



**Legislative Department
Seattle City Council
Memorandum**

Date: June 2, 2014
To: Finance and Culture Committee
From: Martha Lester, City Council Central Staff
Subject: **Capitol Hill BIA – public hearing on C.B. 118079 at Finance and Culture Committee meeting on June 5, 2014**

In May 2014, the City Council started the process to consider amendments to expand the boundaries of the Capitol Hill Business Improvement Area (BIA). The Finance and Culture Committee voted on Resolution 31520, which set the public hearing date, at its May 14 meeting, and the Full Council adopted the resolution on May 19. Following the requirements of state law, the adopted resolution was published in the Daily Journal of Commerce on May 23, and was mailed to ratepayers.

At its June 5 meeting, the Finance and Culture Committee will hold a public hearing, as required by state law, on C.B. 118079, which would implement the boundary modification.

This memo recaps background information about this proposed legislation.

Background on Capitol Hill BIA

The Capitol Hill BIA was established by ordinance in 1986. The existing BIA boundaries encompass a narrow north-south swath along Broadway between about E. Roy and E. Pine Streets. The BIA assesses businesses primarily based on gross sales or gross business income as reported for Business and Occupation (B&O) tax purposes. The assessment rate has been amended twice by ordinance, in 1991 and 2001. The City contracts with the Capitol Hill Chamber of Commerce to administer BIA services.

BIA leaders on Capitol Hill have been discussing a possible expansion since 2011. The proposal that they submitted to the City would add about 1½ blocks at the southern end of the BIA, extending the boundaries to E. Pike Street. The map on page 3 shows the expansion area. (The BIA currently has two “areas” – Area 1 and Area 2. The map on page 3 depicts Area 2. Area 1 consists of fewer than a dozen parcels at the north end of the Broadway business district near Roy Street and adjacent to Area 2. I don’t know why the BIA was originally established with two separate, yet adjacent, “areas.”)

Procedure Steps to Expand BIA Boundary

As you may recall from review of prior BIA legislation, there are multiple pieces of legislation and multiple procedural steps required by state law (RCW chapter 35.87A).

Two items were introduced May 5 and referred to the Finance and Culture Committee:

- Resolution 31520 is the “resolution of intention to modify boundaries.”
- C.B. 118079 is the ordinance that would implement the boundary modification.

Under state law, the Council may expand the boundaries of an existing BIA provided that the projected assessment revenue from the expansion area is no greater than 10 percent of the current assessment revenue of the existing BIA. (If the projected assessment revenue from the expansion area were greater

than 10 percent, then it would be considered a *new* BIA, and would need to start with the petition process.)

Resolution 31520, which describes the proposed boundary expansion, and states the date, time, and place of the public hearing, was approved by the Finance and Culture Committee on May 14, and by the Full Council on May 19. The resolution was then published and mailed as required by state law.

The next step is for the committee to hold a public hearing, scheduled for the special Finance and Culture Committee meeting on Thursday, June 5, at 2 p.m. The focus of the public hearing will be C.B. 118079, which would implement the expansion of the boundaries of the Capitol Hill BIA.

After the public hearing, there will be time at the June 5 Finance and Culture Committee meeting for Councilmember questions and discussion. We anticipate a committee vote at the June 25 Finance and Culture Committee meeting, and the legislation would then go to Full Council.

If you have any questions, please let me know.

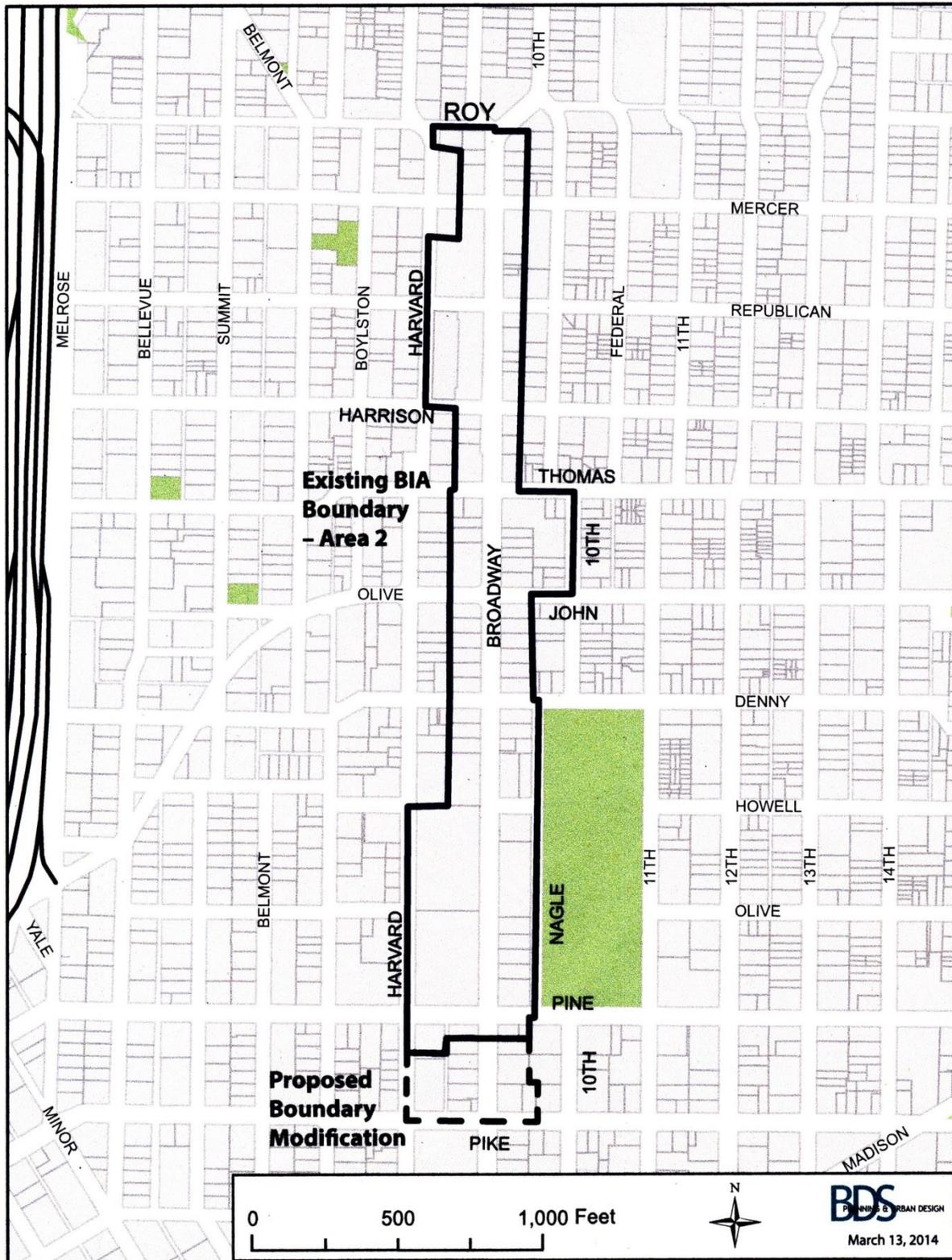


Illustration of Capitol Hill Business Improvement Area – Area 2 Expansion

This map is for illustrative purposes only and is not intended to modify anything in the legislation.