CITY OF SEATTLE

RESOLUTION 31565

A RESOLUTION of intention to establish a University District Parking and Business Improvement Area, and fixing a date and place for a hearing thereon.

WHEREAS, the owners of business, multi-family residential, and mixed-use properties that are subject to nearly 65 percent or more of the special assessments that would be assessed upon the establishment of a Business Improvement Area filed a petition with The City of Seattle pursuant to Chapter 35.87A RCW, and said petition is filed in C.F 313953; and

WHEREAS, upon reviewing the petition, the City Council determined it is in the best interests of the City to proceed, as permitted by Chapter 35.87A.030, under the Resolution method of creating a new and expanded University District Parking and Business Improvement Area (University District BIA) instead of the petition method; and

WHEREAS, the City Council introduced Resolution 31563 on January 12, 2015, initiating the University District BIA; and

WHEREAS, the City Council wishes to declare its intent to establish the University District BIA, and to set a public hearing for the public and all affected persons to consider its establishment; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The City Council of The City of Seattle declares its intention to establish a University District Parking and Business Improvement Area (University District BIA) in accordance with Chapter 35.87A RCW.

Section 2. The University District BIA shall be within the following boundaries as shown on the map attached as Exhibit A, including two additional benefit zones within the

University District BIA boundaries (when a street or alley is named, the area boundary is the centerline of the right-of-way including vacated portions unless otherwise specified in the description):

A. U District Fund Area: Beginning at the centerline of Northeast Ravenna Boulevard at the crossing of the eastern boundary of Interstate 5, proceed east along Northeast Ravenna Boulevard to the centerline of 15th Avenue Northeast; then south along 15th Avenue Northeast to the State Harbor Line of Portage Bay; then west along the State Harbor Line of Portage Bay to the centerline of Pasadena Place Northeast, then north along Pasadena Place Northeast to the intersection with the eastern boundary of Interstate 5, then north along the eastern boundary of Interstate 5 to the point of origin at the crossing of the centerline of Northeast Ravenna Boulevard.

B. South Ave Cleaning Area: Beginning at the intersection of Brooklyn Avenue Northeast and Northeast 52nd Street, proceed east along Northeast 52nd Street to the centerline of the alley between University Way Northeast and 15th Avenue Northeast; then south along the alley to the centerline of Northeast 41st Street; then west along Northeast 41st Street to the centerline of the alley between Brooklyn Avenue Northeast and University Way Northeast; then north along the alley to a line extending from the southern property line of Parcel No. 1142001140, then west along the southern property lines of Parcel Nos. 1142001140, 1142000905, and 1142001020 to the centerline of 12th Avenue Northeast; then north along 12th Avenue Northeast to the centerline of Northeast 45th Street; then east along Northeast 45th

Street to the centerline of the alley between 12th Avenue Northeast and Brooklyn Avenue Northeast; then north along the alley to the centerline of Northeast 50th Street; then east along Northeast 50th Street to the centerline of Brooklyn Avenue Northeast; then north along Brooklyn Avenue Northeast to the point of origin at the centerline of Northeast 52nd Street.

C. North Ave Cleaning Area: Beginning at the intersection of Northeast Ravenna Boulevard and the alley between Brooklyn Avenue Northeast and University Way Northeast, proceed east along Northeast Ravenna Boulevard to the centerline of the alley between University Way Northeast and 15th Avenue Northeast; then south along the alley to the centerline of Northeast 52nd Street; then west along Northeast 52nd Street to the centerline of the alley between Brooklyn Avenue Northeast and University Way Northeast; then north along the alley to the point of origin at the centerline of Northeast Ravenna Boulevard.

In case of a conflict between the descriptions of the areas and the map, the descriptions shall control.

Section 3. Programs. Special assessment revenues shall be used for the following component programs:

A. Events and marketing;

B. Policy and advocacy;

C. Cleaning and public safety;

D. Economic development;

E. Planning;

F. Program management.

The listing of services is illustrative and not exclusive. All such activities are supplemental to street maintenance and law enforcement provided by the City and are not intended to displace any services regularly provided by municipal government.

Section 4. There shall be an advisory board whose membership is comprised of Ratepayers representative of the variety of locations, sizes, and ratepayer classifications in the University District BIA.

Section 5. To finance the programs authorized in Section 3, there is levied upon and shall be collected from the owners of business property, multi-family residential property (buildings containing four or more residential units), and mixed-use property (multi-family residential and commercial) located within the boundaries of the University District BIA described in Section 2, a five-year special assessment. The initial assessment calculations will be based upon King County Assessor's Office records as of April 30, 2014. Ratepayers will be assessed by the City of Seattle for five annual installments beginning with the base year of authorization, by applying the following assessment rates to each Ratepayer:

A. U District Fund Area Base Formula = $0.25 times the sum of:

1. (Total Taxable Value/$1,000), plus

2. ((Total Appraised Value minus Total Taxable Value)/$1000) x 25%.

Total Taxable Value and Total Appraised Value in these calculations shall be based on Land + Improvements.

B. Cleaning Area Base Formulas. Ratepayers located in the North Ave Cleaning Area or the South Ave Cleaning Area shall be assessed the following assessment rates, in addition to the assessments under the U District Fund Area Base Formula:

1. North Ave Cleaning Area Base Formula = $0.07 per Total Lot Square Foot times the sum of:
   a. (Total Taxable Value/Total Appraised Value); plus
   b. ((Total Appraised Value – Total Taxable Value)/Total Appraised Value) x 25%.
2. South Ave Cleaning Area Base Formula = $0.12 per Total Lot Square Foot times the sum of:
   a. (Total Taxable Value/Total Appraised Value); plus
   b. ((Total Appraised Value – Total Taxable Value)/Total Appraised Value) x 25%.

Total Taxable Value and Total Appraised Value in these calculations shall be based on Land + Improvements.

C. For all properties within the University District BIA for which the Taxpayer on record is University of Washington, the aggregate assessment in the first assessment year will be

$350,000. The base formulas in Subsections A and B, as well as the provisions in Subsection F, shall not apply.

D. Except as provided in Subsection C, properties owned by governmental entities shall not be assessed.

E. To maintain the current level of services and benefits provided by the University District BIA, the Base Formula assessment rates for the U District Fund Area, North Ave Cleaning Area, and South Ave Cleaning Area, and the University of Washington aggregate assessment, shall be adjusted by an Inflationary Factor applied to each of the assessment rates after the first year assessment. The Inflationary Factor will be the lesser of three percent per year or the percentage change in the Consumer Price Index for All Urban Consumers in Seattle-Tacoma-Bremerton (CPI-U-Seattle) between September 2014 and September of the year prior to the assessment year.

1. Second Year Assessment: The Inflationary Factor shall be calculated using the lesser of three percent or the percentage change in the CPI-U-Seattle between September 2014 and September 2015.
2. Third Year Assessment: The Inflationary Factor shall be calculated using the lesser of six percent or the percentage change in the CPI-U-Seattle between September 2014 and September 2016.

3. Fourth Year Assessment: The Inflationary Factor shall be calculated using the lesser of nine percent or the percentage change in the CPI-U-Seattle between September 2014 and September 2017.

4. Fifth Year Assessment: The Inflationary Factor shall be calculated using the lesser of 12 percent or the percentage change in the CPI-U-Seattle between September 2014 and September 2018.

F. "New Benefit Areas" shall be added to the assessment roll on an annual basis, and will supersede the previous assessment for that parcel. A New Benefit Area is created when a parcel's Net Building Square Footage increases as a result of either a new building or expansion of an existing building, as recorded by the King County Assessor's Office. The Base Formula for a New Benefit Area will be calculated for the following assessment year using the most current available Total Taxable Value (Land + Improvements) and Total Appraised Value (Land + Improvements).

No Inflationary Factor shall be assessed on a New Benefit Area in its first assessment year. In each subsequent assessment year, the Inflationary Factor for any New Benefit Area shall be the lesser of:

1. Three percent per year from the addition of the New Benefit Area to the assessment roll, or

2. The percentage change in the CPI-U-Seattle from September of the year prior to the addition of the New Benefit Area to the assessment roll to September of the year prior to the assessment year.

G. Rate Changes. Changes in assessment rates other than as described in this section shall only be authorized by ordinance consistent with RCW 35.87A.140 and with the approval of the Ratepayers Advisory Board and shall not occur more than one time per year.

Section 6. A hearing shall be held on this matter before the Finance and Culture Committee in the City Council Chambers, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington 98104 on February 25, 2015, at 2 p.m., or as soon thereafter as the same may be heard. The City Council will hear all protests and receive all evidence for or against the proposed action.

Section 7. The City Clerk is requested to publish this Resolution of Intention in a newspaper of general circulation in Seattle and mail a complete copy of this Resolution to each prospective Ratepayer within the proposed area, at least ten days prior to the hearing. The notice shall include a statement that a copy of the proposed ordinance, with attachments, may be examined electronically at http://www.seattle.gov/leg/clerk/ on the Internet, or in paper form at the Office of the City Clerk, City Hall, 600 Fourth Avenue, 3rd Floor, Seattle, Washington 98104, or will be mailed upon request.

Adopted by the City Council the ____ day of _____, 2015, and signed by me in open session in authentication of its adoption this_____ day of _____, 2015.

_____

President _____of the City Council

THE MAYOR CONCURRING:

_____

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachment:

Exhibit A: University District Business Improvement Area

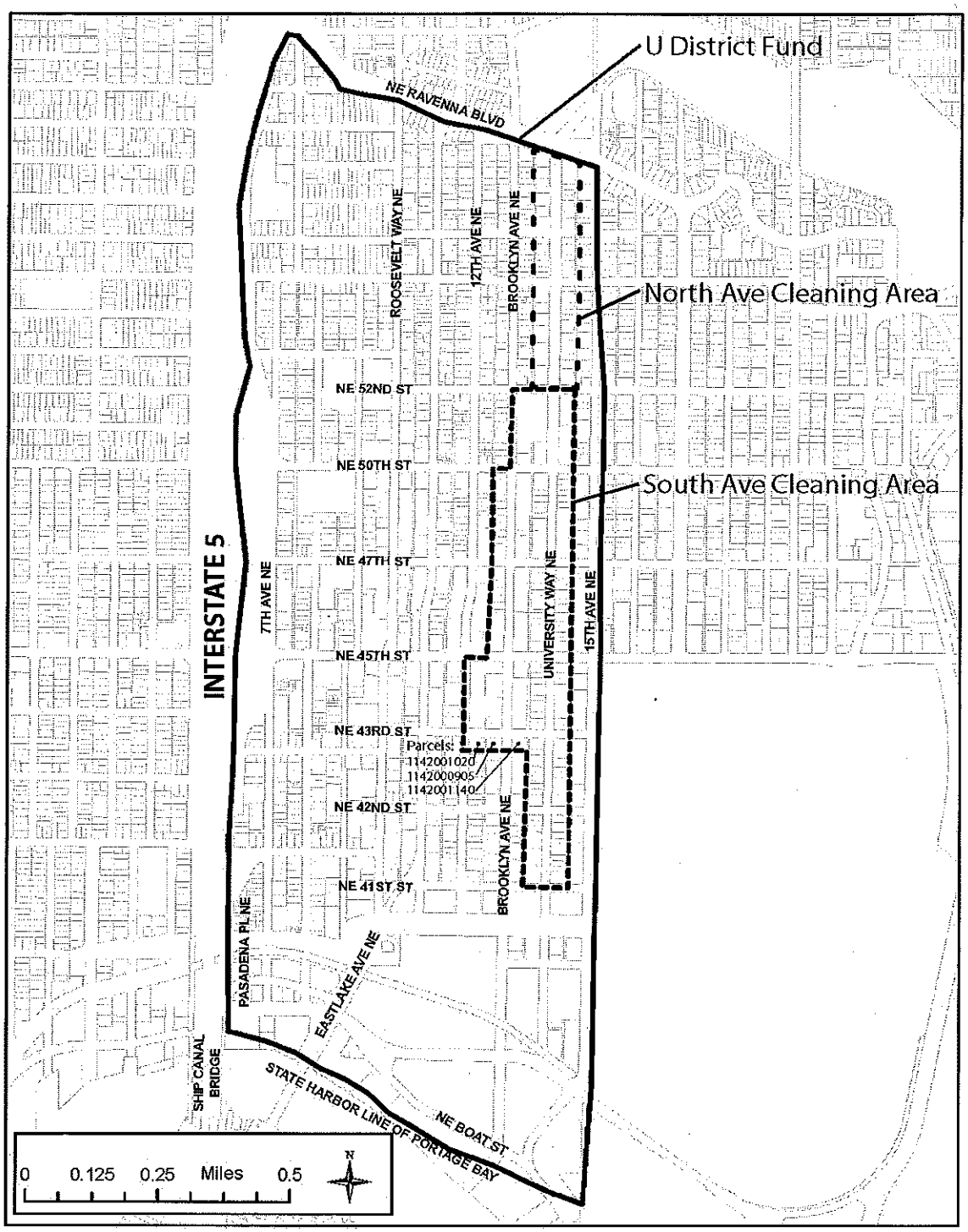

Exhibit A: University District Business Improvement Area

Representing the boundaries of the new and expanded BIA.

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

Form revised: February 26, 2014

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:
A RESOLUTION of intention to establish a University District Parking and Business Improvement Area, and fixing a date and place for a hearing thereon.

Summary of the Legislation:
This Resolution declares the intention to establish a new and expanded University District Parking and Business Improvement Area (University District BIA) and is the second of two similar pieces of legislation that must be prepared, per RCW 35.87A. The City must pass this resolution to declare a public hearing date and place for the initiative. After the public hearing, the Council may introduce a Council Bill to create the University District BIA with a special assessment to be levied upon the owners of business, multi-family residential (four or more units), and mixed-use properties (multi-family residential and commercial) within its boundaries.

Background:
The U District Partnership put together a proposal recommending the creation of a new and expanded University District BIA, and disestablishing the current BIA that has been operating since 1996. The U District Partnership believes its proposal is efficient, accountable, and responsive to the area's needs. The group collected signatures for a petition to form a Business Improvement Area that will allow for the implementation of the University District BIA business plan that would include the following program components:

A. Events and marketing;
B. Policy and advocacy;
C. Cleaning and public safety;
D. Economic development;
E. Planning;
F. Program management.

The petitioning effort resulted in a show of financial support by ratepayers who would pay nearly 65% of the total special assessment revenues. The special assessment will be levied upon owners of business, multi-family residential, and mixed use properties within its boundaries. The University of Washington, which owns several parcels within the proposed University District BIA, will pay a flat annual fee of $350,000 (plus an inflationary factor in subsequent years), which is nearly 50% of the total annual assessments. Assessments will commence as of May 1, 2015, or the effective date of this ordinance, whichever is later. The new University

District BIA will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the proposed ratepayers.

__X__ This legislation does not have any financial implications.

____ This legislation has 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. The University District BIA 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?** No.

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** Yes. After adoption, this resolution must be published.

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
Edward B. Murray
Mayor

December 23, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to present the attached Resolution which states the Council's intention to establish a University District Parking and Business Improvement Area (University District BIA) and sets a date and location for a public hearing. Over the past year, a proposal was developed by the U District Partnership and business owners to expand the current business improvement area, which was established in 1996.

A recent petitioning effort resulted in a nearly 65% show of financial support of the new and expanded University District BIA by proposed ratepayers within the BIA boundaries with the University of Washington, which will pay almost 50% of the total assessments, as a major supporter. The new University District BIA will continue the work currently done by bringing high-quality services to a larger area of the University District. The University District BIA will be funded by a special assessment levied upon the owners of business, multi-family residence, and mixed use properties within the new boundaries and will continue to be overseen by a Ratepayer Advisory Board, which will be broadly representative of the ratepayers in the improvement area.

The Resolution also sets a date and location where the City's Finance and Culture Committee will hold a public hearing in Council Chambers to receive all evidence for or against the proposed establishment of the University District BIA. Depending upon the outcome of the public hearing, the Executive may submit a bill to establish the University District BIA within its proposed boundaries.

Thank you for your consideration of this legislation. Should you have questions, please contact Teri Allen at 684-5226.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

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