

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117736

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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
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
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

21 WHEREAS, the City Council adopted Resolution 31436, initiating a Parking and Business
22 Improvement Area via the Resolution method instead of the petition method as provided
23 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
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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.
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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:

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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."
15 Records for the initial assessment calculation are based on information provided by the
16 King County Assessor's office for the year 2012. Modifications or limitations to the Base
17 Year Assessments are described below.

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

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

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

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

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
calculated using the change in the annual CPI from 2013 to 2014.

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

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

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

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

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

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

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

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

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

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

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

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

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

25 f. The Residential Unit Ceiling rate will not exceed $\$125 \times$ the cumulative
26 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).

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

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

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

20 **Section 9. Deposit of Revenues.** There is in the City Treasury's Business Improvement
21 Area Fund a separate subaccount designated the Metropolitan Improvement District Account
22 (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;
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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.

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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.
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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
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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.
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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.

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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.

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

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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
24 business or bankruptcy, or the total payment due to the City (exclusive of penalty and
25 interest) is \$10 or less;

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

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

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