnership with the Seattle Convention and Visitors Bureau and Seattle Center) are focused on positioning Downtown as the region's preferred urban experience and increasing pedestrian traffic during these important retail/ tourist seasons through attractions & events (i.e. Out to Lunch Concert Series, Holiday Carousel), promotions and multi-media advertising campaigns.

Neighborhood Marketing Fund

The MID Board will establish an annual neighborhood marketing reserve fund of at least \$50,000, for seed money for neighborhood marketing programs.

MID Ratepayer Outreach

- o Quarterly MID ratepayer newsletter/annual report
- o MID Annual Ratepayer Meeting
- o DowntownSeattle.com website (shared with DSA)
- o Daily social media and blog posts
- o Advertising in maps and visitor publications highlighting the MID Concierge Ambassadors as a source for Q&A and visitor tips while Downtown
- o Advertising and public relations materials to increase awareness and build closer ties between the MID and its ratepayers (i.e. post-service door hangers)

Parking Campaign

New Downtown-wide parking marketing campaign (including parking promotions). Would support new parking strategies developed with Commute Seattle and address survey findings that 65% of regional residents find parking to be the primary barrier for not coming Downtown. New parking strategies would leverage other City, State and Convention and Visitor Bureau transportation construction mitigation and marketing funds.

BUSINESS DEVELOPMENT AND MARKET RESEARCH

Recruit and Retain Businesses and Jobs

Data Collection and Economic Trends Analysis

Continue to collect data to track Downtown's competitiveness and provide information to brokers, developers, and policy makers. Increase the amount of policy analysis and research in areas that advance MID/DSA priorities and strategic initiatives (i.e. Downtown School Study, Demographics Report, Off-Street Parking Analysis).

Business Retention & Recruitment Efforts

The MID and DSA have implemented a business retention program in partnership with the City Office of Economic Development. The program includes 80 or more one-on-one interviews annually with Downtown businesses of all sizes. Referrals are made to government agencies to problem resolve issues raised by participants.

Continue to partner with the Office of Economic Development and enterpriseSeattle on business recruitment. Respond to requests, provide information and work with potential businesses and investors to recruit them to Downtown Seattle.

New Retail Recruitment Program

Partner with nationally successful retail recruitment training program to train existing staff to develop an aggressive retail recruitment program, focusing on small independent neighborhood retail to improve Downtown's retail mix and increase retail market share. The program would:

- Develop a retail recruitment strategy
- Coordinate with local brokers and property owners
- Maintain prospect lists; schedule outreach visits
- Develop website to market Downtown's retail advantages
- Maintain database of available retail spaces
- Develop online mapping program integrating demographic data, street-level retail and services, development projects, property ownership and other data



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TRANSIT, BIKE AND PARKING SERVICES

Increase Access and Mobility for Visitors, Commuters and Residents

Transit and Bike Programs to Reduce Car Commutes, increase Downtown Circulation

Continue to provide discount Transit Pass sales and commute services for property owners and tenants including:

- o Transit pass product consultations to optimize tenant investments in commuter benefits
- o One-stop-shop for commuter transportation; web site, newsletter, social media
- o Tenant engagement seminars to educate tenants about transportation options and issues
- o Transportation fairs and topical seminars for tenants and employees
- o Quarterly best-practices transportation workshops for tenants
- o Research: bi-annual commuter mode split trend study
- o Assistance in designing bike facilities to attract tenants
- o Bike facilities consultations and best-practices for property owners and tenants
- o Bike encouragement events (i.e Bikes & Bagels and Biking and the Bottom Line
- o Bike inventory updates and bike map outreach resources

Parking Program to Improve Visitor Perceptions, Retail and Restaurant Competitiveness

New program of outreach and engagement to property owners to develop new parking management strategies to increase parking utilization and improve visitor-parking access

- o Engage property owners and parking operators in proven parking strategies that use variable rates (discounts) during off-peak times to attract more visitors and optimize unused parking capacity
- o Develop pricing schemes/incentives that attract shoppers, particularly during evenings and weekends to overcome survey findings that 65% of regional residents find parking a barrier to coming Downtown
- o Develop and manage a parking utilization database for analysis, optimization of underutilized space, and to inform marketing resource investments
- o Coordinate and leverage city-managed parking programs to attract short-term and weekend parking markets
- o Leverage potential with State/City tunnel construction mitigation dollars (\$30,000,000) by creating parking program that is viable by and beyond 2015

Note: funds for this program are leveraged 2:1 with City & County funds



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MANAGEMENT SERVICES

Excellent Program Management and Administration

The Downtown Seattle Association (DSA) is the founder and management company for the MID. The DSA has managed the MID Program since 1999 and is committed to excellent customer service to Ratepayers. DSA would provide management services for the MID under a ten-year contract with the City of Seattle, which would be reviewed annually by the Ratepayer Advisory Board. Services include:

Provide high-quality program administration and excellent customer service

- Provide staff assistance and guidance to the MID Ratepayers' Advisory Board to carry out the programs and activities financed through the MID assessments
- Provide the Board with organizational assistance, including setting meeting times, locations, and agendas; notifying all Ratepayers of all Board meetings, keeping minutes; and following through on recommended activities
- Develop and carry out the Board's work program, including specific products or activities, timelines, and budget for each major element
- Schedule, organize and execute an annual meeting of all Ratepayers and prepare an annual report
- Set program benchmarks based on Ratepayer Advisory Board priorities and keep Ratepayers informed of progress

Effectively develop and implement service programs

- Actively seek and acquire national best practices nationally and keep Ratepayers informed of new and successful strategies
- Hire, train and manage high quality staff to implement the MID
- Establish contacts throughout the country with other BIA's, call on their expertise in designing and benchmarking MID programs
- Identify and develop partnerships, grants and other resource-leveraging opportunities. The DSA and the MID have established working partnerships with: The Office of Economic Development, Seattle Police Department, Seattle Public Utilities, Seattle Department of Transportation, enterpriseSeattle, County and Municipal Courts, Department of Neighborhoods, project LEAD and a wide range of emergency service providers

Provide financial and contract management services.

- Staff the MID Finance Committee and provide timely and accurate financial reporting
- Negotiate and execute subcontracts for work according to the approved budget. Through strict contract management ensure that these services are provided in a high quality, cost effective and accountable manner
- Submit to City Council after approval of the Board, an annual statement of projects and activities, proposed program budgets, and a statement of assessment rates requested for financing subsequent program years



Belltown Program Implementation

The MID Ratepayer Board looks forward to working with the community to extend MID services to improve the economic viability and quality of life in Belltown. A fundamental principal of the MID is to deliver services in an equitable fashion throughout the district, but that does not mean that services are delivered the same way in every neighborhood. Close working relationships between ratepayers and the Ratepayer Board allows the MID to respond to each neighborhood's unique characteristics.

The MID Renewal Committee has been working with Belltown representatives and staff has been walking the neighborhood in order to learn about local needs and differences. The following ideas have been discussed and are incorporated into the initial services plan. The Ratepayer Board anticipates working with Belltown representatives to review and adjust services, especially in the first year.

1. Cleaning

- The MID will hire approximately 17 additional ambassadors to service Belltown and provide additional afternoon, evening and weekend cleaning throughout the MID.
- The MID intends to partner with the Millionair Club to deliver cleaning services in Belltown.
- The MID anticipates adjusting service hours to increase cleaning and human waste removal resources Friday, Saturday and Sunday mornings to respond to bar activity impacts.

2. Safety, Outreach and Hospitality Services

- The MID is doubling MID-wide police resources from \$150,000 to \$300,000 a year. This means about 12 - four person, six-hour Police patrols per month, focusing on neighborhood hot spots, including Belltown priorities of early morning open air drug dealing and illegal behavior at late-night bar times.
- Redesigned Safety Ambassador Program focuses on outreach and civility issues. Early morning wake ups for people sleeping in doorways, focus on civility hot spots, as well as identifying and working with chronically homeless and mentally ill people to get them into services.
- Hospitality services will be focused in parks, including stationing a Parks Concierge seasonally in the new Belltown Park to help manage and activate the park.

3. Marketing and Communications

- The MID will work with community groups to schedule summer concerts. Funding availability and neighborhood partners determine the number of concerts in each neighborhood.
- The Belltown Business Association will participate in the Holiday and Summer campaigns and the parking discount program, including collateral, events and media buys.
- Belltown will be eligible to apply for seed money for events through the MID marketing fund.

4. Business Development and Market Research

- Belltown businesses and property owners will have access to the extensive MID databases and market information.
- Belltown will benefit from the MID's new Retail Recruitment program, supporting local brokers and property owners in recruiting locally owned retail businesses to fill vacancies.

5. Transit, Bike and Parking Services

- Commute Seattle will extend its commute consulting services to Belltown property owners and tenants, promoting transportation options that are available to their employees.
- Belltown businesses and property owners will have access to Commute Seattle's expertise on the bottom line benefits of encouraging bike travel and bike facilities siting.
- Custom transit pass recommendations based on location, budget and sustainability goals.

6. Governance

- The MID Board would have slots for Belltown representatives. A Belltown subcommittee will review communications and services to Belltown during the first several years of operation.
- Opt Out protections - State law allows for City Council to reduce BIA boundaries with a hearing and Council vote at any time. The proposed MID ordinance specifies this process.



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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 ten-year Downtown Parking and Business Improvement Area to be known as the Metropolitan Improvement District; levying special assessments upon operators of the business property, multi-family residential property (buildings containing four or more residential units), and mixed-use property (multi-family residential and commercial) within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the current Downtown Parking and Business Improvement Area that was established by Ordinance 121482 ("2004 DBIA"); suspending the issuance of assessments and providing for the winding up of activities under the 2004 DBIA; and providing for the distribution of remaining funds from and closing of the 2004 DBIA Account.

Summary of the Legislation:

This Ordinance disestablishes the current Downtown Parking and Business Improvement Area ("2004 DBIA"), and creates a new and expanded Downtown Parking and Business Improvement Area, as allowed under RCW 35.87A, to be known as the Metropolitan Improvement District (MID). The MID is expected to be funded by a special assessment levied on operators of businesses, multi-family residential, or mixed use properties within its boundaries. The City would contract with a Program Manager to administer the activities set out in the MID business plan. The new MID's Program Manager will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers in the area covered by the improvement district.

Background:

The existing MID, which was established in 2004 by Ordinance 121482, expires on June 30, 2014. This Ordinance is the final piece of legislation that must be prepared, per RCW 35.87A, to create a new and expanded MID. The City has passed a resolution to initiate the formation of the MID along with the passage of a resolution of intent that included the time, date and location of a public hearing. After the public hearing, the Council agreed to go forward with this ordinance.

The current MID Ratepayer Advisory Board developed a proposal for the continuation and expansion of the current MID. The Ratepayer Advisory Board developed a proposal that they believe to be efficient, accountable, and responsive to the area's needs. The Board collected



signatures for a petition to form a Business Improvement Area that will allow for the implementation of the MID business plan that would include the following program components:

1. Clean Services
2. Safety Outreach and Hospitality
3. Marketing and Communications Services
4. Businesses Development and Market Research Services
5. Transit, Bike and Parking Services
6. Management

The petitioning effort resulted in an approximate 62% show of support by more than 500 of the affected ratepayers. This exceeds the required demonstration of 60% financial support from the responsible ratepayers

The MID is expected to be funded by a special assessment levied on operators of businesses, multi-family residential, or mixed use properties within its boundaries. The new MID will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers in the area covered by the improvement district.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

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

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
19856 Metropolitan Improvement District (2013)	Finance and Administrative Services	Ratepayer Assessments	\$ 3,830,000	\$ 7,780,000
TOTAL			\$ 3,830,000	\$ 7,780,000



Revenue/Reimbursement Notes: The 2013 revenue amount represents ratepayer assessment collections for six months (July through December). FAS would collect the assessments from the ratepayers, but the funds would then be kept by FAS only for reimbursement to the Metropolitan Improvement District.

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

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

Position Notes:

Do positions sunset in the future? Not applicable.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
19856 Metropolitan Improvement Area	Finance and Administrative Services	Not applicable	\$ 3,830,000	\$ 7,780,000
TOTAL			\$ 3,830,000	\$ 7,780,000

Spending/Cash Flow Notes: The Department of Finance and Administrative Services will collect the MID's assessments from its ratepayers. FAS would then hold the funds solely for the purpose of reimbursing the Metropolitan Improvement District, which would actually administer staffing, projects, and other costs associated with the MID.

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 MID is established as a revenue-neutral program.
- c) **Does this legislation affect any departments besides the originating department?**
No.



d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None. Improvement area services are in addition to, and not a replacement of, basic City services, and are funded by assessments on the properties that benefit from the services. If the legislation is not passed, the services under the improvement area will not be provided.

e) Is a public hearing required for this legislation? Yes. The public hearing date is set in the companion FAS MID DBIA Intention to Establish resolution.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? Yes. The companion FAS MID DBIA Intention to Establish resolution must be published to give notice of the public hearing for the ordinance.

g) Does this legislation affect a piece of property? Yes.

h) Other Issues: None.

List attachments to the fiscal note below: None.



City of Seattle
Office of the Mayor

March 5, 2013

Honorable Sally J. 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 new Downtown Parking and Business Improvement Area that will be known as the Metropolitan Improvement District (MID), and to disestablish the current MID. The existing MID, which was established in 2004 by Ordinance 121482, expires on June 30, 2014. Per RCW 35.87A, the attached proposed Council Bill follows the passage of two related Resolutions recently passed by the City Council.

Over the past several months, a proposal was developed by the MID's Ratepayer Advisory Board and business owners to renew and expand the current Business Improvement Area. A recent petitioning effort resulted in a 62 percent show of financial support of the proposal by operators of the business, multi-family residential (buildings containing four or more residential units), and mixed-use (multi-family residential and commercial) property operators, exceeding the required demonstration of 60 percent in financial support from the responsible ratepayers. The formation of an expanded MID will continue the excellent work currently done by the MID by bringing high-quality services to a larger portion of the downtown community. The expanded MID will continue to be overseen by a Ratepayer Advisory Board, which will be broadly representative of the ratepayers within the improvement area.

In light of the strong ratepayer response to the petition to form the new MID, we anticipate ratepayers will support the Council action. 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,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117736

1
2
3
4 AN ORDINANCE establishing a ten-year Downtown Parking and Business Improvement Area
5 to be known as the Metropolitan Improvement District; levying special assessments upon
6 operators of the business property, multi-family residential property (buildings containing
7 four or more residential units), and mixed-use property (multi-family residential and
8 commercial) within the area; providing for the deposit of revenues in a special account
9 and expenditures therefrom; providing for collection of and penalties for delinquencies;
10 providing for the establishment of a Ratepayers Advisory Board; providing for an
11 implementation agreement with a Program Manager; disestablishing the current
12 Downtown Parking and Business Improvement Area that was established by Ordinance
13 121482 ("2004 DBIA"); suspending the issuance of assessments and providing for the
14 winding up of activities under the 2004 DBIA; and providing for the distribution of
15 remaining funds from and closing of the 2004 DBIA Account.

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

19 WHEREAS, the current Downtown Parking and Business Improvement Area (2004 DBIA),
20 which was established in 2004 by Ordinance 121482 to provide services and amenities
21 for ratepayers paid for through a levy of special assessments, will expire on June 30,
22 2014; and

23 WHEREAS, approximately 62 percent of the businesses, multi-family residential, and mixed-use
24 properties located within the area that are subject to the special assessments levied by this
25 ordinance filed a petition with The City of Seattle to establish a new and expanded
26 Downtown Parking and Business Improvement Area, to be known as the Metropolitan
27 Improvement District ("MID") pursuant to RCW 35.87A, a copy of which is filed in C.F.
28 312838; and

WHEREAS, the City Council adopted Resolution 31436, 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 Council adopted Resolution 31437, which
stated its intention to establish the MID, the proposed boundaries of which shall include
the 2004 DBIA and the proposed programs of which are intended to supersede the
programs provided for in Ordinance 121482, and to set a date and place for a public
hearing; and

1 WHEREAS, pursuant to RCW 35.87A.180, the City Council adopted Resolution 31438, which
2 stated its intention to disestablish the 2004 DBIA and set a date and place for a public
hearing; and

3 WHEREAS, the MID's purpose is to enhance conditions for the operation of those businesses,
4 multi-family residential, or mixed-use properties by performing activities that go beyond
the basic services provided by The City of Seattle; and

5 WHEREAS, as provided by Resolution 31437, the City Council, through its Government
6 Performance and Finance Committee held a public hearing on April 16, 2013 and the
7 testimony received at that hearing resulted in the Council determining that disestablishing
8 the 2004 DBIA and establishing the MID is in the best interest of the businesses, multi-
family, and mixed-use properties within the MID's boundaries; NOW, THEREFORE,

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

10 **Section 1.** Disestablished. The current Downtown Parking and Business Improvement
11 Area ("2004 DBIA") established by Ordinance 121482 shall be disestablished at 12:01 a.m. on
12 July 1, 2013.

14 **Section 2.** 2004 DBIA Assessments to Cease. No further 2004 DBIA assessments shall
15 be made after July 1, 2013.

17 **Section 3.** Winding up of Operations. The Director of the Department of Finance and
18 Administrative Services (Director) is authorized to enter into an agreement with the Program
19 Manager of the 2004 DBIA to provide for continuity of services and winding up of operations of
20 the 2004 DBIA. All 2004 DBIA program and management operations shall cease effective July
21 1, 2013, and all remaining funds in the 2004 DBIA Account shall immediately be transferred to
22 the account described in Section 9.

25 **Section 4.** Area Established. As authorized by Chapter 35.87A RCW, there is hereby
26 established a Downtown Parking and Business Improvement Area to be known as the
27

1 Metropolitan Improvement District ("MID"), within the following boundaries as shown on the
2 map attached as Exhibit A (when a street or alley is named, the area boundary is the centerline of
3 the right-of-way including vacated portions unless otherwise specified in the description): From
4 the corner of Elliott Avenue and Denny Way, proceed west to Elliott Bay; then proceed south
5 along the waterfront to Alaskan Way and Broad Street; then proceed south along Alaskan Way,
6 including the piers, to South King Street; then proceed east on South King Street to Railroad
7 Way South; then proceed southeast along Railroad Way South to 1st Avenue South; then
8 proceed east along southern boundary of parcel number 7666206851 to Occidental Avenue
9 South; then proceed north on Occidental Avenue South to South King Street; then proceed east
10 on South King Street, including properties on the south side of South King Street, to 4th Avenue
11 South; then proceed north on 4th Avenue South to South Washington Street; then proceed east
12 on South Washington Street to 6th Avenue South; then proceed north along 6th Avenue South
13 and 6th Avenue to Marion Street; then proceed north along Interstate-5 to Denny Way; then
14 proceed west along Denny Way to Elliott Avenue. In case of a conflict between the description
15 of the area and the map, the description shall control.
16
17
18

19 **Section 5. Programs.** Special Assessment revenues shall be used for the following
20 component programs:
21

- 22 1. Clean Services
- 23 2. Safety Outreach and Hospitality
- 24 3. Marketing and Communications Services
- 25 4. Businesses Development and Market Research Services
- 26 5. Transit, Bike and Parking Services
- 27 6. Management.

1 The listing of services is illustrative and not exclusive. All such activities are supplemental to
2 street maintenance and law enforcement provided by the City and are not intended to displace
3 any services regularly provided by municipal government.

4
5 **Section 6. Levy of Special Assessments.** To finance the programs authorized in Section
6 5, there is proposed to be levied upon and shall be collected from the operators of business
7 property, multi-family residential property (buildings containing four or more residential units),
8 and mixed-use property (multi-family residential and commercial) located within the boundaries
9 of the MID described in Section 4, a ten-year special assessment. Ratepayers will be assessed by
10 the City for ten annual installments beginning with the base year of the authorization (2013-
11 2014), by applying an assessment rate to each ratepayer as described below:

12
13
14 A. Base Year Assessment = $(\$0.32 \times \text{Land Square Footage}) + (\$0.37 \times (\text{Total Taxable Value (Land + Improvements)/\$1,000}))$. This calculation is called the "Base Formula." Records for the initial assessment calculation are based on information provided by the King County Assessor's office for the year 2012. Modifications or limitations to the Base Year Assessments are described below.

15
16
17 B. TAV Ceiling. No Base Year Assessment for any individual parcel shall exceed an amount equal to $(\$1.84 \times (\text{Total Appraised Value}/\$1,000))$. This rate is called the "TAV Ceiling."

18
19
20 C. Building Square Footage Ceiling. No Base Year Assessment for any individual parcel shall exceed an amount equal to $(\$0.17 \times \text{Net Building Square Footage})$. This rate is called the "Building Square Footage Ceiling."

21
22 D. Special Assessment Ceiling Rate. For the following special classifications of Ratepayers (using King County Assessor's Present Use Code), a Special Assessment Ceiling Rate as set forth below shall be applied to the Base Year Assessment:

- 23
24 1. Hotel Room Ceiling: \$80 per room
25
26 2. Residential Unit Ceiling: \$125 per unit. This ceiling applies equally to owned (i.e., condominium) and to rental (i.e., apartment) units.
27

1 3. Surface Parking Ceiling: $(\$0.70 \times (\text{Total Appraised Value}/\$1,000))$

2 E. If the Total Appraised Value and Total Taxable Value in the King County Assessor's
3 records are not equal, then using the King County Assessor's notations about "Tax Value
4 Reason" (TVR), nonprofit rates or other special criteria may apply under the following
5 rules:

6 1. If TVR is "OP" (Operating Property), then use Appraised Value.

7 2. If TVR is "HP" (Historic Property), then use Taxable Value.

8 3. If TVR is "NP" (Nonprofit Org.), then use Taxable Value and calculate the
9 Base Year Assessment as 25% of the Base Formula. 25% of the Base Formula is
10 called the Nonprofit Rate.

11 4. If TVR is "EX" or "MX" (Exempt from Taxes), then review the property in
12 detail, and:

13 a. If the property is owned and operated by a governmental organization,
14 it is exempt from mandatory MID assessment.

15 b. If the property is owned and operated by a nonprofit organization, the
16 Base Year Assessment is calculated using Taxable Value and the
17 Nonprofit Rate.

18 c. If the property is owned by a for profit organization, the Base Year
19 Assessment is calculated using Appraised Value.

20 d. For the following properties, special circumstances require assessment
21 calculations reflecting the unique nature of the ownership and use for each
22 property.

23 i. For 2821 Alaskan Way and related overwater parcels, known as
24 Pier 70 Ainsworth & Dunn Wharf:

25 a. PIN#7666202292 is exempt;

26 b. PIN#7666202290 will be assessed normally.

27 ii. For 2411 Alaskan Way and related overwater parcels, known as
28 Edgewater Inn:

 a. PIN#7666202310 will be assessed normally;

 b. PIN#7666202312 is exempt;

- c. PIN#7666202315 is exempt;
- d. PIN#7666202317 is exempt.

iii. For 1515 Alaskan Way and related overwater parcels, known as Pier 59 Seattle Aquarium:

- a. PIN#7666202420 will be assessed at the nonprofit rate;
- b. PIN#7666202422 is exempt.

iv. For 1301 Alaskan Way and related overwater parcels, known as Pier 57 Bay Pavilion:

- a. PIN#7666202433 is exempt;
- b. PIN#7666202435 will be assessed normally.

v. For 1201 Alaskan Way and related overwater parcels, known as Piers 55 & 56:

- a. PIN#7666202485 will be assessed normally;
- b. PIN#7666202487 is exempt.

vi. For 1003 Alaskan Way and related overwater parcels, known as Pier 54 Ivars Acres of Clams:

- a. PIN#7666202495 will be assessed normally;
- b. PIN#7666202497 is exempt.

vii. 1301 Fifth Avenue (King County PIN#0002400003), known as RAINIER PLAZA FAIRMONT OLYMPIC HOTEL will be assessed at 450 rooms multiplied by the Hotel Room Ceiling (initially \$80/room/year and subject to the Inflationary Factor according to the provisions of this ordinance).

viii. For 1326 Fifth Avenue and related parcels (King County PIN#0002400002), known as SKINNER-IBM-WASH-COBB-FIN-BLDS:

- a. COBB BLDG - RENOVATION TO APTS; SKINNER BLDG; FINANCIAL TOWER; I B M BLDG; PUGET SOUND PLAZA will be assessed at \$0.0875/Net Building Square Foot. This rate will increase at the same Inflationary Factor as applied other properties according to this ordinance.

ix. For 1415 Seneca Street (King County PIN#0942000170), known as Olympic Hotel Parking Garage the assessment will be calculated using Total Appraised Value (TAV) instead of Total Taxable Value in the Base Formula.

5. If TVR is blank, then use Taxable Value.

F. When more than one Assessment Ceiling Rate applies to a single parcel, Ratepayers shall pay the lesser of the applicable Assessment Ceilings.

G. Properties owned by governmental entities and public utilities will not be assessed except as provided in subsection E.4.

H. To maintain the current level of services and benefits provided by MID, annual assessment rate increases shall be applied consistent with this subsection.

1. Assessments in the second and third assessment years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the first assessment year. In the fourth assessment year (2016-2017), the Base Formula shall be calculated using the most recent Total Appraised Value, Total Taxable Value, Land Square Footage, Net Building Square Footage, and other information from the King County Assessor's Office, or the commensurate values from the first assessment year, whichever is greater. Assessments in the fifth and sixth assessment years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the fourth assessment year. In the seventh assessment year (2019-2020), the Base Formula shall be calculated using the most recent Total Appraised Value, Total Taxable Value, Land Square Footage, Net Building Square Footage, and other information from the King County Assessor's Office, or the commensurate values from the first or fourth assessment years, whichever is greater. Assessments in the eighth, ninth, and tenth assessment years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the seventh assessment year.

2. After the first assessment year, the Land Square Footage rate, and the ceilings for TAV, Building Square Footage, Hotel Room, and Residential Unit rates shall be adjusted by an Inflationary Factor, which will be equal to the change in the annual Consumer Price Index for All Urban Consumers in Seattle – Tacoma – Bremerton ("CPI"), or three percent per year, whichever is less, subject to the following conditions:

a. Second Assessment Year (2014 – 2015): The Inflationary Factor will be calculated using the change in the annual CPI from 2012 to 2013.

1 b. Third Assessment Year (2015 – 2016): The Inflationary Factor will be
2 calculated using the change in the annual CPI from 2013 to 2014.

3 c. Fourth Assessment Year (2016 – 2017): The Inflationary Factor will
4 be calculated using the change in the annual CPI from 2014 to 2015.

5 d. Fifth Assessment Year (2017 – 2018): The Inflationary Factor will be
6 calculated using the change in the annual CPI from 2015 to 2016.

7 e. Sixth Assessment Year (2018 – 2019): The Inflationary Factor will be
8 calculated using the change in the annual CPI from 2016 to 2017.

9 f. Seventh Assessment Year (2019 – 2020): The Inflationary Factor will
10 be calculated using the change in the annual CPI from 2017 to 2018.

11 g. Eighth Assessment Year (2020 – 2021): The Inflationary Factor will
12 be calculated using the change in the annual CPI from 2018 to 2019.

13 h. Ninth Assessment Year (2021 – 2022): The Inflationary Factor will be
14 calculated using the change in the annual CPI from 2019 – 2020.

15 i. Tenth Assessment Year (2022 – 2023): The Inflationary Factor will be
16 calculated using the change in the annual CPI from 2020 to 2021.

17 3. Notwithstanding the provisions of subsection H.2, the following shall apply:

18 a. The Base Formula rate for the Total Taxable Value portion of the
19 calculation will not exceed \$0.37.

20 b. The Base Formula rate for the Land Square Footage portion of the
21 calculation will not exceed $\$0.32 \times$ the cumulative Inflationary Factor.

22 c. The TAV Ceiling rate will not exceed $\$1.84 \times$ the cumulative
23 Inflationary Factor.

24 d. The Building Square Footage Ceiling rate will not exceed $\$0.17 \times$ the
25 cumulative Inflationary Factor.

26 e. The Hotel Room Ceiling rate will not exceed $\$80 \times$ the cumulative
27 Inflationary Factor.

28 f. The Residential Unit Ceiling rate will not exceed $\$125 \times$ the cumulative
Inflationary Factor.

1 g. The Surface Parking Ceiling rate will not exceed \$0.70.

2 h. In applying annual rate increases to Ratepayers' assessments, any
3 revisions to Base Formula and assessment ceiling rates will be rounded to
4 the nearest one-hundredth of one cent (\$0.0001).

4 4. "New benefit areas" shall be added to the assessment roll on an annual basis,
5 as follows. A "new benefit area" is created when a parcel's net building square
6 footage increases as a result of either a new building or expansion of an existing
7 building. A new benefit area shall be added to the MID assessment roll as of July
8 1 if its value has been added to the King County Assessor assessment roll during
9 the preceding year. The new benefit area shall be assessed according to the Base
10 Formula factors and Assessment Ceiling rates in effect during the assessment
11 year.

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

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

19 **Section 9. Deposit of Revenues.** There is in the City Treasury's Business Improvement
20 Area Fund a separate subaccount designated the Metropolitan Improvement District Account
21 (called "the Account"). The following monies shall be deposited in the Account:

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;

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 10. Delinquent Payments.** If an assessment has not been paid within 30 days
6 after 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.

12
13
14 **Section 11. Notices.** Notices of assessment, installment payments, or delinquency, and
15 all 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.

20
21 **Section 12. Disputes.** Any Ratepayer aggrieved by the amount of an assessment or
22 delinquency charge may on request obtain a meeting with the Director or the Director's designee.
23 If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the
24 manner provided for a contested case under Chapter 3.02 of the Seattle Municipal Code. The
25
26
27

1 Ratepayer has the burden of proof to show that the assessment or delinquency charge is
2 incorrect.

3
4 **Section 13. Audit.** The City may conduct random audits of Ratepayers to ensure that
5 assessments are being properly calculated and reported.

6
7 **Section 14. 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 statutory purposes as defined in Section 5.

10
11 **Section 15. Ratepayers Advisory Board.** The Director shall appoint an interim
12 Ratepayers Advisory Board comprised of Ratepayers from the MID within thirty days of the
13 effective date of this ordinance. The Director shall solicit recommendations from the
14 Ratepayers, and shall appoint the interim board from that list. The interim Ratepayers Advisory
15 Board will recommend a permanent Ratepayers Advisory Board (the "Board") within ninety
16 days of the effective date of this ordinance. The composition of the Board shall be representative
17 both of the entire geographic area of the District and of the special classifications in Section 6.
18 The Director shall appoint the permanent Board members from the list recommended by the
19 interim Ratepayers Advisory Board. The Director may appoint additional members to the Board
20 beyond those recommended by the interim Ratepayers Advisory Board to ensure a broad
21 representation of Ratepayers, provided that the additional members so appointed do not exceed
22 one-third of the entire membership of the Board.
23
24
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1 The Ratepayers Advisory Board shall be responsible for adopting bylaws and policy
2 guidelines, and for providing advice and consultation to the Director and to the Program
3 Manager.

4
5 The Ratepayers Advisory Board shall meet at least once quarterly; recommend an
6 annual work program and budget; address and discuss Ratepayer concerns and questions
7 regarding the MID district and programs; review all reports to be submitted to the Director by the
8 Program Manager; and sponsor an annual Ratepayers' meeting.

9
10 At the annual Ratepayers' meeting, the Board shall submit for approval its proposed
11 work plan and budget for the next year, and its recommendation regarding whether to continue
12 with the current Program Manager. The work plan, budget, and recommendation regarding
13 whether to continue with the current Program Manager must be approved by a majority vote of
14 the Ratepayers attending the meeting and submitted to the Director.

15
16
17 **Section 16. Administration.** The Director shall administer the program for the City with
18 authority to:

19
20 A. Collect the special assessments; refund special assessments when overpaid or
21 otherwise improperly collected; extend the deadline for payment and waive delinquency
22 charges and interest whenever the delinquency results from extenuating circumstances
23 beyond the Ratepayer's control, such as a casualty loss causing premature closure of the
business or bankruptcy, or the total payment due to the City (exclusive of penalty and
interest) is \$10 or less;

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

25 C. After receiving the recommendation of the interim Ratepayers Advisory Board,
26 execute a program management contract with a Program Manager for a term of up to ten
27 years; and

1 D. Accept and deposit advance payment of assessments by ratepayers; accept donations
2 from governmental agencies, the public, and owners and operators of businesses on land
3 that is developed or redeveloped during the existence of the MID for MID programs.

4 **Section 17.** Contract for Program Management. The Director is authorized to contract
5 with any local non-profit entity experienced in Business Improvement Area management to act
6 as the Program Manager. The Program Manager's duties, subject to the approval of the
7 Ratepayers at each annual meeting, will be to manage the day-to-day operations of the MID and
8 to administer the projects and activities. It is the intent of the City Council that the Director
9 contract with the Downtown Seattle Association, and its management subsidiary, DBIA
10 Services, as the initial Program Manager. The selection of a Program Manager upon the
11 recommendation of the Ratepayers Advisory Board acting on behalf of the Ratepayers shall
12 obviate compliance with the consultant selection procedures of Seattle Municipal Code Chapter
13 20.50 and Section 20.42.050.
14

15
16 **Section 18.** Commencement of Assessments. Assessments shall commence as of July 1,
17 2013, or on the effective date of this ordinance, whichever is later.
18

19 **Section 19.** Request to Disestablish. Upon a petition signed by Ratepayers that would
20 pay sixty percent of the proposed special assessments, the Ratepayers Advisory Board shall
21 request the City Council to disestablish the MID in accordance with Chapter 35.87A RCW.
22

23 **Section 20.** Ratification and Confirmation. The making of contracts and expenditures
24 and the sending of assessment notices pursuant to the authority and after passage but prior to the
25 effective date of this ordinance are hereby ratified and confirmed.
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Section 21. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

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)

Exhibit A: Metropolitan Improvement District – Service Area

STATE OF WASHINGTON -- KING COUNTY

--SS.

298057
CITY OF SEATTLE, CLERKS OFFICE

No.

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.

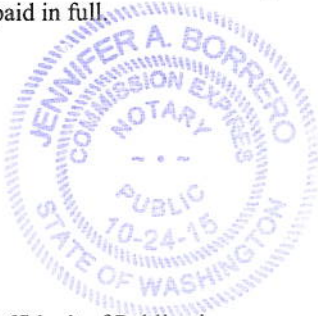
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:124170-124176 TITLE

was published on

05/23/13

The amount of the fee charged for the foregoing publication is the sum of \$156.75 which amount has been paid in full.



Affidavit of Publication

A handwritten signature in blue ink, appearing to be "Michael", written over a horizontal line.

Subscribed and sworn to before me on

05/23/2013

A handwritten signature in blue ink, appearing to be "Jennifer Borrero", written over a horizontal line.

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on May 6, 2013, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124170

AN ORDINANCE relating to land use and zoning; amending the Official Land Use Map to rezone properties located at 2615 25th Avenue South and 2715 -- 25th Avenue South, from Single Family 5000 (SF 5000) to Seattle Mixed/Residential with a 65 foot height limit (SM/R-65).

ORDINANCE NO. 124172

AN ORDINANCE related to land use and zoning, modifying function and locational criteria for the Seattle Mixed zone; modifying use provisions and development standards; enacting and amending affordable housing incentive programs; enacting and amending provisions for height and density bonuses and transfer of development rights; amending Sections 23.34.128, 23.41.012, 23.45.510, 23.45.516, 23.45.574, 23.47A.035, 23.48.002, 23.48.004, 23.48.010, 23.48.011, 23.48.012, 23.48.014, 23.48.017, 23.48.020, 23.48.024, 23.48.026, 23.48.028, 23.48.030, 23.48.032, 23.48.034, 23.48.035, 23.48.036, 23.48.038, 23.49.008, 23.49.010, 23.49.011, 23.49.023, 23.50.026, 23.50.027, 23.50.028, 23.50.053, 23.57.005, 23.57.008, 23.57.012, 23.58A.002, 23.58A.004, 23.58A.012, 23.58A.014, 23.58A.022, 23.58A.024, 23.58A.026, 23.66.032, 23.84A.030, 23.84A.032, 23.84A.038, 23.86.006; repealing Sections 23.48.006, 23.48.008, 23.48.016, 23.48.018, 23.48.019, 23.50.051, 23.50.052, 23.58A.013, 23.58A.016, 23.58A.018, 23.58A.023; adding new sections 23.48.008, 23.48.009, 23.48.013, 23.48.022, 23.48.025, 23.58A.003, 23.58A.040, 23.58A.042, and 23.58A.044; and amending the Official Land Use Map, Chapter 23.32, at pages 101 and 102 to rezone areas within the South Lake Union Urban Center.

ORDINANCE NO. 124173

AN ORDINANCE amending the 2012 Adopted Budget, including the 2012-2017 Capital Improvement Program (CIP); changing appropriations to various departments and from various funds in the Budget; revising project allocations for certain projects in the 2012-2017 CIP; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

ORDINANCE NO. 124174

AN ORDINANCE relating to the 2013 Budget; carrying forward certain unexpended appropriations and funds for non-capital purposes from the 2012 budget of various departments; ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

ORDINANCE NO. 124175

AN ORDINANCE establishing a ten-year Downtown Parking and Business Improvement Area to be known as the Metropolitan Improvement District; levying special assessments upon operators of the business property, multi-family residential property (buildings containing four or more residential units), and mixed-use property (multi-family residential and commercial) within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the current Downtown Parking and Business Improvement Area that was established by Ordinance 121482 ("2004 DBIA"); suspending the issuance of assessments and providing for the winding up of activities under the 2004 DBIA; and providing for the distribution of remaining funds from and closing of the 2004 DBIA Account.

ORDINANCE NO. 124176

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

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