

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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Legislation Title:

AN ORDINANCE relating to the Downtown Parking and Business Improvement Area (known as the Metropolitan Improvement District); amending Ordinance 124175 to correct a technical error in the special assessment rate schedule; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This ordinance corrects technical errors in Ordinance 124175, which was passed by City Council on May 6, 2013, establishing the ten-year Downtown Parking and Business Improvement Area to be known as the Metropolitan Improvement District (MID). First, Section 6.C contained an inadvertent omission of the intended provision that the Building Square Footage Ceiling applies only to a parcel for which the Floor Area Ratio is greater than 0.5. Second, Subsection 6.E.4.d.vii reflected a drafting error in the description of the MID assessment rate for the parcel that includes Rainier Plaza and the Fairmont Olympic Hotel. The correct versions of these assessment rates were included as part of the Fiscal Note for Ordinance 124175.

Background:

Ordinance 124175 established a ten-year Downtown Parking and Business Improvement Area to be known as the Metropolitan Improvement District (MID). To pay for MID programs and services, Ordinance 124175 included the provision for 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. Included in Section 6 of Ordinance 124175 is the assessment methodology to be applied to each ratepayer. In drafting Ordinance 124175, a phrase was inadvertently omitted from Subsection C that limits the application of the Building Square Footage Ceiling **only** to a parcel with the Floor Area Ratio greater than 0.5.

This provision has historically been in place for the Downtown Parking and Business Improvement Area for the past 15 years. It was utilized in the calculation presenting the estimated assessment amount on each petition sent to the ratepayers, and the projected revenue and cash flow totals included in the fiscal note to Ordinance 124175 were predicated on the assumption that this provision was included in the Ordinance 124175. The estimated MID revenues and program budgets presented to City Council and to ratepayers assumed this provision would be included in the new MID ordinance, and therefore this correcting ordinance has no additional financial implications.

In addition, Ordinance 124175 reflected a drafting error in the description of the MID assessment rate for the parcel that includes Rainier Plaza and the Fairmont Olympic Hotel. This bill corrects that error.

X **This legislation does not have any financial implications.**

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 to the City. If the correction to establish MID assessments as originally planned is not passed, total MID assessment revenue will be lower than budgeted and MID programs will have to be cut back.
- 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. The required correction to Ordinance 124175 must be passed by a subsequent ordinance and cannot legally be addressed administratively.
- e) **Is a public hearing required for this legislation?** No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.
- g) **Does this legislation affect a piece of property?** Yes.
- h) **Other Issues:** None.

List attachments to the fiscal note below: None