

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL 117840

1  
2  
3  
4 AN ORDINANCE relating to the Downtown Parking and Business Improvement Area (known  
5 as the Metropolitan Improvement District); amending Ordinance 124175 to correct a  
6 technical error in the special assessment rate schedule; and ratifying and confirming  
7 certain prior acts.

8 WHEREAS, earlier this year ratepayers representing over 62% of the total assessments  
9 expressed their support by petition to establish a new and expanded Downtown Parking  
10 and Business Improvement Area, commonly known as the Metropolitan Improvement  
11 District (MID); and

12 WHEREAS, on May 6, 2013, the City Council passed Ordinance 124175, which established the  
13 new and expanded MID; and

14 WHEREAS, Ordinance 124175 contained a drafting error in failing to state the legislative intent  
15 in subsection 6.C that the Building Square Footage Ceiling applies only to a parcel for  
16 which the Floor Area Ratio is greater than 0.5; and

17 WHEREAS, the MID Building Square Footage Ceiling has been limited to properties with a  
18 Floor Area Ratio greater than 0.5 since the MID was first created in 1999, and the MID  
19 Renewal Committee intended for this limitation to continue into the new MID and it was  
20 included in the 2013 MID Business Plan; and

21 WHEREAS, the estimated 2013 – 2014 MID assessments were calculated with the Building  
22 Square Footage Ceiling limited to properties with a Floor Area Ratio greater than 0.5, and  
23 these estimates were sent to all prospective MID Ratepayers along with MID petitions for  
24 their signature; and

25 WHEREAS, the MID, in planning its services and budget, used the estimated MID assessment of  
26 approximately \$7,599,000 for the 2013/2014 billing period, which is based upon the  
27 Building Square Footage Ceiling calculation being limited to properties with a Floor Area  
28 Ratio greater than 0.5; NOW, THEREFORE,



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

2 **Section 1.** Subsection 6.C of Ordinance 124175 is amended as follows:

3  
4 Section 6. Levy of Special Assessments. To finance the programs authorized in Section  
5 5, there is proposed to be levied upon and shall be collected from the operators of business  
6 property, multi-family residential property (buildings containing four or more residential units),  
7 and mixed-use property (multi-family residential and commercial) located within the boundaries  
8 of the MID described in Section 4, a ten-year special assessment. Ratepayers will be assessed by  
9 the City for ten annual installments beginning with the base year of the authorization (2013-  
10 2014), by applying an assessment rate to each ratepayer as described below:

11  
12  
13 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.

14  
15  
16 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."

17  
18  
19 C. Building Square Footage Ceiling. (~~No Base Year Assessment for~~) For any individual parcel for which the Floor Area Ratio (FAR = Net Building Square Footage / Land Square Footage) is greater than 0.5, no Base Year Assessment shall exceed an amount equal to  $(\$0.17 \times \text{Net Building Square Footage})$ . This rate is called the "Building Square Footage Ceiling."

20  
21  
22 \* \* \*

23  
24 **Section 2.** Ratify and Confirm: Any act consistent with the authority of this ordinance  
25 and prior to its effective date is ratified and confirmed.





**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Finance and Administrative Services	Teri Allen/684-5226	Jennifer Devore/615-1328

**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 a technical error 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). 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. The ceiling as intended was 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.

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





City of Seattle  
Office of the Mayor

July 2, 2013

Honorable Sally Clark  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Clark:

I am pleased to present the attached Ordinance to correct a technical error in Ordinance 124175, which was passed by City Council on May 6, 2013. Ordinance 124175 established a ten-year Downtown Parking and Business Improvement Area and provided for the levying of special assessments to pay for the programs and services. The correction addresses the assessment methodology to be applied to each ratepayer.

In order to pay for the programs and services set out in Ordinance 124175, there is provision for levying special assessments upon operators of the business property, multi-family residential property, and mixed-use property within the area. Included in Section 6 of Ordinance 124175 is the assessment methodology to be applied to each ratepayer. A phrase was inadvertently omitted in 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. Additionally, the projected revenue and cash flows totals assume the use of this provision in the calculation.

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 P. McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

