



**Legislative Department
Seattle City Council
Memorandum**

Date: June 16, 2014
To: Finance and Culture Committee
From: Martha Lester, City Council Central Staff
Subject: **West Seattle Junction BIA – public hearing on C.B. 118093 at Finance and Culture Committee meeting on June 25, 2014**

In May 2014, the City Council started the process to consider amendments to revise the boundary and the assessment rates of the West Seattle Junction Business Improvement Area (BIA). At its May 23 meeting, the Finance and Culture Committee voted on Resolution 31522, which set the public hearing date, and the Full Council adopted the resolution on June 2. Following the requirements of state law, the adopted resolution was published in the Daily Journal of Commerce on June 12, and was mailed to ratepayers.

At its June 25 meeting, the Finance and Culture Committee will hold a public hearing, as required by state law, on C.B. 118093, which would implement the BIA changes.

This memo recaps background information about this proposed legislation.

Background on West Seattle Junction BIA

The West Seattle Junction BIA was established by ordinance in 1987. The existing BIA has three areas, as shown on the map on page 3:

- Assessment Zone A (smaller area, in green, on map)
- Assessment Zone B (larger area, in yellow, on map)
- Parking Zone Overlay – Zone C (with diagonal cross-hatching on map)

The BIA assesses a business in Zone A or B primarily based on gross proceeds of sales or gross income of the business as reported for Business and Occupation (B&O) tax or utility tax purposes. It assesses a business in the Zone C parking overlay to the extent that the business does not itself provide a certain minimum amount of parking. The City Council amended the assessment rate or methodology in 1991, 1999, 2001, and 2005. The City contracts with the West Seattle Junction Association to administer BIA services.

BIA leaders in West Seattle have been discussing possible changes since 2009. The proposal that they submitted to the City would make two changes:

- expand the boundaries of the Parking Zone Overlay – Zone C (the map on page 3 shows the additional area to be included in Zone C with horizontal gray lines); and
- eliminate the existing exemption and phase-in for new businesses, so that any new business will pay the full assessment starting in its first year.

Procedural 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 12 and referred to the Finance and Culture Committee:

- Resolution 31522 is the “resolution of intention to modify boundary and assessment rate.”
- C.B. 118093 is the ordinance that would implement the boundary and assessment rate modifications.

Under state law, the Council may:

- change the assessment rates (such as eliminating the existing exemption and phase-in for new businesses); and
- 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 31522, which describes the proposed Zone C boundary expansion, and the modification of the assessment rate by eliminating the existing exemption and phase-in for new businesses, and states the date, time, and place of the public hearing, was approved by the Finance and Culture Committee on May 23, and by the Full Council on June 2. 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 Finance and Culture Committee meeting on Wednesday, June 25, at 2 p.m. The focus of the public hearing will be C.B. 118093, which would implement the modifications to the West Seattle Junction BIA.

After the public hearing, there will be time at the June 25 Finance and Culture Committee meeting for Councilmember questions and discussion. We anticipate a committee vote at the July 9 Finance and Culture Committee meeting, and the legislation would then go to Full Council.

If you have any questions, please let me know.



West Seattle BIA Map

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

