

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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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

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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.