



CITY OF SEATTLE

City Council

Agenda

Tuesday, March 28, 2023

2:00 PM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

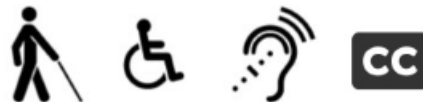
Debora Juarez, Council President
Lisa Herbold, Member
Andrew J. Lewis, Member
Tammy J. Morales, Member
Teresa Mosqueda, Member
Sara Nelson, Member
Alex Pedersen, Member
Kshama Sawant, Member
Dan Strauss, Member

Chair Info: 206-684-8805; Debora.Juarez@seattle.gov

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CITY OF SEATTLE

City Council Agenda

March 28, 2023 - 2:00 PM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<http://www.seattle.gov/council>

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to all Councilmembers at Council@seattle.gov

A. CALL TO ORDER

B. ROLL CALL

C. PRESENTATIONS

D. PUBLIC COMMENT

Members of the public may sign up to address the Council for up to 2 minutes on matters on this agenda; total time allotted to public comment at this meeting is 20 minutes.

E. ADOPTION OF INTRODUCTION AND REFERRAL CALENDAR:

Introduction and referral to Council committees of Council Bills (CB), Resolutions (Res), Appointments (Appt), and Clerk Files (CF) for committee recommendation.

[IRC 386](#)

March 28, 2023

Attachments: [Introduction and Referral Calendar](#)

F. APPROVAL OF THE AGENDA**G. APPROVAL OF CONSENT CALENDAR**

The Consent Calendar consists of routine items. A Councilmember may request that an item be removed from the Consent Calendar and placed on the regular agenda.

Journal:

[Min 419](#)

March 21, 2023

Attachments: [Minutes](#)

Bills:

[CB 120536](#)

AN ORDINANCE appropriating money to pay certain claims for the week of March 13, 2023 through March 17, 2023 and ordering the payment thereof; and ratifying and confirming certain prior acts.

Clerk File:**CITY COUNCIL:**

[CF 314518](#)

Seattle Police Department (SPD) request for a six-month extension for the filing of the Surveillance Impact Reports for Callyo, and the Hostage Negotiation Throw Phone, due on September 1, 2023.

Supporting Documents: [Extension Request](#)

Appointments:**SUSTAINABILITY AND RENTERS' RIGHTS COMMITTEE:**

[Appt 02498](#) Appointment of Schnidine Sendia Registin as member, Seattle Renters' Commission, for a term to February 28, 2024.

The Committee recommends that City Council confirm the Appointment (Appt).

In Favor: 4 - Sawant, Juarez, Lewis, Morales

Opposed: None

Attachments: [Appointment Packet](#)

H. COMMITTEE REPORTS

Discussion and vote on Council Bills (CB), Resolutions (Res), Appointments (Appt), and Clerk Files (CF).

CITY COUNCIL:**ECONOMIC DEVELOPMENT, TECHNOLOGY, AND CITY LIGHT COMMITTEE:**

1. [CB 120532](#) AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Resource Adequacy Program, including the ability to execute additional agreements necessary or convenient to participate in the Western Resource Adequacy Program; and ratifying and confirming certain prior acts.

The Committee recommends that City Council pass the Council Bill (CB).

In Favor: 4 - Nelson, Juarez, Herbold, Strauss

Opposed: None

Attachments: [Attachment A - WRAPA \(Attachment A of WRAP Tariff\)](#)
[Attachment B - Complete WRAP Tariff, including WRAP Agreement](#)

Supporting Documents: [Summary and Fiscal Note](#)

FINANCE AND HOUSING COMMITTEE:

2. [CB 120514](#) AN ORDINANCE relating to app-based workers in Seattle; establishing labor standards requirements for paid sick and paid safe time for app-based workers working in Seattle; adding a new Chapter 8.39 to the Seattle Municipal Code; and amending Section 3.02.125 of the Seattle Municipal Code.

The Committee recommends that City Council pass as amended the Council Bill (CB).

In Favor: 3 - Mosqueda, Herbold, Lewis

Opposed: None

Abstain: 2 - Pedersen, Nelson

Attachments: [Summary and Fiscal Note](#)

3. [CB 120527](#) AN ORDINANCE relating to acceptance of funding from non-City sources; authorizing the heads of various departments to accept and authorize the expenditure of specified grants, private funding, and subsidized loans and to execute, deliver, and perform corresponding agreements; amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; revising project allocations for certain projects in the 2023-2028 CIP; and ratifying and confirming certain prior acts.

The Committee recommends that City Council pass as amended the Council Bill (CB).

In Favor: 5 - Mosqueda, Herbold, Pedersen, Nelson, Lewis

Opposed: None

Supporting

Documents:

[Summary and Fiscal Note](#)

[Summary Att A - Q1 Grants Detail Table v2](#)

4. [CB 120516](#) AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Section 5.73.090 of the Seattle Municipal Code to allow extension of tax exemptions scheduled to expire at the end of 2023; and amending Section 5.73.120 of the Seattle Municipal Code to extend the program's sunset date to December 31, 2024.

The Committee recommends that City Council pass the Council Bill (CB).

In Favor: 5 - Mosqueda, Herbold, Pedersen, Nelson, Lewis

Opposed: None

Supporting Documents: [Summary and Fiscal Note](#)

I. ITEMS REMOVED FROM CONSENT CALENDAR

J. ADOPTION OF OTHER RESOLUTIONS

5. [Res 32089](#) A RESOLUTION to initiate a new Business Improvement Area (BIA) to be known as the Metropolitan Improvement District (MID).

Attachments: [Att A - Proposed MID Boundaries](#)

Supporting Documents: [Summary and Fiscal Note](#)
[Summary Att A - MID 2023-2033 Business Plan](#)

6. [Res 32090](#) A RESOLUTION of intention to establish a new Metropolitan Improvement District (MID) and fix a date and place for a hearing thereon.

Attachments: [Att A - Proposed MID Boundaries](#)

Supporting Documents: [Summary and Fiscal Note](#)
[Summary Att A - MID 2023-2033 Business Plan](#)

7. [Res 32091](#) A RESOLUTION of intention to disestablish the 2013 Downtown Business Improvement Area known as the Metropolitan Improvement District and fixing a date and place for a hearing thereon.

Supporting

Documents:

[Summary and Fiscal Note](#)

[Summary Att A - 2013 MID Service Area](#)

K. OTHER BUSINESS

L. ADJOURNMENT



Legislation Text

File #: IRC 386, **Version:** 1

March 28, 2023



Introduction and Referral Calendar

List of proposed Council Bills (CB), Resolutions (Res), Appointments (Appt) and Clerk Files (CF) to be introduced and referred to a City Council committee

Record No.	Title	Committee Referral
<u>By: Mosqueda</u>		
1. CB 120536	AN ORDINANCE appropriating money to pay certain claims for the week of March 13, 2023 through March 17, 2023 and ordering the payment thereof; and ratifying and confirming certain prior acts.	City Council
<u>By: Nelson</u>		
2. Res 32089	A RESOLUTION to initiate a new Business Improvement Area (BIA) to be known as the Metropolitan Improvement District (MID).	City Council
<u>By: Nelson</u>		
3. Res 32090	A RESOLUTION of intention to establish a new Metropolitan Improvement District (MID) and fix a date and place for a hearing thereon.	City Council
<u>By: Nelson</u>		
4. Res 32091	A RESOLUTION of intention to disestablish the 2013 Downtown Business Improvement Area known as the Metropolitan Improvement District and fixing a date and place for a hearing thereon.	City Council
<u>By: Nelson</u>		
5. CF 314520	Request to modify the Office of Inspector General's surveillance usage review schedule for Seattle Police Department's surveillance technologies approved by Council in 2021.	City Council
<u>By: No Sponsor Required</u>		
6. CF 314521	Full unit lot subdivision of Union Rental LLC/2010 Fairview Homes to subdivide one development site into 19 unit lots at 2010 Fairview Ave. E. (Project No. 3040393-LU; Type III)	City Council

By: Nelson

7. [CB 120537](#) AN ORDINANCE relating to downtown business improvement areas; establishing a new ten-year Business Improvement Area to be known as the Metropolitan Improvement District; levying special assessments upon owners of commercial property, multifamily residential property, and mixed-use property 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 existing Metropolitan Improvement District that was established by Ordinance 124175 ("2013 MID"); suspending the issuance of assessments and providing for the continuity of services under the 2013 MID; providing for the transfer of any remaining funds from the 2013 MID Account; and ratifying and confirming certain prior acts.
- Economic Development, Technology, and City Light Committee

By: No Sponsor Required

8. [CF 314519](#) Application of Ida Culver House LLC to rezone a portion of a split-zoned site located at 2315 NE 65th Street from Neighborhood Residential 3 (NR3) to Neighborhood Commercial 2 with a 55-foot height limit, Pedestrian designation and MHA suffix (NC2P-55(M)) (Project No. 3038526; Type IV).
- Land Use Committee

By: Lewis

9. [Appt 02503](#) Appointment of Anthony-Paul (AP) Diaz as Superintendent of the Department of Parks and Recreation, for a term to March 1, 2027.
- Public Assets and Homelessness Committee

By: Pedersen

10. [CB 120538](#) AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute an interlocal agreement with King County to receive payments for the disposal of residual waste from Material Recovery Facilities in the City of Seattle; amending Ordinance 126725, which adopted the 2023 budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.
- Transportation and Seattle Public Utilities

By: Pedersen

11. [CB 120539](#) AN ORDINANCE relating to the Department of Finance and Administrative Services (on behalf of Seattle Public Utilities); authorizing the acquisition of real property identified in King County records as Parcel A of City of Seattle Short Subdivision No. 8701076 under recording no. 8706120917, records of King County, Washington (the
- Transportation and Seattle Public Utilities

“Property”); authorizing the Director of Finance and Administrative Services or the Director’s designee to execute all documents and take other necessary actions to complete the Property’s acquisition, including acceptance and recording of a deed; and ratifying and confirming certain prior acts.



Legislation Text

File #: Min 419, **Version:** 1

March 21, 2023

SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor
Seattle, WA 98104



Journal of the Proceedings of the Seattle City Council

Tuesday, March 21, 2023

2:00 PM

Council Chamber, City Hall

600 4th Avenue

Seattle, WA 98104

City Council

Debora Juarez, Council President

Lisa Herbold, Member

Andrew J. Lewis, Member

Tammy J. Morales, Member

Teresa Mosqueda, Member

Sara Nelson, Member

Alex Pedersen, Member

Kshama Sawant, Member

Dan Strauss, Member

Chair Info: 206-684-8805; Debora.Juarez@seattle.gov

A. CALL TO ORDER

The City Council of The City of Seattle met in the Council Chamber in Seattle, Washington, on March 21, 2023, pursuant to the provisions of the City Charter. The meeting was called to order at 2:01 p.m., with Council President Juarez presiding.

B. ROLL CALL

Present: 8 - Juarez, Herbold, Lewis, Morales, Nelson, Pedersen, Sawant, Strauss

Excused: 1 - Mosqueda

Motion was made, duly seconded and carried, to excuse Councilmember Mosqueda from the March 21, 2023 City Council meeting.

C. PRESENTATIONS

There were none.

D. PUBLIC COMMENT

The following individuals addressed the Council:

Marguerite Richard
Azhonae Smith
Alex Tsimmerman
Kirk Robbins

E. ADOPTION OF INTRODUCTION AND REFERRAL CALENDAR:

[IRC 385](#) **March 21, 2023**

Motion was made, duly seconded and carried, to adopt the Introduction & Referral Calendar (IRC) by the following vote:

In Favor: 8 - Juarez, Herbold, Lewis, Morales, Nelson, Pedersen, Sawant, Strauss

Opposed: None

F. APPROVAL OF THE AGENDA

Motion was made, duly seconded and carried, to adopt the proposed Agenda.

G. APPROVAL OF CONSENT CALENDAR

Motion was made, duly seconded and carried, to adopt the Consent Calendar.

Journal:

[Min 418](#) **March 14, 2023**

The item was adopted on the Consent Calendar by the following vote, and the President signed the Minutes:

In Favor: 8 - Juarez, Herbold, Lewis, Morales, Nelson, Pedersen, Sawant, Strauss

Opposed: None

Bills:

[CB 120531](#) **AN ORDINANCE appropriating money to pay certain claims for the week of March 6, 2023 through March 10, 2023 and ordering the payment thereof; and ratifying and confirming certain prior acts.**

The item was passed on the Consent Calendar by the following vote, and the President signed the Council Bill:

In Favor: 8 - Juarez, Herbold, Lewis, Morales, Nelson, Pedersen, Sawant, Strauss

Opposed: None

H. COMMITTEE REPORTS

FINANCE AND HOUSING COMMITTEE:

- 1. [CB 120529](#) **AN ORDINANCE** relating to the organization of City government; clarifying the structure for the Charter position of Director of Finance; repealing Section 3.39.033 of the Seattle Municipal Code; and amending Sections 3.39.010, 3.39.030, 3.39.035, and 3.39.070 of the Seattle Municipal Code.

The Committee recommends that City Council pass the Council Bill (CB).

In Favor: 5 - Mosqueda, Herbold, Pedersen, Nelson, Lewis
 Opposed: None

The Council Bill (CB) was passed by the following vote, and the President signed the Council Bill (CB):

In Favor: 8 - Juarez, Herbold, Lewis, Morales, Nelson, Pedersen, Sawant, Strauss

Opposed: None

NEIGHBORHOODS, EDUCATION, CIVIL RIGHTS, AND CULTURE COMMITTEE:

- 2. [Res 32088](#) **A RESOLUTION** approving a Memorandum of Agreement with UW Medical Center-Northwest Campus regarding the establishment, composition, and rules for a Development Advisory Committee for preparation of a Major Institution Master Plan for UW Medical Center-Northwest Campus.

The Committee recommends that City Council adopt the Resolution (Res).

In Favor: 5 - Morales, Sawant, Lewis, Nelson, Strauss
 Opposed: None

The Resolution (Res) was adopted by the following vote, and the President signed the Resolution (Res):

In Favor: 8 - Juarez, Herbold, Lewis, Morales, Nelson, Pedersen, Sawant, Strauss

Opposed: None

I. ITEMS REMOVED FROM CONSENT CALENDAR

There were none.

J. ADOPTION OF OTHER RESOLUTIONS

There were none.

K. OTHER BUSINESS

Motion was made, duly seconded and carried, to excuse Councilmember Morales from the April 11, 2023 City Council meeting.

Motion was made, duly seconded and carried, to excuse Councilmember Strauss from the April 11, 2023 City Council meeting.

L. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 2:25 p.m.

Emilia M. Sanchez, Deputy City Clerk

Signed by me in Open Session, upon approval of the Council, on March 28, 2023.

Debora Juarez, Council President of the City Council

Elizabeth M. Adkisson, Interim City Clerk



Legislation Text

File #: CB 120536, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE appropriating money to pay certain claims for the week of March 13, 2023 through March 17, 2023 and ordering the payment thereof; and ratifying and confirming certain prior acts.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Payment of the sum of \$25,054,907.45 on PeopleSoft 9.2 mechanical warrants numbered 4100669699 - 4100671348 and 4100671561- 4100672156 plus manual or cancellation issues for claims, e-payables of \$35,147.01 on PeopleSoft 9.2 9100013162 - 9100013185, and electronic financial transactions (EFT) in the amount of \$60,367,563.74 are presented to the City Council under RCW 42.24.180 and approved consistent with remaining appropriations in the current Budget as amended.

Section 2. Payment of the sum of \$55,112,359.34 on City General Salary Fund mechanical warrants numbered 51379981 - 51380576 plus manual warrants, agencies warrants, and direct deposits numbered 120001 - 122861 representing Gross Payrolls for payroll ending date March 14, 2023, as detailed in the Payroll Summary Report for claims against the City that were reported to the City Council March 23, 2023, is approved consistent with remaining appropriations in the current budget as amended.

Section 3. RCW 35.32A.090(1) states, “There shall be no orders, authorizations, allowances, contracts or payments made or attempted to be made in excess of the expenditure allowances authorized in the final budget as adopted or modified as provided in this chapter, and any such attempted excess expenditure shall be void and shall never be the foundation of a claim against the city.”

Section 4. Any act consistent with the authority of this ordinance taken prior to its effective date is

ratified and confirmed.

Section 5. 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 28th day of March, 2023, and signed by me in open session in authentication of its passage this 28th day of March, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)



Legislation Text

File #: CF 314518, **Version:** 1

Seattle Police Department (SPD) request for a six-month extension for the filing of the Surveillance Impact Reports for Callyo, and the Hostage Negotiation Throw Phone, due on September 1, 2023.



Memo

DATE: 2/27/2023

TO: Councilmember Sara Nelson, Chair, Economic Development, Technology, and City Light Committee

FROM: Heather Marx, Executive Director of Strategic Initiatives, Seattle Police Department

SUBJECT: Group 4b Surveillance Impact Report (SIR) Extension Request – Callyo and Hostage Negotiation Throw Phone

Purpose

On August 31, 2022, the Seattle Police Department (“SPD”) and Seattle IT (“ITD”) submitted six pieces of legislation for six Group 4b SPD technologies to Council following the City Council approval of the Group 4b Surveillance Impact Report (“SIR”) extension request, which requested that the prior SIR submission deadline be extended from March 1, 2022, to September 1, 2022. For context, nineteen of the original technologies on the Master List of Surveillance Technologies were SPD technologies; to date, seventeen of those technologies have been submitted for Council review and the remaining two are addressed by this memo. A further six-month extension from September 1, 2022, to March 1, 2023, was approved to complete the remaining Group 4 technologies however, SPD respectfully requests an updated extension date to September 1, 2023. Please see the updated schedule in the chart below for completing the required SIR review and approval process, public engagement, and legislation for the two remaining Group 4 SIR technologies (Callyo and Hostage Negotiation Throw Phone). The updated submittal date is in response to the following:

- Subject matter experts whose knowledge is a prerequisite to SPD's analysis have experienced extensive staffing constraints, thereby truncating their otherwise normal availability for such work.
- This extension allows for adequate time for both the Working Group and the public to review and provide feedback on these important technologies.

Schedule

The following table outlines the final schedule for the two remaining SIRS (Callyo and Hostage Negotiation Throw Phone):

Items	Date
Prep for Public Engagement	February 2023
Public Comment Period	March 2023 – April 2023
Working Group Review	April 2023- May 2023
SIR Finalization & Legislation	June 2023
Council Submission	July 2023

cc: Dan Nolte, Council Liaison, MOS
 Vinh Tang, IT Governance Advisor, MOS
 Adam Schaefer, Legislation Coordinator, CBO
 Ginger Armbruster, Chief Privacy Officer
 Jim Loter, Interim Chief Technology Officer



Legislation Text


File #: Appt 02498, **Version:** 1

Appointment of Schnidine Sendia Registin as member, Seattle Renters' Commission, for a term to February 28, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Schnidine Sendia Registin</i>		
Board/Commission Name: <i>Seattle Renters' Commission</i>		Position Title: <i>Member</i>
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment		Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appointing Authority: <input type="checkbox"/> Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Date Appointed: 11/3/2022	Term of Position: * 3/1/2022 to 2/28/24 <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>
Residential Neighborhood: West Seattle	Zip Code: 98126	Contact Phone No.: [REDACTED]
Background: <i>Schnidine is a legal specialist with an interest in local government and the policies that impact our lives. Schnidine is interested in joining the Seattle Renter's Commission to be a part of the solution as opposed to just voicing grievances.</i>		
Authorizing Signature (original signature):  Date: 11/3/2022		Appointing Signatory: <i>Bruce A. Harrell</i> <i>Mayor of Seattle</i>

*Term begin and end date is fixed and tied to the position and not the appointment date.

SCHNIDINE SENDIA REGISTIN

EDUCATION

Florida State University: College of Law

Juris Master Candidate

GPA: 3.41

Tallahassee, FL

May 2022 - Oct 2022

Florida International University

Bachelor of Arts - Political Science

GPA: 3.0

Miami, FL

Aug 2018 - July 2020

Dean's List Recipient

Miami Dade College

Associate of Arts – Political Science

GPA: 3.45

Miami, FL

Aug 2016 - May 2018

Dean's List Recipient

WORK EXPERIENCE

Brooks Sports, Inc.

Legal Analyst

May 2021 – Present

Seattle, WA

- Draft, review and negotiate inbound contracts, including Non-Disclosure Agreement (NDAs), Statement of Works (SOWs), Master Services Agreements (MSAs), hospitality and hotel contracts, SAAS contracts, etc.
- Proactively monitor, study, and develop written summaries of anticipated and endorsed legislation, regulations, court decisions, industry standards, trade journals and other relevant publications.
- Research key issues and prepare reports and present findings to the Legal team or other stakeholders.
- Spearhead and support ongoing litigation, labor and employment, regulatory, and compliance matters handled by Legal.
- Lead internal fact investigation for cases; provide document and deposition discovery support; interview internal witnesses; investigate and coordinate responses to demand letters, subpoena requests, and pre-dispute communications; coordinate and schedule outside counsel; and participate in witness preparation, sending litigation hold emails and assisting outside counsel with discovery responses.
- Synthesize and organize information and create reference tools for easy use by the team.
- Manage renewals and terminations and report to stakeholders; review or draft notices of termination.
- Enhanced legal response time to business clients' inquiries and contract reviews
- Fostered a meaningful and more open relationship between the business and the legal team

Legal Specialist

- Manage a create expense reports accurately document legal team outings
- Prepare contractual agreements using current research methods and a knowledge of a client's needs and ability to fulfill its requirements
- Collaborate with a legal team consisting of lawyers, paralegals, and office staff
- Assist domestic and international clients to fulfill the terms of or to terminate contracts on mutually amicable terms
- Review contract terms and conditions to verify that they are in compliance with company policies and all applicable federal and state regulations.
- Improved margins by increasing the volume of reviewed and negotiated contracts in a desirable amount of time.

Law Offices of Mathew Carter, P.A.

Paralegal

Sept.2020–Mar. 2021

Miami, FL

- Organized attorney's calendar to ensure that he is prepared and aware of hearing, deposition, trial, etc.
- Prepare Haitian clients on recorded statements and depositions with Insurance companies in creole.
- Schedule depositions, inspections, and hearings with opposing counsel, insurance companies, and clients.
- Calculate settlement payments from opposing counsel and draft letters to client in English and Creole.
- Collect, review, and organize documents for the client's post-loss obligations regarding the claims.
- Analyze Release Agreements (contracts), legal documents, case law, and discovery documents.
- Report claims to Insurance companies as well as extract information from them regarding the claim.

Linton Robinson & Higgins, LLP

Oct. 2019 – Sept. 2020

Legal Assistant

Miami, FL

- Communicated with clients about updates and calmed them down when they were upset and confused.
- Assisted with over 40 intakes of new cases and updated legal software with new matters.
- Conducted legal research weekly on previous cases related to over ten (10) retained matters.
- Trained new paralegal on litigation and discovery process and created a flow chart for the office.
- Implemented a new mail and scanning system that increased productivity by 50%.
- Responded to over 30 inquiries from opposing counsel, medical offices, clients, insurance companies daily.
- Complete over 5 full demands to opposing counsel by gathering medical records, bills, and incident reports.

Louis Law Group, PLLC

Mar.2019 –Sept. 2019

Paralegal

Miramar, FL

- Communicated with clients, Judicial Assistants, adjusters, and opposing counsel daily.
- Conducted interviews with clients regarding discovery and drafted responses for the attorney to review.
- Scheduled matters for trials and hearing according to the Judge's procedures
- Drafted over 30 motions, notices, and orders to be sent to the opposing counsel and the Judge weekly.
- Coordinated over 10 inspections, discovery conferences, depositions, mediations, and hearings weekly.
- Manage case management system and update the assigned attorneys on the status of each of their cases.

The Law Offices of Noam J. Cohen, P.A.

Dec.2017 – Mar.2019

Clerical Assistant

Miami, FL

- Efficiently electronically filed over 50 documents into court electronic system daily.
- Ensured prompt and professional responses to over 25 phone and email inquiries daily.
- Prepared pleadings conducted research on assigned cases and executed administrative tasks.
- Managed over 200 confidential records, processes, and documents throughout legal proceedings.

Nike, Inc.

Oct. 2016 - Aug. 2018

Sales Associate

Miami, FL

- Quickly learned the fundamentals of all roles, including but not limited to Service, Visual Presentation, and Stockroom.
- Delivered premium service and paid attention to all consumers' needs..
- Executed all daily retail operations to ensure premium service and smooth store functioning.
- Developed positive relationships with consumers and teammates
- Active in the store community by attending and supporting store events i.e community service events, group runs, and special events..

CERTIFICATION/SKILLS

- **Certifications:** Administrative Professional Foundations; Team Management; Strategic Thinking; Conflict Resolution; Photoshop 2020 Essential Training: The Basics
 - **Languages:** Haitian-Creole (fluent), Spanish (beginner)
 - **Technical:** Microsoft Word, PowerPoint, & Outlook (intermediate); Excel (intermediate); Adobe Pro (proficient), SharePoint
 - **Soft Skills:** Teamwork, adaptability, interpersonal skills, fast learner, communications, writing, organization, active listening, customer service, and problem-solving, leadership
 - **Interests:** Anime, hiking, podcasts, community service, and mountain biking
-

AWARDS

Everyday Young Hero Award (2021)

RELEVANT WORK

Brooks Sports, Inc.

Nov 2022 - Present

Black Employee Resource Group (ERG) Chair

- Created the name, mission statement, goals and budget for the ERG
- Created a marketing plan to recruit and mobilize members to join and engage in the ERG
- Delegate tasks to Advisors and other leaders in the ERG
- Ensure that the ERG makes effective changes to improve the experience of black employees as well as create a comfortable space for members and allies to fellowship.
- Provide insights to Brooks on making policies and hiring more equitable for black people as well as helping retain black employees at the company.

StrongHer Sisters, Inc.

July 2019 – Feb 2021

President/Founder

Miami, FL

- Participated in and lead, short- and long-term planning for StrongHer Sisters. This includes developing programs to carry out our goals and overseeing the implementation of these programs.
- Primary spokesperson for the organization, recruited donors and attended fundraising functions for StrongHer Sisters, Inc.
- Served as mentor and advocate for the young girls that StrongHer Sisters, Inc. worked with.

Alpha Kappa Psi Fraternity, Inc.

Mar 2019 - July 2020

Community Service Chair

Miami, FL

- Organized community events to build relationships between the chapter and community.
- Mobilized chapter members to participate in beach clean-ups, speaker series at local schools, and partner with other organizations.
- Increased visibility on campus and throughout the community through assisting with community events and networking.

Sigma Gamma Rho Sorority, Inc.

Nov. 2020 - Present

Member

- Attend and participate in chapter meetings, provide feedback and ideas on how we can make a meaningful impact in our community.
- Participate in chapter initiatives with local organizations such as the Urban League.
- Mentor middle girls through the organizations by providing guidance on the next steps, problem solving, and managing emotions.

Seattle Renters' Commission

15 Members: Pursuant to *Ordinance 125280*, all members subject to City Council confirmation, 2-year terms:

- 6 City Council-appointed
- 7 Mayor-appointed
- 2 Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	O	1	1.	Member	Haley Freedlund	3/1/22	2/28/24	1	Council
			2.	Member					Council
			3.	Member					Council
6	F	2	4.	Member	Dinah Braccio	3/1/21	2/28/23	2	Council
6	M	2	5.	Member	Mac S. R. McGregor	3/1/22	2/28/24	2	Council
9	F	3	6.	Member	Gina Owens	3/1/21	2/28/23	2	Council
6	O	6	7.	Member	Char Smith	3/1/22	2/28/24	1	Mayor
2	F	3	8.	Member	Laurie Goff	3/1/21	2/28/23	2	Mayor
6	F	3	9.	Member	Kim McGillivray	3/1/22	2/28/24	1	Mayor
9	M	2	10.	Member	Tim Guy	3/1/21	2/28/23	1	Mayor
			11.	Member	Schnidine Sendia Registin	3/1/22	2/28/24	1	Mayor
9	NB	5	12.	Member	ChrisTiana ObeySumner	3/1/21	2/28/23	2	Mayor
3	T	4	13.	Member	Arianna Laureano	3/1/22	2/28/24	1	Commission
			14.	Member		3/1/21	2/28/23	1	Commission
6	M	7	15.	Get Engaged Member	Dan Godfrey	9/1/21	8/31/22	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART (1) (2) (3) (4) (5) (6) (7) (8) (9)

	Male	Female	Transgender /Non-Binary	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	1	2	1	1		1				2			2
Council	1	2		1						3			1
Other	1		1				1			1			
Total	3	4	2	2		1	1			6			3

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: CB 120532, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Resource Adequacy Program, including the ability to execute additional agreements necessary or convenient to participate in the Western Resource Adequacy Program; and ratifying and confirming certain prior acts.

WHEREAS, the West faces a looming electric generation resource shortfall as fossil-fuel generation is retired and replaced by large amounts of intermittent renewable resources, such as wind and solar; and

WHEREAS, the potential for a resource shortfall is furthered by load growth in the data center and agricultural sectors and acceleration of electrification in the transportation and building sectors; and

WHEREAS, extreme weather events have increased in frequency and severity, contributing to the uncertainty about whether sufficient generation resources exist to meet the region's needs; and

WHEREAS, the City Light Department has an obligation to ensure its own resource adequacy - the ability to provide sufficient, qualified resources and supporting transmission for all of its anticipated customer and system peak loads - on a forward projection basis in order to enhance and secure electricity reliability in the region; and

WHEREAS, the Western Resource Adequacy Program (WRAP) is a voluntary, proactive, industry-initiated and -led effort developed by a diverse set of participants and managed by Northwest Power Pool and Western Power Pool Corporation to efficiently and collectively meet the growing resource adequacy challenges and enhance electricity reliability in the region; and

WHEREAS, the WRAP will be governed by a tariff approved by the Federal Energy Regulatory Commission

and will consists of two primary elements: (1) a forward showing program through which participants must demonstrate seven months in advance that they have sufficient qualified capacity resources and supporting transmission to serve their peak load and share of planning reserve margin and (2) a real-time operations program through which participants with excess capacity, based on near-term conditions, are requested to holdback capacity during critical periods for potential use by participants who lack sufficient resources to serve their load in real-time; and

WHEREAS, the Department must execute the WRAP Agreement (WRAPA) with the Western Power Pool Corporation to become a participant in the WRAP; and

WHEREAS, the WRAPA allows each participant to elect a binding season when the participant expects to fully adhere to tariff obligations. The Department believes WRAP participation will benefit its customers by pooling resources with other regional generators to protect participants and their customers from unanticipated shortfalls in electric power supply; and

WHEREAS, the Department currently intends to elect a binding season commencing in summer of 2028, but may elect an earlier binding season with two years notice to the WRAP; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager and Chief Executive Officer (General Manager) of the City Light Department (Department) is authorized to execute an agreement with the Northwest Power Pool Corporation (NWPP) doing business as Western Power Pool Corporation (WPP) to enter and participate in the Western Resource Adequacy Program (WRAP), substantially in the form of Attachment A to this ordinance (WRAP Agreement or WRAPA). The WRAPA is the participation agreement set forth as Attachment A of the WRAP Tariff (Tariff); the Tariff is attached to this ordinance as Attachment B. The Tariff sets forth the framework for a new, voluntary, electric power resource adequacy planning and compliance program.

Section 2. The Department is authorized to participate in the WRAP in accordance with the WRAP Agreement to the extent and for as long as the General Manager believes participation falls within the range of

prudent utility practices for the Department.

Section 3. The General Manager, or General Manager’s designee, is further authorized to execute, for and on behalf of The City of Seattle, additional agreements necessary or convenient for the purpose of participating in the WRAP, including the ability to enter and make amendments and extensions of additional agreements associated with the WRAP participation, provided that such agreements, amendments, and extensions will not cause the Department to exceed its then current budget authority.

Section 4. Any action consistent with this ordinance taken after its passage but prior to its effective date is ratified and confirmed.

Section 5. 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 _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

Attachments:

Attachment A - WRAPA (Attachment A of WRAP Tariff)

Attachment B - Complete WRAP Tariff, including WRAP Agreement

ATTACHMENT A

Western Resource Adequacy Program Agreement

This Western Resource Adequacy Program Agreement (“Agreement”) dated as of _____ (“Effective Date”) is entered into by and between Western Power Pool Corporation (“WPP”) and _____ (“Participant”). WPP and Participant are each sometimes referred to in the Agreement as a “Party” and collectively as the “Parties.”

In consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. The Parties agree that this agreement shall be governed by the rates, terms, and conditions of the Western Resource Adequacy Program Tariff (“Tariff”) and all such rates, terms, and conditions contained therein are expressly incorporated by reference herein. All capitalized terms that are not otherwise defined herein shall have the meanings ascribed by the Tariff.
2. Participant wishes to participate in the Western Resource Adequacy Program (“WRAP”) administered by WPP under the Tariff.
3. Participant certifies that it satisfies all of the following qualifications:
 - 3.1 Participant is a Load Responsible Entity as that term is defined in the Tariff.
 - 3.2 Participant commits to complying with all applicable terms and conditions of WRAP participation as set forth in the Tariff and Business Practice Manuals adopted thereunder, including all Forward Showing Program and Operations Program requirements.
4. Participant will register all resources and supply contracts and shall disclose any other obligations associated with those resources and supply contracts.
5. Participant represents and warrants that it is authorized by all relevant laws and regulations governing its business to enter into this Agreement and assume all rights and obligations thereunder.
6. It is understood that, in accordance with the Tariff, WPP, as authorized by its independent Board of Directors, may amend the terms and conditions of this Agreement or the Tariff by notifying the Participant in writing and making the appropriate filing with FERC, subject to any limitations on WPP’s authority to amend the Tariff as set forth therein.
7. Participant agrees to pay its share of all costs associated with the WRAP, as calculated pursuant to Schedule 1 of the Tariff. The manner and timing of such payment shall be as specified in Schedule 1 of the Tariff.
8. WPP agrees to provide all services as set forth in the Tariff.

9. Term and termination. This Agreement shall commence upon the Effective Date and shall continue in effect until terminated either by WPP by vote of its Board of Directors or by Participant's withdrawal as set forth herein. WPP and Participant agree that participation in the WRAP is voluntary, subject to the terms and conditions of this Agreement and the Tariff. The date upon which a Participant's withdrawal is effective and its participation in the program terminates is referred to as the "Withdrawal Date."

9.1 Normal Withdrawal: In general, Participant may withdraw from this Agreement by providing written notice to WPP no less than twenty-four months prior to commencement of the next binding Forward Showing Program period. Once notice has been properly given, Participant remains in a "Withdrawal Period" until the Withdrawal Date.

9.1.1 During Participant's Withdrawal Period, Participant remains subject to all requirements and obligations imposed by the Tariff and this Agreement, including but not limited to all obligations imposed in the Forward Showing Program and Operations Program and obligation to pay Participant's share of all costs associated with the WRAP.

9.1.2 All financial obligations incurred prior to and during the Withdrawal Period are preserved until satisfied.

9.1.3 During the Withdrawal Period, Participant is not eligible to vote on any actions affecting the WRAP that extend beyond the Withdrawal Period.

9.2 Expedited Withdrawal: Participant may withdraw from this agreement with less than the required twenty-four month notice as set forth below. Participant shall negotiate with WPP regarding the timing of the Expedited Withdrawal.

9.2.1 Extenuating Circumstances: The following such events and circumstances shall constitute "extenuating circumstances" justifying a withdrawal on less than twenty-four months. Participant invoking an extenuating circumstance shall negotiate with WPP regarding potential ways to minimize the impact of the expedited withdrawal on all other Participants and WPP. Such extenuating circumstances and any mitigation plan to minimize the impact of the expedited withdrawal must be reviewed and approved by the Board of Directors prior to termination of Participant's WRAP obligations. Regardless of the extenuating circumstance, all financial obligations incurred prior to the Withdrawal Date remain in effect until satisfied.

9.2.1.1 A governmental authority takes an action that substantially impairs Participant's ability to continue to

participate in the WRAP to the same extent as previously; provided, however, that Participant shall be obligated to negotiate with WPP regarding potential ways to address the impact of the regulatory action without requiring a full withdrawal of Participant from the WRAP if possible.

9.2.1.2 Continued participation in the WRAP conflicts with applicable governing statutes or other applicable legal authorities or orders.

9.2.1.3 Participant voted against a RAPC determination and disagreed with a Board of Directors decision to release composite or aggregated data under Section 10.2.1 of the Tariff, provided that such right to expedited withdrawal is exercised promptly after the first time that the Board of Directors determines that the form and format of composite or aggregated data sufficiently protects against the release of confidential or commercially sensitive Participant data. Failure to exercise this right promptly upon the first occurrence of the Board of Directors voting on a specific form and format of composite or aggregated data shall constitute a waiver of the right to expedited withdrawal for any future disclosures of composite or aggregated data in the same or substantially similar form and format.

9.2.1.4 FERC or a court of competent jurisdiction requires the public disclosure of a Participant's confidential or commercially sensitive information, as further described in Section 10.5 of the Tariff; provided however that such right to expedited withdrawal shall be exercised promptly upon the exhaustion of all legal or administrative remedies aimed at preventing the release.

9.2.2 Exit Fee: If the impact of Participant's withdrawal on WRAP operations can be calculated with a high degree of confidence and mitigated by the payment of an "exit fee" to be calculated by WPP, an expedited withdrawal will be permitted. Such exit fee shall include (but not be limited to): (i) any unpaid WRAP fees or charges; (ii) Participant's share of all WRAP administrative costs incurred up to the next Forward Showing Program period; (iii) any costs, expenses, or liabilities incurred by WPP and/or the Program Operator directly resulting from Participant's withdrawal; and (iv) any costs necessary to hold other participants harmless from the voluntary expedited withdrawal. The exit fee may be waived to the extent that it would violate any federal, state, or local statute, regulation, or ordinance or exceed the statutory authority of a federal

agency. The exit fee shall be paid in full prior to the Withdrawal Date.

9.2.3 Amendments to Section 3.4 of the Tariff: In the event that amendments to Section 3.4 of the Tariff are approved by the RAPC and Board of Directors, a Participant that voted against such a change may withdraw with less than the required twenty-four month notice, provided that the Participant satisfy all obligations in the Forward Showing Program and Operations Program and satisfy all other financial obligations incurred prior to the date that the amendments to Section 3.4 of the Tariff are made effective by FERC.

9.2.4 Expulsion: The Board of Directors, in its sole discretion, may terminate Participant's participation in the WRAP and may terminate this Agreement with Participant for cause, including but not limited to material violation of any WPP rules or governing documents or nonpayment of obligations. Prior to exercising such right to terminate, the Board of Directors shall provide notice to Participant of the reasons for such contemplated termination and a reasonable opportunity to cure any deficiencies. Such Board of Directors termination shall be after an affirmative vote consistent with the Board of Directors standard voting procedures. Such termination shall not relieve the Participant of any financial obligations incurred prior to the termination date, and WPP may take all legal actions available to recover any financial obligations from Participant.

10. No Waiver of Non-FERC-Jurisdictional Status. If Participant is not subject to the jurisdiction of FERC as a public utility under the Federal Power Act, Participant shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over Participant that does not otherwise exist. Participant acknowledges that FERC has jurisdiction over the WRAP, including Participant's activities in the WRAP.

[SIGNATURE BLOCKS]

WESTERN RESOURCE ADEQUACY PROGRAM
TARIFF
OF
NORTHWEST POWER POOL
D/B/A
WESTERN POWER POOL

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PART I GENERAL PROVISIONS

1. Definitions

Unless the context otherwise specifies or requires, capitalized terms used in this Tariff shall have the respective meanings assigned herein for all purposes of this Tariff (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references herein to Parts, Sections, Schedules, or Attachments, are to Parts, Sections, Schedules, or Attachments of this Tariff.

Applicable Price Index: A published index of wholesale electric prices, or Locational Marginal Prices duly calculated and posted by a FERC-regulated market operator, in either case as designated under Part III of this Tariff for use in connection with an identified Subregion.

Administration Charge or WRAP Administration Charge: The charge established under Schedule 1 of this Tariff for recovery of the costs of the WRAP.

Advance Assessment: Analyses and calculations of Participant load, resource, and other information performed in advance of each Binding Season as set forth in Part II of this Tariff.

Available Transfer Capability (“ATC”): Transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses.

Balancing Authority: The responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Charge: A component of the WRAP Administration Charge as established under Schedule 1 of this Tariff.

Base Costs: Base Costs shall have the meaning provided in Schedule 1 of this Tariff.

Base Services Cost Centers: The cost centers comprising the Base Charge as defined in Schedule 1 of this Tariff.

Base Services Percentage: Base Services Percentage shall have the meaning provided in Schedule 1 of this Tariff.

Binding Season: The Summer Season or the Winter Season.

Board of Directors or Board: The Board of Directors of the Northwest Power Pool d/b/a Western Power Pool.

Business Day: Any Day that is a Monday through Friday, excluding any holiday established by United States federal authorities.

Business Practice Manuals: The manuals compiling further details, guidance, and information that are appropriate or beneficial to the implementation of the rules, requirements, and procedures established by this Tariff. Business Practice Manuals do not include such internal rules or procedures as the Western Power Pool may adopt for its operation and administration, including but not limited to any corporate by-laws of the Western Power Pool, or for any services or functions provided by the Western Power Pool other than those established by this Tariff.

CAISO: The California Independent System Operator Corporation, a California nonprofit public benefit corporation.

Capacity Benefit Margin: An amount of transmission transfer capability permitted under open access transmission rules to be reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements.

Capacity Critical Hours (“CCH”): Those hours during which the net regional capacity need for the WRAP Region is expected to be above the 95th percentile, based on historic and synthesized data for the WRAP Region’s gross load, variable energy resource performance, and interchange.

Capacity Deficiency: A shortfall in a Participant’s Portfolio QCC relative to that Participant’s FS Capacity Requirement, as further defined in Part II of this Tariff.

Cash Working Capital Fund: Cash Working Capital Fund shall have the meaning provided in Schedule 1 of this Tariff.

Cash Working Capital Support Charge: A charge assessed to Participants under Schedule 1 of this Tariff to fund the Cash Working Capital Fund.

Cash Working Capital Support Charge Rate: Cash Working Capital Support Charge Rate shall have the meaning provided in Schedule 1 of this Tariff.

Cost of New Entry (“CONE”): The estimated cost of new entry of a new peaking natural gas-fired generation facility, as determined under, and used in, Part II of this Tariff.

CONE Factor: A factor employed in the calculation of Deficiency Charges under Part II of this Tariff, to reflect whether, and the extent to which, the WRAP Region as a whole is expected to have a capacity deficiency during the period for which the Deficiency Charge is being calculated.

Committee of State Representatives (“COSR”): Committee of State Representatives, as established in Part I of this Tariff.

Contingency Reserve: As more fully described in the NERC WECC reliability standards, a quantity of reserves, consisting of generation, load, interchange, or other resources, that are deployable within ten minutes, equal to the greater of (i) the MW quantity of the loss of the most severe contingency and (ii) the megawatt quantity equal to the sum of 3% of hourly integrated load plus 3% of hourly integrated generation.

Cumulative Delivery Failure Period: Any period of five consecutive years, ending with and including the most recent Energy Delivery Failure as of the time of determination of a possible Delivery Failure Charge.

Day: A calendar day.

Day-Ahead Price: A price for wholesale electric transactions designated as a day-ahead price in an Applicable Price Index.

Default Allocation Assessment: A charge assessed on non-defaulting Participants to recover the costs associated with a default by a Participant, as set forth in Part I of this Tariff.

Deficiency Charge: A charge assessed for a Capacity Deficiency or Transmission Deficiency, as set forth in Part II of this Tariff.

Delivery Failure Charge: A charge assessed for a Participant's failure to deliver a required Energy Deployment, as set forth in Part III of this Tariff.

Delivery Failure Charge Rate: A rate employed in the determination of a Delivery Failure Charge as more fully set forth in Part III of this Tariff.

Delivery Failure Factor: A factor used in the determination of a Delivery Failure Charge to recognize the relative severity or impact of an Energy Delivery Failure, as set forth in Part III of this Tariff.

Demand Response: A resource with a demonstrated capability to provide a reduction in demand or otherwise control load in accordance with the requirements established under Part II of this Tariff.

Demonstrated FS Transmission: A Participant's demonstration in its Forward Showing Submittal that it has secured firm transmission service rights of the type and quantity sufficient to provide reasonable assurance, as of the time of the Forward Showing Submittal, of delivery of capacity from the Qualifying Resources and the resources associated with the power purchase agreements in the Participant's Portfolio QCC.

Dual Benefit Cost Centers: Dual Benefit Cost Centers shall have the meaning provided in Schedule 1 of this Tariff.

Effective Load Carrying Capability ("ELCC"): A methodology employed to determine the Qualified Capacity Contribution of certain types of Qualifying Resources, as more fully set forth in Part II of this Tariff.

Energy Declined Settlement Price: A pricing component used as part of the calculation of settlements for Holdback Requirements and Energy Deployments under Part III of this Tariff.

Energy Delivery Failure: A failure by a Participant to provide an Energy Deployment assigned to such Participant under Part III of this Tariff.

Energy Deployment: A delivery of energy that a Participant is required to provide during an Operating Day, as set forth in Part III of this Tariff.

Energy Storage Resource: A resource, not including a Storage Hydro Qualifying Resource, designed to capture energy produced at one time for use at a later time.

Excused Transition Deficit: A Participant's inability during the Transition Period to demonstrate full satisfaction of the Participant's FS Capacity Requirement, which, under certain conditions and limitations prescribed by Part II of this Tariff, permits a reduction in the otherwise applicable Deficiency Charge.

Federal Power Marketing Administration: A United States federal agency that operates electric systems and sells the output of federally owned and operated hydroelectric dams located in the United States.

FERC: The Federal Energy Regulatory Commission.

Forced Outage Factor: The factor resulting from dividing the number of hours a generating unit or set of generating units is not synchronized to the grid system, not in reserve shutdown state and considered to be out of service for unplanned outages—or a startup failure, by the number of total hours in the period multiplied by 100% or a Program Administrator calculated equivalent forced outage factor that reflects the likelihood and extent to which a resource will be unavailable from time to time due to factors outside management control.

Forward Showing Program: The program and requirements as set forth in Part II of this Tariff.

Forward Showing Submittal (“FS Submittal”): The submissions a Participant is required to submit in advance of each Binding Season to demonstrate its satisfaction of the FS Capacity Requirement and FS Transmission Requirement, as set forth in Part II of this Tariff.

Forward Showing Year: A period consisting of a Summer Season and the immediately succeeding Winter Season.

FS Capacity Requirement: The minimum quantity of capacity a Participant is required to demonstrate for a Binding Season, as set forth in Part II of this Tariff.

FS Deadline: The deadline for Participants' submissions of their FS Submittals for a Binding Season, as established under Part II of this Tariff.

FS Planning Reserve Margin (“FSPRM”): An increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, or lower availability of resources, expressed as a percentage of the applicable peak load forecast, as determined in accordance with Part II of this Tariff.

FS Transmission Requirement: The minimum quantity of transmission service rights a Participant is required to demonstrate for a Binding Season, as set forth in Part II of this Tariff.

High-Priced Day: The most recent day in the CAISO in which prices in the day-ahead market were at least \$200/MWh.

Holdback Requirement: A MW quantity, as determined on a Preschedule Day, that a Participant is required to be capable of converting into an Energy Deployment on a given hour of the succeeding Operating Day, as more fully set forth in Part III of this Tariff.

ICE Index: A wholesale electric price index prepared and published by the Intercontinental Exchange.

Incremental Cash Working Capital Support Charge: Incremental Cash Working Capital Support Charge shall have the meaning provided in Schedule 1 of this Tariff.

Independent Evaluator: An independent entity engaged to provide an independent assessment of the performance of the WRAP and any potential beneficial design modifications, as set forth in Part I of this Tariff.

Installed Capacity: Nameplate capacity adjusted for conditions at the site of installation.

International Power Marketing Entity: An entity that (i) owns, controls, purchases and/or sells resource adequacy supply and is responsible under the WRAP program for meeting LRE obligations associated with one or more loads physically located outside the United States.

Legacy Agreement: A power supply agreement entered into prior to October 1, 2021.

Load Charge: A component of the WRAP Administration Charge as established under Schedule 1 of this Tariff.

Load Charge Rate: Load Charge Rate shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Costs: Load Services Costs shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Cost Centers: Load Services Cost Centers shall have the meaning provided in Schedule 1 of this Tariff.

Load Services Percentage: Load Services Percentage shall have the meaning provided in Schedule 1 of this Tariff.

Load Responsible Entity (“LRE”): An LRE is an entity that (i) owns, controls, purchases and/or sells resource adequacy supply, or is a Federal Power Marketing Administration or an International Power Marketing Entity, and (ii) has full authority and capability, either through statute, rule, contract, or otherwise, to:

- (a) submit capacity and system load data to the WRAP Program Operator at all hours;
- (b) submit Interchange Schedules within the WRAP Region that are prepared in accordance with all NERC and WECC requirements, including providing E-Tags

- for all applicable energy delivery transactions pursuant to WECC practices and as required by the rules of the WRAP Operations Program;
- (c) procure and reserve transmission service rights in support of the requirements of the WRAP Forward Showing Program and Operations Program; and
 - (d) track and bilaterally settle holdback and delivery transactions.

Subject to the above-mentioned criteria, an LRE may be a load serving entity, may act as an agent of a load serving entity or multiple load serving entities, or may otherwise be responsible for meeting LRE obligations under the WRAP.

Locational Marginal Price: The cost of delivering an additional unit of energy to a given node, as calculated under a FERC-regulated wholesale electric tariff.

Loss of Load Expectation (“LOLE”): An expression of the frequency with which a single event of failure, due to resource inadequacy, to serve firm load would be expected (based on accepted reliability planning analysis methods) to result from a given FS Planning Reserve Margin.

Make Whole Adjustment: A component used as part of the calculation of settlements for Holdback Requirements and Energy Deployments under Part III of this Tariff.

Maximum Base Charge: The maximum amount prescribed in Schedule 1 of the Tariff that the Base Charge cannot exceed.

Maximum Load Charge Rate: The maximum rate prescribed in Schedule 1 of the Tariff that the Load Charge Rate cannot exceed.

Median Monthly P50 Peak Loads: Median Monthly P50 Peak Loads has the meaning prescribed by Schedule 1 of this Tariff.

Month: A calendar month.

Monthly Capacity Deficiency: A Participant’s Capacity Deficiency for a given Month.

Monthly Deficiency: An identification under Part II of this Tariff whether, and the extent to which, a Participant’s need for capacity or transmission for a given Month is greater than the capacity or transmission, respectively, the Participant can demonstrate for such Month.

Monthly FS Capacity Requirement: FS Capacity Requirement determined as to a Month.

Monthly FSPRM: The FS Planning Reserve Margin applicable to a given Month of a given Binding Season, as determined in accordance with Part II of this Tariff.

Monthly Transmission Deficiency: A Participant’s Transmission Deficiency for a given Month.

Monthly Transmission Demonstrated: A Participant’s Demonstrated FS Transmission for a given Month.

Monthly Transmission Exceptions: Exceptions from the FS Transmission Requirement approved under Part II of this Tariff for a Participant for a given Month.

Multi-Day-Ahead Assessment: A period of days preceding each Operating Day, and ending on the Preschedule Day, during which Sharing Calculations are successively performed based in each case on Operating Day conditions expected at the time of calculation.

North American Electric Reliability Corporation (“NERC”): A not-for-profit international regulatory authority that serves as the designated electric reliability organization for the continental United States, Canada, and a portion of Mexico.

Net Contract QCC: The QCC, which may be a positive or negative value, calculated, in sum and on net, for a Participant’s power purchase agreements and power sale agreements, in accordance with Part II of this Tariff.

Non-Binding Season: As to a Participant, a Binding Season that occurs during the Transition Period prior to the first Binding Season for which the Participant has elected to be subject to Parts II and III of this Tariff.

Non-Binding Participant: For any Binding Season, a Participant that has made an election by which such Binding Season is a Non-Binding Season for that Participant.

Open Access Transmission Tariff: A governing document on file with FERC establishing the rates, terms, and conditions of open access transmission service, or equivalent tariff of a transmission service provider that is not required to file its transmission service tariff with FERC.

Operating Day: A current Day of actual electric service from resources to load, for which Sharing Events are determined and Energy Deployments may be required, as set forth in Part III of this Tariff.

P50 Peak Load Forecast: A peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast.

Participant: A Load Responsible Entity that is a signatory to the WRAPA.

Portfolio QCC: As to a Participant, the sum of the Resource QCC provided by all of a Participant’s Qualifying Resources plus the Net Contract QCC of such Participant.

Preschedule Day: The applicable scheduling Day for a given Operating Day as defined in scheduling calendar established by WECC.

Program Administrator: The Western Power Pool, in its role as the entity responsible for administering the WRAP.

Program Operator: A third party that has contracted with the Program Administrator to provide technical, analytical, and implementation support to the Program Administrator for the WRAP.

Program Review Committee (“PRC”): The stakeholder sector committee as established in Section 4.2 of this Tariff.

Pure Capacity: A MW quantity of capacity without any assigned forced outage rate employed in ELCC determinations under Part II of this Tariff.

Qualifying Capacity Contribution (“QCC”): The MW quantity of capacity provided by a resource, contract, or portfolio which qualifies to help satisfy a Participant’s FS Capacity Requirement, as determined in accordance with Part II of this Tariff.

Qualifying Resource: A generation or load resource that meets the qualification and accreditation requirements established by and under Part II of this Tariff.

Real-Time Price: A price for wholesale electric transactions designated as a real-time price in an Applicable Price Index.

Resource Adequacy Participant Committee (“RAPC”): The committee comprised of representatives from each Participant as established in Part I of this Tariff.

Resource QCC: The QCC provided by a Qualifying Resource, as determined in accordance with Part II of this Tariff.

Run-of-River Qualifying Resource (“ROR”): A hydro-electric power project that does not have the capability to store a sufficient volume of water to support continuous generation at the project’s stated maximum capacity for a period of one hour. Resource does not meet the definition of a Storage Hydro Qualifying Resource.

Safety Margin: An additional factor allocated among Participants with positive sharing calculations when warranted by certain conditions as prescribed by Part III of this Tariff.

Senior Official Attestation: A signed statement of a senior official of a Participant attesting that it has reviewed such Participant’s information submission required under this Tariff, that the statements therein are true, correct and complete to the best of such official’s knowledge and belief following due inquiry appropriate to the reliability and resource adequacy matters addressed therein, and containing such further statements as required by this Tariff or the applicable Business Practice Manual for the information submission at issue.

Sharing Calculation: A calculation used in the Operations Program under Part III of this Tariff to identify any hour in which any Participant is forecast to have a capacity deficit.

Sharing Event: An hour or hours of an Operating Day for which one or more Participants has a negative Sharing Calculation result, as determined in accordance with Part III of this Tariff.

Sharing Requirement: A requirement applicable to a Participant with a positive Sharing Calculation result for a given hour or hours of an Operating Day to potentially provide an Energy Deployment to a Participant with a negative Sharing Calculation result for those same hours, as determined in accordance with Part II of this Tariff.

Storage Hydro Qualifying Resource: A hydro-electric power project with an impoundment or reservoir located immediately upstream of the powerhouse intake structures that can store a sufficient volume of water to support continuous generation at the project's stated maximum capacity for a period of one hour or longer.

Subregion: An area definition approved by the Board of Directors and identified in the Business Practice Manuals, that is wholly contained within the WRAP Region, which is separated from one or more other Subregions by transmission constraints on capacity imports or on capacity exports that result, or are expected to result, in differing FSPRM determinations for that Subregion relative to such other Subregion.

Summer Season: A period of time that commences on June 1 of a Year and terminates on September 15 of the same Year.

System Sale: A power sale in which the generation is sourced, at the seller's discretion, from a group of two or more identified Qualifying Resources.

Transition Period: The Binding Seasons within the time period from June 1, 2025, through March 15, 2028, plus the time period required to implement the requirements and procedures of Part II of this Tariff applicable to such Binding Seasons.

Transmission Deficiency: A shortfall in a Participant's demonstration of secured transmission service rights, after accounting for any approved transmission exceptions, relative to that Participant's FS Transmission Requirement, as further defined in Part II of this Tariff.

Unforced Capacity: The percentage of Installed Capacity available after a unit's forced outage rate is taken into account.

Variable Energy Resource ("VER"): An electric generation resource powered by a renewable energy source that cannot be stored by the facility owner or operator and that has variability that is beyond the control of the facility owner or operator, including but not limited to a solar or wind resource.

VER Zone: A geographic area delineated in accordance with Section 16.2.5.2 of this Tariff for a given type of VER, where each VER of that type located in such area is anticipated to be comparably affected by meteorological or other expected conditions in such area to a degree that warrants distinct calculation of ELCC allocations for such VERs of that type in such area.

Western Electricity Coordinating Council ("WECC"): A non-profit corporation that has been approved by FERC as the regional entity for the western interconnection and that also has NERC delegated authority to create, monitor, and enforce reliability standards.

Western Resource Adequacy Program Agreement ("WRAPA"): The participation agreement for the Western Resource Adequacy Program, as set forth as Attachment A to this Tariff, or as set forth for an individual Participant in a non-conforming version of such participation agreement accepted by FERC.

Western Resource Adequacy Program (“WRAP”): The Western Resource Adequacy Program, as established under this Tariff.

Western Power Pool (“WPP”): Northwest Power Pool, d/b/a Western Power Pool, which serves as Program Administrator for the WRAP under this Tariff and holds exclusive rights under section 205 of the Federal Power Act to file amendments to this Tariff.

Winter Season: A period of time that commences on November 1 of a Year and terminates on March 15 of the immediately following Year.

WRAP Cost Assignment Matrix: The matrix set forth in Schedule 1 of this Tariff to identify which WRAP costs are assessed to the Base Charge and the Load Charge components of the WRAP Administration Charge.

WRAP Region: The area comprising, collectively, (i) the duly recognized and established load service areas of all loads in the United States that all Participants are responsible for serving, (ii) the duly recognized and established load service areas of all loads in the United States that all load serving entities, on whose behalf a Participant acts in accordance with this Tariff, are responsible for serving, and (iii) the applicable location(s) on the United States side of the United States international border that form the basis for an International Power Marketing Entity’s participation under the WRAP, in all cases excluding, for any Binding Season, any loads permitted by this Tariff to be excluded from Participants’ Forward Showing Submittal for such Binding Season.

Year: A calendar year.

2. Role of Western Power Pool

- 2.1 WPP, acting under the direction of its Board of Directors, shall administer the WRAP as Program Administrator. Except as specified in Section 3 of this Tariff, WPP, as authorized by its Board of Directors, shall have the sole authority to submit to FERC amendments to the rates, terms, and conditions set forth in this Tariff under section 205 of the Federal Power Act, 16 U.S.C. § 824d. Nothing contained herein shall be construed as affecting in any way the right of any Participant or any other entity to apply to FERC for amendments to the rates, terms, and conditions contained herein under section 206 of the Federal Power Act, 16 U.S.C. § 824e, or any other applicable provision of that Act.
 - 2.1.1 WPP president and staff shall support the Board of Directors in overseeing all aspects of the WRAP, including oversight and management of the Program Operator(s) in accordance with any Program Operator agreement(s) entered into by WPP under Section 2.2 of this Tariff.
 - 2.1.2 WPP and its staff shall provide all legal, regulatory, and accounting support for the WRAP, including support for making filings with FERC as authorized by the Board of Directors.
 - 2.1.3 WPP staff shall provide all logistical support necessary to facilitate implementation of the WRAP and specifically all logistical needs of the Board of Directors and reasonable logistical assistance to facilitate meetings and activities of the RAPC, PRC, and all subordinate organizational groups.
- 2.2 As Program Administrator, WPP shall undertake all actions as necessary to implement and administer the WRAP, including but not limited to engaging one or more Program Operator(s) to perform technical operations of the WRAP including both the Forward Showing Program and Operations Program. Except as otherwise provided herein, WPP may contract for certain activities required by this Tariff to be provided by one or more Program Operator(s) subject to oversight by the Board of Directors, provided, however, that the Program Operator shall operate solely as a contractor under the oversight of WPP, and WPP shall remain the sole point of compliance with this Tariff. WPP shall have the sole authority to enter into contracts for such engagements and is responsible for providing support and compensation for such Program Operator(s) pursuant to any contract(s).
 - 2.2.1 WPP will contract with Program Operator(s) to assist WPP with providing reasonable technical support and expertise to all WRAP organizational groups as governed by the Program Operator's contract with WPP.

3. Role of the Board of Directors and Limitations on Board Authority

- 3.1 Authority: Ultimate authority over all aspects of the WRAP as established under this Tariff shall be vested in the independent Board of Directors. Each member of the Board of Directors shall at all times exhibit financial independence from all Participants and classes of Participants, as further provided in the WPP Bylaws and policies. As set forth in Section 2.1 of this Tariff, the Board of Directors shall have the exclusive authority to approve and direct WPP to file amendments to this Tariff with FERC under section 205 of the Federal Power Act, 16 U.S.C. § 824d, subject to the limitations and prohibitions imposed under Section 3.4 of this Tariff. The Board of Directors shall also have the exclusive authority to approve the Business Practice Manuals and any amendments to the Business Practice Manuals, subject to the terms, conditions, and limitations imposed under this Tariff.
- 3.2 The Board of Directors generally shall meet in open session for all matters related to the WRAP; however, the Board of Directors may meet in closed session as the chair deems necessary to safeguard the confidentiality of sensitive information, including but not limited to discussing matters related to personnel, litigation, or proprietary, confidential, or security sensitive information. The Board of Directors shall not take action on any proposed amendment to this Tariff or the Business Practice Manuals in closed session. During open session, the chair of the Board of Directors will reasonably accommodate stakeholder requests to address the Board within the discretion of the chair.
- 3.3 The Board of Directors shall only consider amendments to this Tariff or the Business Practice Manuals after such amendments are first acted upon by the RAPC, subject to the following additional conditions:
 - 3.3.1 In the event that the RAPC has voted to reject or has not voted to support a proposed amendment to this Tariff or the Business Practice Manuals, any stakeholder may appeal such decision to the Board of Directors, and the Board of Directors shall consider the appeal.
 - 3.3.2 In the event that the RAPC has voted to reject or has not voted to support a proposed amendment to this Tariff or the Business Practice Manuals and a stakeholder has not appealed such decision, the Board of Directors may, on its own motion or motion of any member of the Board of Directors, consider the proposed amendment.
 - 3.3.3 In the event that the COSR as a body opposes or appeals a RAPC decision to the Board of Directors regarding an amendment to this Tariff or the Business Practice Manuals, the process set forth in Section 4.3.3 of this Tariff shall apply prior to the Board of Directors' consideration of the RAPC decision.
 - 3.3.4 In the event that the Board of Directors wishes to initiate an amendment to this Tariff or the Business Practice Manuals that has not undergone PRC

and RAPC review, the Board of Directors shall first submit such proposed amendment to the PRC for review under the processes set forth in Sections 4.1 and 4.2 of this Tariff.

3.3.5 Expedited Review Process: In the event that the RAPC determines that an expedited review process is necessitated by an exigent circumstance as set forth in Section 4.1.3.1.1 of this Tariff, the Board of Directors shall review the RAPC's recommended Tariff or Business Practice Manual amendment expeditiously and invite comment from the PRC, COSR, and stakeholders concurrently with its consideration of the RAPC proposal.

3.4 WPP is specifically prohibited from amending this Tariff to:

3.4.1 Alter, usurp, control, or otherwise materially modify the Participants' existing functional control and responsibility over their generation and transmission assets, including but not limited to planning and operation of such assets, Open Access Transmission Tariff administration, interfering with Balancing Authority duties and responsibilities, or imposing a must-offer requirement on any specific generation resources.

3.4.2 Administer Open Access Transmission Tariff service, engage in Balancing Authority operations, impose transmission planning requirements, or assume any transmission planning responsibilities with regard to any of the Participant's transmission assets.

3.4.3 Form any type of organized market, including but not limited to a capacity market, a regional transmission organization, a real-time market, or any other type of FERC-approved regional construct, unless such action is also approved by the RAPC under its voting procedures set forth in Section 4.1.6 of this Tariff.

3.4.4 Impose any requirements on Participants beyond the assessment of financial charges as specified in this Tariff or suspension or termination of participation for failure to meet any WRAP requirements.

3.4.5 Amend in any way this Section 3 of this Tariff without the approval of the RAPC under its voting procedures set forth in Section 4.1.6 of this Tariff.

3.4.6 Amend the RAPC voting thresholds set forth in Section 4.1.6 of this Tariff.

3.5 Subject to the limitations and prohibitions imposed under Section 3.4 of this Tariff, if the Board of Directors votes to file at FERC to expand the WRAP to include market optimization or transmission planning services, WPP will initiate a formal process with COSR and other stakeholders to conduct a full review of governance structures and procedures, including the role of states. If COSR does not support any revised governance structure that emerges from such WPP review process, the WPP will file, along with any WPP governance proposal to FERC, an alternative

governance structure on behalf of the COSR so long as such COSR alternative governance structure is supported by 75% of the COSR.

4. Organizational Groups for the WRAP

4.1 Resource Adequacy Participants Committee

4.1.1 Authority and Purpose: The RAPC shall be the highest level of authority for representation by Participants in the WRAP governance structure and shall represent the interests of Participants directly to the Board of Directors.

4.1.2 Composition: The RAPC shall be composed of one representative from each Participant. Such representative shall be a senior management official with binding decision-making authority on behalf of the Participant, or a designated representative of a Participant's senior management official. A designated representative shall be required to have binding decision-making authority on behalf of the Participant and shall have all voting rights delegated from the senior management official. Participant shall appoint a designated representative no less than one Business Day in advance of a meeting for that designated representative to be eligible to vote during the meeting.

4.1.3 Functions: The RAPC:

4.1.3.1 Shall consider and recommend that the Board of Directors approve or reject all proposed amendments to this Tariff or Business Practice Manuals prior to the Board of Directors considering such amendments, including any amendments reviewed and referred by the PRC.

4.1.3.1.1 Exigent Circumstances: When the RAPC determines that an amendment to the Tariff or the Business Practice Manuals requires expedited Board of Directors review due to exigent circumstances, it may propose such amendment directly to the Board of Directors without awaiting review by other committees and stakeholders. Exigent circumstances include: (i) a FERC-mandated amendment to this Tariff or the Business Practice Manuals; (ii) an amendment to this Tariff or the Business Practice Manuals to address an immediate reliability impact; or (iii) an amendment to this Tariff or the Business Practice Manuals that the RAPC has determined has significant impacts to utility service.

4.1.3.2 Shall consider and vote to recommend that the Board of Directors approve or reject any proposed amendments to this Tariff or the Business Practice Manuals.

4.1.3.3 May provide input to the Board of Directors on any proposed WPP rules that apply both to the WRAP and other WPP services.

- 4.1.3.4 May evaluate and provide input to the Board of Directors on the WRAP administration budget and budget allocation to Participants, including amendments to the WRAP Administration Charge as calculated in accordance with Schedule 1 of this Tariff.
- 4.1.3.5 Shall form and organize all of the organizational groups under its responsibilities.
- 4.1.3.6 May take other actions reasonably related to its role as the senior-level Participant advisory committee to the Board of Directors regarding WRAP matters.
- 4.1.4 Leadership: The RAPC shall select from among its members a chair and vice chair.
- 4.1.5 Meetings:
 - 4.1.5.1 Meetings of the RAPC will generally be open to all stakeholders. WPP shall provide advanced written notice of the date, time, place, and purpose of each RAPC meeting. All RAPC decisional items shall be placed on the open meeting agenda and allotted adequate time for public comment and deliberation.
 - 4.1.5.1.1 The RAPC may meet in closed session as the RAPC chair deems necessary; provided, however, that the RAPC shall allow the designated COSR support staff member as specified in Section 4.3 of this Tariff to attend any closed meeting. The RAPC shall not take action on any proposed amendment to this Tariff or the Business Practice Manuals in closed session.
 - 4.1.5.2 The quorum for a meeting of the RAPC or any organizational group organized under it shall be one-half of the representatives thereof, but not less than three representatives, provided that a lesser number may serve as a quorum for the sole purpose of voting to adjourn the meeting to a later time.
- 4.1.6 Voting:
 - 4.1.6.1 Each RAPC representative shall have one vote.
 - 4.1.6.2 Voting in the RAPC shall utilize a “House and Senate” model.
 - 4.1.6.2.1 Each Participant’s “House” vote shall represent the proportion of the Participant’s Median Monthly P50 Peak Load, as described in Section 2 of Schedule 1 of this Tariff, compared to the sum of all Participants’ Median Monthly P50 Peak Loads. A Participant may choose to divide its

House vote but is responsible for announcing such at the time of voting.

4.1.6.2.2 Each Participant shall receive a single, non-weighted “Senate” vote.

4.1.6.2.3 For an action to be approved by the RAPC, it must pass both “House” and “Senate” votes as follows. For purposes of voting, the percentages identified below specify the percentage threshold of the entire RAPC (whether in attendance or not) that is needed for passage of an action.

4.1.6.2.3.1 Actions to amend any of the limitations on Board authority set forth in Section 3.4 of this Tariff require an 80% affirmative approval by both the House and the Senate vote tallies to be approved.

4.1.6.2.3.2 Actions brought before the RAPC that have been approved by the PRC require a 67% affirmative approval by both the House and Senate vote tallies to be approved.

4.1.6.2.3.3 All other actions not specified in this Section 4.1.6.2.3 require a 75% affirmative approval by both the House and Senate vote tallies to be approved.

4.1.6.2.4 If at any time a single Participant’s P50 load for voting purposes would result in that Participant possessing a veto over any votes taken under Section 4.1.5.2.3, such Participant’s House vote shall be capped at 1% below the amount that would convey such a veto, such that no single Participant will possess a veto over any action taken under Section 4.1.6.2.3.

4.2 Program Review Committee

4.2.1 Authority and Purpose: The PRC is a sector-representative group comprised in accordance with Section 4.2.2 of this Tariff. The PRC is responsible for receiving, considering, and proposing amendments to this Tariff and the Business Practice Manuals. The PRC shall serve as a clearinghouse of all recommended amendments to this Tariff or the Business Practice Manuals, except for those designated by the RAPC as involving an exigent circumstance under Section 4.1.3.1.1 of this Tariff, amendments to Schedule 1 of this Tariff and cost allocation for the WRAP, and amendments to the WRAPA set forth as Attachment A of this Tariff. The PRC shall serve in an advisory capacity to the RAPC and, when applicable, the Board of Directors.

- 4.2.1.1 The PRC shall present all proposals received to the RAPC, along with the PRC's recommendation and summaries of all comments and feedback received.
- 4.2.1.2 The PRC's decisions are advisory-only and are not binding on the RAPC, the Board of Directors, or WPP.
- 4.2.2 Composition: The PRC shall be composed of up to twenty representatives from the following ten sectors: four representatives of RAPC Participant investor-owned utilities; four representatives of RAPC Participant publicly-owned (consumer or municipal) utilities; two representatives of RAPC Participant retail competition load serving entities; two representatives from RAPC Participant Federal Power Marketing Administrations; two representatives of independent power producers; two representatives of public interest organizations; one representative of retail consumer advocacy groups; one representative of industrial customer advocacy groups; one representative of load serving entities with loads in the WRAP that are represented by other LREs and are not otherwise eligible for any other sector; a representative from the COSR. Expectations for sectors to consider regional, operational, geographic, demographic, and other forms of diversity in selecting their sector representatives are set forth in more detail in the PRC charter, which shall be posted and maintained on the WRAP website or other appropriate public location.
- 4.2.3 The PRC shall establish a process and criteria for receiving and reviewing proposed amendments to this Tariff and the Business Practice Manuals. Such review will include procedures for stakeholder comment.
- 4.2.4 Meetings: The PRC shall meet primarily in open session; provided that the PRC may schedule closed meetings if it determines that doing so would be beneficial to safeguard the confidentiality of sensitive information. The PRC shall not take action on any proposed amendment to this Tariff or the Business Practice Manuals in closed session.
- 4.2.5 Voting: The PRC shall endeavor to operate by consensus. When voting is necessary, voting shall consist of one sector one vote, with an affirmative vote of six sectors (as specified in Section 4.2.2 of this Tariff) constituting approval of an action before the PRC.
 - 4.2.5.1 For sectors with four seats, three sector representatives must agree with the action for the sector to be considered an affirmative vote for the action.
 - 4.2.5.2 For sectors with two seats, both sector representatives must agree with the action for the sector to be considered an affirmative vote for the action.

4.2.6 Participants and other entities shall participate in no more than one PRC sector. If a Participant or other entity is eligible to participate in more than one sector, such Participant or other entity shall declare in which sector it will participate.

4.3 Committee of State Representatives

4.3.1. Composition: The COSR is a committee composed of one representative from each state or provincial jurisdiction (either public utility commission or state/provincial energy office) that regulates at least one Participant.

4.3.2 Leadership: The COSR shall determine its leadership, including a chair and vice chair. The chair or vice chair will be requested to attend all open sessions of the RAPC to provide input and advice.

4.3.2.1 The COSR shall designate a COSR support staff member to attend and audit closed meetings of the RAPC under a non-disclosure agreement.

4.3.3 Authority:

4.3.3.1 If the COSR determines that a proposal approved by the RAPC is substantially different from the proposal submitted to the RAPC by the PRC, the COSR may engage in additional public review and comment before the RAPC decision is presented to the Board of Directors; provided that this additional public review and comment does not unreasonably delay presentation to the Board of Directors.

4.3.3.2 If the COSR as a body opposes or appeals a RAPC decision to the Board of Directors, the Board of Directors will not consider the RAPC's decision until the RAPC engages with the COSR to discuss, in at least two public discussions, to attempt to reach a mutually agreeable solution.

4.3.3.2.1 If the appeal relates to an amendment that the RAPC designated as involving an exigent circumstance under Section 4.1.3.1.1 of this Tariff, COSR can require no more than one public discussion, provided that such additional discussion does not unreasonably hinder the timeline for Board of Directors consideration of the proposed amendment.

4.3.4 Voting, Meetings, and Quorum: The COSR may develop its own rules governing voting, meetings, and quorum for action. COSR shall be responsible for its own costs.

5. Independent Evaluator

- 5.1 WPP shall engage an Independent Evaluator to provide an independent assessment of the performance of the WRAP and any potential beneficial design modifications. The Independent Evaluator shall report directly to the Board of Directors.
- 5.2 The Independent Evaluator shall conduct an annual review of the WRAP, including but not limited to analyzing prior year program performance, accounting and settlement, and program design.
- 5.3 The Independent Evaluator shall prepare an annual report of its findings, and any recommended modifications to WRAP design, and present its findings to the WRAP committees and the Board of Directors, subject to any necessary confidentiality considerations. Any data included in the Independent Evaluator's report shall be reported on an aggregated basis as applicable to preserve confidentiality. The Independent Evaluator's annual reports shall be available to the public, except to the extent they contain information designated as confidential under this Tariff, or information designated as confidential by the Independent Evaluator.
- 5.4 The Independent Evaluator shall not:
 - 5.4.1 Evaluate individual Participants.
 - 5.4.2 Possess any decision-making authority regarding the WRAP or design modifications.
 - 5.4.3 Evaluate WPP's day-to-day operations of the WRAP (except as part of review of prior year program performance).

6. WPP Invoicing and Settlement

- 6.1 WPP shall be responsible for issuing invoices to, and collecting from, Participants all charges under Schedule 1 of this Tariff for recovery of all WPP costs associated with administering the WRAP.
- 6.2 WPP shall be responsible for invoicing, collecting, and (as applicable) distributing revenues from Deficiency Charges under Part II of this Tariff and Delivery Failure Charges under Part III of this Tariff.
- 6.3 Participants are not required to provide credit assurances to WPP to cover charges under Schedule 1 of this Tariff, Deficiency Charges under Part II of this Tariff, or Delivery Failure Charge under Part III of this Tariff.
- 6.4 Participants shall make full payment of all invoices rendered by WPP for which payment is required to WPP within thirty calendar days following the receipt of the WPP invoice, notwithstanding any disputed amount, but any such payment shall not be deemed a waiver of any right with respect to such dispute. Any Participant that fails to make full and timely payment to WPP of amounts owed upon expiration of the cure period specified in Section 6.4.1 of this Tariff will be in default.
 - 6.4.1 If a Participant fails to make timely payment as required by Section 6.4, WPP shall so notify such Participant. The notified Participant may remedy such asserted breach by paying all amounts due, along with interest on such amounts calculated in accordance with the methodology specified for interest on refunds in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii); provided, however, that any such payment may be subject to a reservation of rights, if any, to refer such matter to dispute resolution procedures under Section 9 of this Tariff. If the Participant has not remedied such asserted breach by 5:00 p.m. Pacific Prevailing Time on the second Business Day following WPP's issuance of a written notice of breach, then the Participant shall be in default.
 - 6.4.2 In the event of a Participant's default under Section 6.4.1 of this Tariff, WPP in its discretion may pursue collection through such actions, legal or otherwise, as it reasonably deems appropriate, including but not limited to the prosecution of legal actions and assertion of claims in the state and federal courts as well as under the United States Bankruptcy Code. After deducting any costs associated with pursuing such claims, any amounts recovered by WPP with respect to defaults for which there was a Default Allocation Assessment shall be distributed to the Participants who have paid their Default Allocation Assessment in proportion to the Default Allocation Assessment paid by each Participant, as calculated pursuant to Section 6.4.3 of this Tariff. In addition to any amounts in default, the defaulting Participant shall be liable to WPP for all reasonable costs incurred in enforcing the defaulting Participant's obligations.

6.4.3 In the event of a Participant's default with respect to an invoice issued by WPP for charges under Schedule 1 of this Tariff, in order to ensure that WPP remains revenue neutral, the Board of Directors may assess against, and collect from, the Participants not in default a Default Allocation Assessment to recover the costs associated with the default. Such assessment shall in no way relieve the defaulting Participant of its obligations.

6.4.3.1 The Default Allocation Assessment shall be equal to:

$$(20\% \times (1/N) + (80\% \times (\text{Participant Median Monthly P50 Peak Load} / \text{Sum Participants Median Monthly P50 Peak Load})))$$

where:

N = the total number of Participants, calculated as of the date WPP declares a Participant in default.

Participant Median Monthly P50 Peak Load = for each Participant included in factor "N" above, the Participant's Median Monthly P50 Peak Load as determined in Section 2 of Schedule 1 of this Tariff, recalculated on the day the WPP declares a Participant in default.

All Participants Median Monthly P50 Peak Load = the sum of the Participant Median Monthly P50 Peak Load values for all Participants included in factor "N" above.

7. Credit Requirements and Settlement for Holdback and Delivered Energy

7.1 Credit and Settlement for Holdback and Delivered Energy: Settlement of holdback and delivered energy shall be completed bilaterally between Participants, subject to the following:

7.1.1 Neither WPP nor the Program Operator(s) shall take title to energy or be party to any settlement of holdback or delivered energy.

7.1.2 Participants shall establish credit with each other through one of the following mechanisms. Neither WPP nor the Program Operator(s) shall be involved in the calculation of credit or credit limits.

7.1.2.1 Establish credit directly with each Participant: Participants may establish credit directly with other Participants from whom they may receive delivered energy.

7.1.2.1.1 Such credit should be established in advance of the applicable season.

7.1.2.1.2 The amount of such credit and any credit limit shall be at the discretion of each Participant.

7.1.2.2 WPP shall conduct a competitive solicitation process to identify a third-party service provider to serve as central credit organization and clearing house for credit and settlement. Once such central credit organization is selected, Participants that have not already directly established credit with all other Participants under Section 7.2.2.1 of this Tariff shall establish credit with the central credit organization.

7.1.2.2.1 WPP will provide the central credit organization any Operations Program related information necessary for them to perform their obligations as set forth in the agreement between WPP and the central credit organization.

7.1.2.2.2 All costs associated with the central credit organization service shall be borne by Participants as established in the agreement between WPP and the central credit organization and either billed directly on a transactional basis or else recovered under Schedule 1 of this Tariff.

7.1.2.3 The obligation to arrange sufficient credit shall at all times be on the deficient Participant (i.e., a Participant with a negative sharing calculation in the Operations Program). If a deficient Participant has not made good faith and commercially reasonable efforts to

obtain sufficient credit with a delivering Participant, such delivering Participant shall so notify WPP and shall be excused from any obligation to deliver to such deficient Participant. Nothing in this Section 7 requires a Participant to violate its written risk or credit policy.

8. Force Majeure, Limitation of Liability, and Indemnification

- 8.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, pandemic, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation, or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither WPP nor the Participant will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff. Notwithstanding the foregoing, the physical inability to perform because of an event of Force Majeure shall not relieve the party of any financial obligations incurred under this Tariff or as a result of the Force Majeure event, unless, and to the extent, such financial obligation is waived or excused under provisions of Part II or Part III of this Tariff expressly providing for such waiver or excuse.
- 8.2 Limitation of Liability:
- 8.2.1 Neither WPP nor the Program Operator shall be liable, whether based on contract, indemnification, warranty, tort, strict liability or otherwise, to any Participant, other entity owning a Qualifying Resource, third party, or other person for any damages whatsoever, including, without limitation, direct, incidental, consequential, punitive, special, exemplary, or indirect damages arising or resulting from any act or omission in any way associated with service provided under this Tariff or any agreement hereunder, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the damages are direct damages that arise or result from the gross negligence or intentional misconduct of WPP or Program Operator, in which case WPP shall only be liable for direct damages.
- 8.2.2 Neither WPP nor the Program Operator shall be liable for damages arising out of services provided under this Tariff or any agreement entered into hereunder, including, but not limited to, any act or omission that results in an interruption, deficiency, or imperfection of service, occurring as a result of conditions or circumstances beyond the control of WPP, or resulting from electric system design common to the domestic electric utility industry or electric system operation practices or conditions common to the domestic electric utility industry.
- 8.2.3 To the extent that a Participant or other person has a claim against WPP, the amount of any judgment or arbitration award on such claim entered in favor of such entity shall be limited to the value of WPP's assets. No party may seek to enforce any claims under this Tariff or any Agreements entered into

hereunder against the directors, managers, members, shareholders, officers, employees, or agents of WPP, or against the Program Operator, who shall have no personal liability for obligations of WPP by reason of their status as directors, managers, members, shareholders, officers, employees, or agents of WPP or by virtue of their status as Program Operator.

8.2.4 To the extent that WPP is required to pay any money damages or compensation or pay amounts due to its indemnification of any other party as it relates to any services provided, acts, or omissions under this Tariff or any agreement entered into hereunder, WPP shall be allowed to recover any such amounts under Schedule 1 of this Tariff as part of the WRAP Administration Charge. Notwithstanding the foregoing, WPP shall be prohibited from recovering under this Tariff any costs associated with any damages, compensation, or indemnification costs that arise: (i) with regard to any acts or omissions that occur outside of this Tariff and any agreements entered into hereunder, or (ii) if a court of competent jurisdiction determines that the damages are direct damages that arise or result from the gross negligence or intentional misconduct of WPP or the Program Operator.

8.2.5 A Participant's liability to another Participant under this Tariff for failure to comply with obligations under this Tariff shall be limited to any charges or payments calculated pursuant to this Tariff; provided, however, that nothing in this Section 8.2.5 shall limit or is intended to foreclose any Participant's liability that may arise under any bilateral agreements between Participants.

8.3 Indemnification: The Participants shall at all times indemnify, defend, and save WPP (and any of its Program Operator(s), agents, consultants, directors, officers, or employees) harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties arising out of or resulting from the performance of activities under this Tariff by WPP, any Program Operator(s), or agents, consultants, directors, officers, or employees of WPP, except in cases of gross negligence or intentional wrongdoing by WPP or the Program Operator. WPP shall credit any proceeds from insurance or otherwise recovered from third parties to Participants who have paid to indemnify WPP under this Section 8.3.

8.4 Actions upon Unavailability of Program Operator(s): In the event that the Program Operator(s) become(s) unwilling, unable, or otherwise unavailable to perform contractual duties necessary for WPP to discharge its obligations under this Tariff and WPP's agreement(s) with the Program Operator(s), WPP shall engage with Participants as soon as practicable to determine what actions to take, including but not limited to filing with FERC a request to waive one or more provisions of this Tariff up to and including immediate suspension of all rights and obligations under this Tariff until a replacement Program Operator(s) can assume all relevant Program Operator functions.

9. Dispute Resolution Procedures

- 9.1 Internal Dispute Resolution Procedures: Any dispute between a Participant and WPP under the Tariff (excluding amendments to the Tariff or to any agreement entered into under the Tariff, which shall be presented directly to the FERC for resolution) shall be referred to a designated senior representative of WPP and a senior representative of the Participant for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty days (or such other period as the parties may agree upon) by mutual agreement, such dispute shall then be referred to the chief executive officer or comparable executive of each party for resolution. In the event that the executives are unable to resolve the dispute within thirty days (or such other period as the parties may agree upon), such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 9.2 External Arbitration Procedures: Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the parties to the dispute. If the parties fail to agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable FERC regulations.
- 9.3 Arbitration Decisions: Unless otherwise agreed by the parties, the arbitrator(s) shall render a decision within ninety days of appointment and shall notify the parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and/or any agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the FERC if it affects jurisdictional rates, terms and conditions of service or facilities.
- 9.4 Costs: Each party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (i) the cost of the arbitrator chosen by the party to sit on the three-member panel and one half of the

cost of the third arbitrator chosen; or (ii) one half the cost of the single arbitrator jointly chosen by the Parties.

- 9.5 Rights Under the Federal Power Act: Nothing in this section shall restrict the rights of any person to file a complaint with the FERC under relevant provisions of the Federal Power Act or of WPP to file amendments to this Tariff under the relevant provisions of the Federal Power Act.

10. Treatment of Confidential and Commercially Sensitive Information of Participants

- 10.1 Terms: For purposes of this Section 10 only, the term “WPP” shall also include, as applicable, any directors, officers, employees, agents, or consultants of WPP, the Independent Evaluator established under Section 5 of this Tariff, and any central credit organization established under Section 7 of this Tariff. WPP shall be bound by the rights, obligations, and conditions set forth in this Section 10. For purposes of this Section 10, the term “Disclosing Entity” shall include any Participant that discloses information to WPP that the Disclosing Entity deems and identifies as confidential or commercially sensitive. WPP’s collection and handling of non-Participant data shall be governed by separate non-disclosure agreements with such non-Participants.
- 10.2 Treatment of Confidential or Commercially Sensitive Information: WPP shall maintain the confidentiality of all of the documents, data, and information provided to it by any Participant that such disclosing Participant deems and specifically identifies as confidential or commercially sensitive; provided, however, that WPP need not keep confidential: (i) information that is publicly available or otherwise in the public domain; or (ii) information that is required to be disclosed under this Tariff or any applicable legal or regulatory requirement (subject to the procedures set forth in Section 10.4 of this Tariff).
- 10.2.1 WPP staff may develop and release publicly composite or aggregated data based upon Participant confidential or commercially sensitive information, provided that such composite or aggregated data cannot be used to identify or attribute a disclosing Participant’s confidential or commercially sensitive data. Such release of composite or aggregated data shall be governed by the following process.
- 10.2.1.1 Prior to the initial release of such composite or aggregated data, WPP staff shall present the form and format of such data to each Participant whose confidential information or data will be used to create the composite or aggregated data. If any such Participant objects to the form and format as revealing or allowing for attribution of confidential or commercially sensitive Participant-specific data, WPP staff shall determine whether to modify the form and format or to retain the proposed form and format for release. If WPP staff elects to retain the proposed form and format, the Participant shall have the right to appeal to the RAPC and WPP staff shall be prohibited from releasing the composite or aggregated data in the proposed form and format until the Participant’s appeal rights as specified in this Section 10.2.1 are exhausted.
- 10.2.1.2 If a Participant appeals a WPP staff decision regarding the form and format of composite or aggregated data to the

RAPC, the RAPC shall consider whether the form and format reveals or allows for attribution of confidential or commercially sensitive Participant-specific data. If the RAPC determines that the proposed form and format is sufficient to protect against the release of confidential or commercially sensitive Participant-specific data, WPP staff is authorized to release the composite or aggregated data in the proposed form and format unless the Participant timely appeals the RAPC decision to the Board of Directors.

10.2.1.3 If a Participant appeals a RAPC decision regarding the form and format of composite or aggregated data to the Board of Directors, the Board of Directors shall consider whether the form and format is sufficient to protect against the release or attribution of confidential or commercially sensitive Participant-specific data. If the Board of Directors determines that the proposed form and format is sufficient to protect against the release of confidential or commercially sensitive Participant-specific data, WPP staff is authorized to release the composite or aggregated data in the proposed form and format.

10.2.1.4 Once a proposed form and format of composite or aggregated data is approved by the WPP staff and is not appealed or appeals are unsuccessful, such form and format may be used for all future disclosures of composite or aggregate information and no Participant may dispute such release. If WPP staff proposes to alter the form and format, including but not limited to changing the granularity of data, WPP staff shall be required to follow the process set forth in this Section 10.2.1 and Participants shall have the right to appeal such changes in form and format as set forth herein. Notwithstanding the foregoing, if the composition of Participants in the WRAP changes in such a way that the form and format of composite or aggregated data is no longer sufficient to protect against disclosure or attribution of confidential or commercially sensitive Participant-specific data, an aggrieved Participant shall have a one-time right to raise the issue promptly with WPP Staff for presentation to and review by the Board of Directors, and the Board of Directors in its sole discretion shall decide whether the change in composition results in the form and format of the composite or aggregated data becoming insufficient to protect against the release or attribution of confidential or commercially sensitive Participant-specific data; provided, however, that if an aggrieved Participant does not raise its concerns with the Board of Directors promptly following the

change in composition, such Participant shall have waived its right to contest the release of such composite or aggregated data.

10.2.2 Notwithstanding anything to the contrary in this Section 10.2, if the RAPC unanimously votes to disclose publicly any particular category of Participant-specific data, such data shall no longer be deemed confidential regardless of any such designation by a disclosing Participant, and this election shall be binding on any current and future Participants until such time as the RAPC votes unanimously to prohibit public release of such category of data. A list of the categories of Participant-specific data that the RAPC unanimously votes to make public shall be included in the Business Practice Manuals.

10.3 Access to Confidential or Commercially Sensitive Information: Except as otherwise provided in Section 10.2 of this Tariff, no Participant, entity owning a Qualifying Resource, or any third party shall have the right hereunder to receive from WPP or to otherwise obtain access to any documents, data or other information that has been identified as or deemed to be confidential or commercially sensitive under Section 10.2 of this Tariff by a disclosing Participant. The provisions of this Section 10.3 do not apply to WPP (including any Independent Evaluator, member of the Board of Directors, or any WPP officer, employee, agent, or consultant that requires access to confidential or commercially sensitive information); provided that access to Participant-specific confidential or commercially sensitive information shall be solely for the purpose of performing the duties or functions under this Tariff or otherwise advising or assisting WPP. WPP shall develop internal policies and controls governing the handling and protection of confidential or commercially sensitive Participant-specific data by members of the Board of Directors, officers, employees, agents, consultants, or any Independent Evaluator.

10.4 Exceptions: Notwithstanding anything in this Section 10 to the contrary:

10.4.1 If WPP is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence pursuant to this Section 10, WPP may disclose such information; provided, however, that as soon as practicable after WPP learns of the disclosure requirement and prior to making such disclosure, WPP shall notify any affected disclosing Participant of the requirement and the terms thereof. Any such disclosing Participant may, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement and WPP shall cooperate with such disclosing Participant to take all reasonable available steps to oppose or otherwise minimize the disclosure of the information permitted by applicable legal and regulatory requirements. WPP shall further cooperate with such disclosing Participant to the extent reasonably practicable to obtain proprietary or confidential treatment of confidential or commercially

sensitive information by the person to whom such information is disclosed prior to any such compelled disclosure.

- 10.4.2 WPP may disclose confidential or commercially sensitive information, without notice to any affected disclosing Participant(s), in the event that FERC, during the course of an investigation or otherwise, requests information that is confidential or commercially sensitive. In providing the information to FERC, WPP shall take action, consistent with 18 C.F.R. §§ 1b.20 and/or 388.112, to request that the information be treated by FERC as confidential and non-public and, if appropriate, as Critical Energy Infrastructure Information and that the information be withheld from public disclosure. WPP shall provide the requested information to FERC within the time provided for in the request for information. WPP shall notify any affected disclosing Participant(s) within a reasonable time after WPP is notified by FERC that a request for disclosure of, or decision to disclose, the confidential or commercially sensitive information has been received, at which time WPP and any affected disclosing Participant may respond before such information would be made public.
- 10.5 Notwithstanding any efforts undertaken pursuant to Section 10.4 to prevent or limit the release of a Participant's confidential or commercially sensitive information, in the event that FERC or a court of competent jurisdiction orders or otherwise permits the public release of a Participant's confidential or commercially sensitive information, the affected Participant shall have a one-time right to elect to terminate its participation in the WRAP under the expedited termination provisions set out in Section 11.2 of the WRAPA.
- 10.6 WPP shall handle any information identified or deemed to be Controlled Unclassified Information/Critical Energy Infrastructure Information in accordance with FERC's regulations set forth at 18 C.F.R. § 388.113 and any applicable FERC policies or other regulations, including but not limited to restricting access to such information on a password-protected portion of WPP's website or similar precautions.
- 10.7 Nothing in this Section 10 is intended to limit a Participant's ability to disclose or release publicly its own confidential or commercially sensitive information or data, or to limit a Participant's ability to authorize WPP's disclosure of such material to a specified recipient.

11. Timing

11.1 In the event that any deadline specified in this Tariff shall fall on a day that is not a Business Day, the deadline shall be extended to the next Business Day.

12. Application and Registration

- 12.1 Any entity wishing to participate in the WRAP must submit an application and registration in accordance with the Business Practices Manuals and must execute the WRAPA as set forth in Attachment A of this Tariff, or a non-conforming version of such participation agreement that is approved by FERC for an individual Participant. Such application and registration must be submitted in accordance with the timelines set forth in the Business Practices Manuals in advance of the next Binding Season.
- 12.2 Each Participant must register all of its resources and loads, regardless of whether such resources will be used to satisfy the WRAP requirements and regardless of whether certain loads will be subject to the requirements of the WRAP. Participants may modify their registration of resources and loads in accordance with the timing procedures set forth in the Business Practices Manuals.
- 12.3 In the event that more than one Participant attempts to register the same resource or load, the following procedure will be used to assign the resource or load to a Participant:
 - 12.3.1 If a Participant attempts to register a load or resource that has already been registered by a different Participant, the resource or load will remain registered by the original Participant registering the resource or load until such time as both Participants mutually inform WPP that a change to the registration is required.
 - 12.3.2 If two or more Participants attempt to register the same resource or load during the same registration window, WPP shall request that the Participants determine among themselves the appropriate registration of the resource or load before that resource or load is included in the WRAP.

PART II FORWARD SHOWING PROGRAM

13. Overview

- 13.1 In the Forward Showing Program, as set forth in this Part II of the Tariff, and as further detailed in the Business Practice Manuals, each Participant shall, in advance of each Binding Season, show as to such Binding Season: (i) the total capacity, referred to and defined herein as the FS Capacity Requirement, required by the provisions of this Tariff for such Binding Season for reliable service to the loads for which such Participant is responsible; (ii) the demonstration of capacity, referred to and defined herein as the Qualifying Capacity Contribution, or QCC, provided by the Qualifying Resources the Participant provides or procures to meet its FS Capacity Requirement; and (iii) at least the minimum level of firm transmission service, referred to and defined herein as the FS Transmission Requirement, needed for reliable delivery of the QCC of the Participant's Qualifying Resources from such resources to the loads for which the Participant is responsible.
- 13.2 As also set forth in this Part II of the Tariff, and as further detailed in the Business Practice Manuals: (i) WPP shall, in advance of each Binding Season, review the Forward Showing Submittals of each Participant for such Binding Season; (ii) WPP shall identify to the Participant any deficiencies in the Participant's Portfolio QCC (whether as to contracts or directly owned or controlled resources) relative to the FS Capacity Requirement, and any deficiencies in the identified firm transmission service relative to the FS Transmission Requirement, within sixty days of the Forward Showing Submittal deadline; (iii) the Participant shall have an opportunity to cure such deficiencies, within sixty days of notification of deficiency; and (iv) if the Participant fails to cure all such deficiencies on or before the deadlines prescribed herein, the Participant shall be assessed a Forward Showing Deficiency Charge.

14. Forward Showing Program Process and Timeline

- 14.1 The Forward Showing Program has two Binding Seasons, defined as the Summer Season and the Winter Season. The Summer Season is the period beginning on June 1 of each Year and ending on September 15 of that same Year. The Winter Season is the period beginning on November 1 of each Year and ending on March 15 of the succeeding Year. This Tariff does not establish resource or showing obligations outside the periods defined by the Summer Season and Winter Season.
- 14.2 Each Participant shall submit its Forward Showing Submittals for each Month of each Binding Season, with all required supporting materials and information as detailed in the Business Practice Manuals, on or before the FS Deadline for the Binding Season. The FS Deadline for each Binding Season shall be seven months before the start of such Binding Season.

14.2.1 Forward Showing Submittal:

14.2.1.1 Absent the exception in Section 14.2.1.2, each Participant shall submit a separate Forward Showing Submittal for loads for which it is responsible if transmission constraints between areas where its loads are located, including, without limitation, when Participant is responsible for loads in more than one Subregion, prevent application, in the manner more fully described in the Business Practice Manuals, of Resource QCC or Net Contract QCC from one load area to the FS Capacity Requirement of another load area.

14.2.1.2 Notwithstanding Section 14.2.1.1, a Participant responsible for loads in two Subregions may submit for a given Month a single Forward Showing Submittal for such loads, and may employ for determination of its FS Capacity Requirement for such Month the lower of the two FSPRM values determined for the Subregions where its loads are located, if the Participant demonstrates in such Forward Showing Submittal, in accordance with the procedures and requirements set forth in the Business Practice Manuals, transmission service rights, which such Participant will make available during all hours of such Month for purposes of regional diversity sharing under the WRAP, of the type required by the FS Transmission Requirement, in a quantity, in addition to that required by the FS Transmission Requirement, equal to the difference in the two FSPRM values multiplied by the Participant's P50 Peak Load Forecast for such Month, with the a point of delivery in the Subregion with the higher FSPRM value and the point of receipt in the Subregion with the lower FSPRM value. Each such offer shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall

verify that the offered rights are NERC Priority 6 or NERC Priority 7 firm point-to-point transmission service. No Participant is obligated to offer any such transmission service rights, but any offer so made and not withdrawn before the deadline specified in the Business Practice Manuals shall be considered a binding offer of the identified transmission service rights which may not be withdrawn before the end of the last Day of the Month for which such transmission service is offered.

14.2.2 Each Participant's Forward Showing Submittal shall include a Senior Official Attestation.

14.3 The FSPRM values used in the Forward Showing Submittals for a Binding Season shall be those values approved by the Board of Directors as the culmination of an Advance Assessment process. No later than twelve months before the FS Deadline for each Binding Season, WPP will determine and post the recommended FSPRM for each Subregion for each Month of such Binding Season. Participants shall provide their load, resource and other information reasonably required to perform the analyses and calculations required for the Advance Assessment, in accordance with the Advance Assessment information submission details and schedule specified in the Business Practice Manuals. No later than nine months before the FS Deadline for such Binding Season, the Board of Directors shall take its final action regarding approval of the FSPRM values for each Month of such Binding Season.

14.3.1 In connection with an Advance Assessment process, or otherwise in connection with consideration of a change to the Business Practice Manuals, the Board of Directors may determine that designation of Subregions would encourage the relief, in whole or part, of transmission constraints on the transfer of capacity within the WRAP Region (whether through development or commitment of transmission, of Qualifying Resources, or by other means) to the benefit of the WRAP Region and the advancement of the objectives of the WRAP. Each such Subregion shall be identified in the Business Practice Manuals.

14.3.2 Any Participant may choose to offer in the Advance Assessment process transmission service rights owned or controlled by such Participant for firm delivery of capacity from one Subregion to another Subregion, for use by other Participants under the terms of Part III of this Tariff during any or all identified Months of the applicable Binding Season. Each such offer shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are NERC Priority 6 or NERC Priority 7 firm point-to-point transmission service. No Participant is obligated to offer any such transmission service rights in the Advance Assessment process, but any offer so made and not withdrawn before the deadline during the Advance

Assessment process specified in the Business Practice Manuals shall be considered a binding offer of the identified transmission service rights which may not be withdrawn before the end of the last Day of the Month for which such transmission service is offered. WPP shall take account of such offered transmission service rights, along with other transmission deliverability reasonably anticipated to be available for use by Participants for WRAP purposes during the applicable Binding Season in its determination of the recommended FSPRM values for each Month of the applicable Binding Season for the WRAP Region and for each affected Subregion.

- 14.4 No later than sixty Days after the FS Deadline for a Binding Season, WPP will (i) provide the values of the Participant's FS Capacity Requirement and FS Transmission Requirement for each Month of the Binding Season; (ii) affirm that the Portfolio QCC of such Participant for each Month of the Binding Season equals or exceeds the FS Capacity Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Capacity Requirement; and (iii) affirm that the Demonstrated FS Transmission plus approved Monthly Transmission Exceptions of such Participant for each Month of the Binding Season equals or exceeds the FS Transmission Requirement of such Month for such Participant or notify such Participants of any deficiencies in the Forward Showing Submittal that result in a failure to demonstrate satisfaction of the FS Transmission Requirement.
- 14.5 Within 120 Days after the FS Deadline, the Participant shall (i) submit revisions to its Forward Showing Submittal, including, without limitation, additions or revisions to the Participant's Resource QCC, Net Contract QCC, or Demonstrated FS Transmission; (ii) in order to fully cure all identified deficiencies and demonstrate that such Participant's Portfolio QCC for each Month of the Binding Season equals or exceeds its FS Capacity Requirement; and (iii) fully provide Demonstrated FS Transmission for each Month of the Binding Season equals or exceeds its FS Transmission Requirement for the same Month of the Binding Season where WPP identified deficiencies.
- 14.5.1 Any Participant that fails to cure identified deficiencies in its Forward Showing Submittal within the period prescribed above shall be assessed an FS Deficiency Charge.

15. Transition Period

- 15.1 A Participant may elect a Binding Season during the Transition Period as the first Binding Season for which it will assume the obligations of demonstrating capacity and making surplus capacity available to other Participants and will receive the benefits of reliance upon other Participants' surplus capacity. As to such Participant, any Binding Season during the Transition Period occurring before the first Binding Season elected by such Participant shall be a Non-Binding Season. As to its elected Non-Binding Seasons, the Participant:
- 15.1.1 Shall not be subject to Capacity Deficiency Charges, Transmission Deficiency Charges, Holdback Requirements, Energy Deployment obligations, or Delivery Failure Charges;
 - 15.1.2 Shall submit Forward Showing Submittals but shall not be required to cure deficiencies;
 - 15.1.3 Shall not have a mandatory Holdback Requirement as a result of the Sharing Calculation;
 - 15.1.4 May receive Holdback capacity offered voluntarily by other Participants in accordance with Part III of this Tariff; and
 - 15.1.5 Shall have all rights and be subject to all obligations under Part I of this Tariff and the Participant's WRAPA, including, without limitation, voting rights, committee participation, and the obligation to pay the WRAP Administration Charge.
- 15.2 Any Participant that executes a WRAPA prior to January 1, 2023, shall provide any election of Non-Binding Seasons during the Transition Period no later than January 1, 2023. Any Participant that executes a WRAPA on or after January 1, 2023, shall provide any election of Non-Binding Seasons at the time of execution of its WRAPA. Such elections shall be in writing and in the form and manner provided in the Business Practice Manuals. A Participant that does not elect Non-Binding Seasons on or before the deadlines prescribed herein shall have no Non-Binding Seasons during the Transition Period.
- 15.3 No later than two years before the start of the first Binding Season elected by a Participant, the Participant may give written notification that unanticipated circumstances prevent it from participating in such Binding Season in a manner that will satisfy the requirements of Parts II and III of this Tariff. This deferral right shall continue for each Binding Season during the Transition Period that becomes the Participant's first Binding Season as a result of an election of such deferral right for a prior Binding Season. A Participant that fails to provide such notification will be subject to Parts II and III of this Tariff for the Binding Season then established as its first Binding Season during the Transition Period and for each Binding Season thereafter.

15.4 Within two years prior to the start of the first Binding Season of the WRAP, a Participant who has elected to participate in the first Binding Season may request a vote of all Participants who have elected to participate in the first Binding Season to delay implementation of the first Binding Season for up to two Seasons. Delayed implementation of the first Binding Season shall be approved if 75% of the Participants who elected to participate in the first Binding Season vote in favor of such delay, with approval requiring a vote of 75% of both the House and Senate vote tallies (as described in Sections 4.1.6.2.1 and 4.1.6.2.2 of this Tariff) of all Participants who elected to participate in the first Binding Season.

15.4.1 The deferral vote may only occur for the first Binding Season of the WRAP. If the Participants who elected to participate in the first Binding Season of the WRAP vote to delay implementation of the first Binding Season, all compliance charges for the Forward Showing Program and Operations Program are automatically deferred; except that the Participants may vote to delay implementation only of the Operations Program portion of the first Binding Season and retain the binding Forward Showing Program portion of the first Binding Season.

16. Components of the Forward Showing

16.1 FS Capacity Requirement. The FS Capacity Requirement shall be determined for each Participant on a monthly basis by applying the applicable Monthly FSPRM for a Month to such Participant's peak load forecast for that Month. The Participant's peak load forecast for a given Month of a Binding Season will be the P50 Peak Load Forecast for the Binding Season multiplied by a shaping factor based on the historic relationship, for such Participant, of the seasonal peak for the Winter Season or Summer Season, as applicable, and the monthly peaks for the Months in such season, as more fully described in the Business Practice Manuals.

16.1.1 P50 Peak Load Forecast. The P50 Peak Load Forecast is a peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast. The Business Practice Manuals shall specify an approved load forecasting methodology for use by all Participants for their WRAP-required load forecasts which shall include (i) a base monthly peak derived from a recent historic period that recognizes additions and removals of load during the historic period, (ii) adjustments for known additions and removals of load during the forecast window; and (iii) a specified load growth factor.

16.1.2 FS Planning Reserve Margin

16.1.2.1 The FSPRM is an increment of resource adequacy supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, expressed as a percentage of the applicable peak load forecast. The FSPRM shall be determined based on probabilistic analysis, taking account of uncertainties in generation and load, as the margin above peak load that provides an expectation of no more than a single event-day of loss of load in ten years (sometimes referred to herein as the "1-in-10 LOLE" or 0.1 annual LOLE). The FSPRM shall be determined in a manner that accounts for the governing principles of QCC value determinations set forth in Section 16.2.5 of this Tariff and shall employ the applicable peak load for the applicable Binding Season and Months. Additional details, assumptions, methodologies, and procedures for determination of the FSPRM shall be as set forth in the Business Practice Manuals.

16.1.2.2 WPP shall calculate in the Advance Assessment process the recommended Monthly FSPRM for each Month of each Binding Season, for approval by the Board of Directors as set forth in this Part II.

16.1.2.3 The FSPRM shall employ (i) a simulated resource stack using capacity accreditation principles consistent with those used for WRAP QCC determinations; (ii) an adjustment in the total WRAP-required QCC value as needed to meet a 1-in-10 LOLE, and (iii) while maintaining the 1-in-10 LOLE in (ii), include a monthly reduction of capacity to ensure that each Month has at least 0.01 annual LOLE. The FSPRM for a Month shall be the simulated QCC as adjusted to meet the 1-in-10 LOLE minus the P50 Peak Load Forecast for the Month, divided by the P50 Peak Load Forecast for the Month.

16.1.2.4 The FSPRM shall include an approximation of Contingency Reserves as set forth in the Business Practice Manuals.

16.1.3 Contingency Reserves Adjustment. A Participant's FS Capacity Requirement will be adjusted as set forth in the Business Practice Manuals to account for changes in Contingency Reserve requirements resulting from energy contract purchases and contract sales.

16.1.4 A Participant responsible for loads located in a Subregion for which an FSPRM value has been determined that is higher than the FSPRM value determined for a different Subregion may, in lieu of demonstrating a MW increment of Portfolio QCC otherwise required to satisfy such Participant's FS Capacity Requirement for a given Month, demonstrate in its Forward Showing Submittal, in accordance with the procedures and requirements set forth in the Business Practice Manuals, transmission service rights, which such Participant will make available during all hours of such Month for purposes of regional diversity sharing under the WRAP, of the type required by the FS Transmission Requirement, in a quantity, in addition to that required by the FS Transmission Requirement, that is no greater than the difference in the two FSPRM values multiplied by the Participant's P50 Peak Load Forecast, with the point of delivery in the Subregion with the higher FSPRM value and the point of receipt in the Subregion with the lower FSPRM value. The MW quantity of the additional transmission so demonstrated shall reduce for such Month, by the same MW quantity, the Portfolio QCC the Participant would otherwise be required to demonstrate to satisfy its FS Capacity Requirement for such Month. Each such offer shall identify the MW quantity, Month of service, point of receipt, and point of delivery of such transmission service rights, and such other information as specified in the Business Practice Manuals, and shall verify that the offered rights are NERC Priority 6 or NERC Priority 7 firm point-to-point transmission service. No Participant is obligated to offer any such transmission service rights, but any offer so made and not withdrawn before the deadline specified in the Business Practice Manuals shall be considered a binding offer of the identified

transmission service rights which may not be withdrawn before the end of the last Day of the Month for which such transmission service is offered.

16.2 Qualified Capacity Contribution

- 16.2.1 For each Participant and each Binding Season, the Forward Showing shall show and support the Portfolio QCC, which shall be the sum of the QCC of the Participant's Qualifying Resources ("Resource QCC"), the QCC of its contracted capacity ("Net Contract QCC"), and any transfers of capacity already accredited by another Participant ("Total RA Transfer," which could be positive or negative). The Portfolio QCC effective for a Binding Season shall be the value determined by WPP.
- 16.2.2 A resource will not be assigned a Resource QCC or counted toward Portfolio QCC unless it is a Qualifying Resource. Qualifying Resources are those that, before they are included in a Forward Showing Submittal, are first registered with WPP. A Participant seeking registration of a resource must submit a request for registration providing the resource information described in the Business Practice Manuals.
- 16.2.3 The minimum resource size for registration of a resource is 1 MW, provided, however, that Participants with responsibility for individual resources of less than 1 MW may aggregate them to meet the 1 MW minimum requirement, under the conditions and limitations specified in the Business Practice Manuals.
- 16.2.4 A Participant may include in its Forward Showing Submittal a request for an exception from its FS Capacity Requirement for an insufficiency of its Portfolio QCC solely due to (i) a catastrophic failure of one or more Qualifying Resources due to an event of Force Majeure as defined by Section 8.1 of this Tariff that (ii) the Participant is unable to replace on commercially reasonable terms prior to the FS Deadline as a result of the timing and magnitude of such catastrophic failure and its consequences. As more fully set forth in the Business Practice Manuals, such exception request shall be supported by a Senior Official Attestation. The exception request must include complete information on the nature, causes and consequences of the catastrophic failure, and must describe the Participant's specific, concrete efforts prior to the FS Deadline to secure replacement Qualifying Resources for the applicable Binding Season. WPP will consider the exception criteria established by this section, the information provided in the exception request, the completeness of the exception request, and other relevant data and information, in determining whether to grant or deny an FS Capacity Requirement exception request. WPP shall provide such determination no later than sixty days after submission of such Participant's FS Submittal containing such FS Capacity Requirement exception request. A Participant granted an exception hereunder must complete a monthly exception check report

demonstrating that either the circumstances necessitating the exception have not changed; or that Qualifying Resources have become available, and the Participant has acquired them and no longer requires the exception. Failure to timely submit a required monthly report will result in assessment of a Deficiency Charge, unless the deficiency is cured within seven days of notice of non-compliance. A Participant denied an exception request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested exception shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall give notice of any exception granted hereunder in the time and manner provided by the Business Practice Manuals.

16.2.5 QCC: WPP shall determine QCC values for the resource types specified below in accordance with the governing principles specified below for each resource type, and consistent with further details specified for each resource type in the Business Practice Manuals.

16.2.5.1 For resources that use conventional thermal fuels, including but not limited to, coal, natural gas, nuclear, and biofuel, WPP will determine QCC based on an Unforced Capacity methodology that employs resource-specific capability testing and capability requirements to determine an Installed Capacity value, and a forced outage calculation methodology based on historic performance during Capacity Critical Hours over a specified multi-year period (excluding outages properly reported as “outside management control”), or based on class-average forced outage data, as specified in the Business Practice Manuals, if there is insufficient data on historic performance.

16.2.5.2 For resources that are Variable Energy Resources, including, but not limited to, wind and solar resources, WPP will determine QCC based on an ELCC methodology, that accounts for synergistic portfolio effects within and among VER types at different resource penetration levels that influence the extent to which the WRAP Region can rely on those VER categories to meet overall capacity needs.

16.2.5.2.1 For such purpose, a separate ELCC value will be calculated in the aggregate for all VER resources of a given type in an identified VER Zone, to be delineated in the Business Practice Manuals based on factors such as geography, performance, meteorological considerations, and penetration.

16.2.5.2.2 As more fully described in the Business Practice Manuals, the zonal aggregate VER-resource-type value will be calculated by (i) conducting a benchmark LOLE study that includes all resource types except the VER resource type being studied, employing a model and assumptions consistent with those used to calculate FSPRM, and adding, or subtracting, the same MW quantity of Pure Capacity to every hour of the applicable Binding Season until, respectively, an initial LOLE value above 0.1 day per year becomes 0.1 day per year, or an initial LOLE value below 0.1 day per year becomes 0.1 day per year; (ii) conducting an LOLE study that includes all resource types including the VER resource type being studied, employing a model and assumptions consistent with those used to calculate FSPRM, and adding, or subtracting, the same MW quantity of Pure Capacity to every hour of the applicable Binding Season until, respectively, an initial LOLE value above 0.1 day per year becomes 0.1 day per year, or an initial LOLE value below 0.1 day per year becomes 0.1 day per year; and (iii) subtracting the Pure Capacity value determined under subpart (ii) from the Pure Capacity value determined under subpart (i) (for which calculation a Pure Capacity value subtracted from each hour in either subpart (i) or subpart (ii) will be assigned a negative value; (iv) repeating steps (i) through (iii) for each year of the study period employing historic, or as necessary, synthesized, data; and (v) basing the aggregate value of the studied VER resource type for the studied VER Zone on the results of the calculation in step (iii) for the years studied, which may include differential weighting of the years studied as appropriate to improve the quality and predictive capacity of the final result.

16.2.5.2.3 The aggregate capacity calculated for each VER resource type in each VER Zone will then be allocated to VERs of that type in that VER Zone based on each such resource's average historical performance if at least three years of historical performance or three years of synthesized forecast data during the WRAP Region's CCH is available at the time of such allocation. If three years historical performance or synthesized forecast data

is not then available, the average ELCC from the VER Zone will be assigned.

- 16.2.5.3 For resources that are Energy Storage Resources, WPP will determine QCC based on an ELCC methodology comparable to that used for VERs. The ELCC methodology will model Energy Storage Resources at the level of their usable capacity that can be sustained for a minimum duration of four hours. An Energy Storage Resource need not have a nameplate rating that assumes a minimum of four hours in order to receive a QCC determination, but the QCC in that case will be scaled to reflect the capability that can be sustained for four hours, as more fully described in the Business Practice Manuals.
- 16.2.5.4 For Demand Response capacity resources, WPP will determine QCC by multiplying the load reduction in MWs by the number of hours the resource can demonstrate load reduction capability divided by five. To be a Qualifying Resource, a Demand Response capacity resource also must satisfy certain testing requirements; must be controllable and dispatchable by the Participant or by the host utility; and must not already be used as a load modifier in the Participant's load forecast, as further specified in the Business Practice Manuals.
- 16.2.5.5 For Storage Hydro Qualifying Resources, the Participant will calculate a QCC based on a methodology detailed in the Business Practice Manuals that: (i) considers each resource's actual generation output, residual generating capability, water in storage, reservoir levels, and flow or project constraints over the previous ten-year historical period; (ii) determines the project's QCC by assessing the historical generation during CCHs on any given day and ability to increase generation during CCHs on the same day, subject to useable water in storage, inflows/outflows, and expected project operating parameters/constraints and limitations; (iii) incorporates forced outage rates; and (iv) determines QCC as average contribution to the CCH for each Winter Season and Summer Season over the previous ten years. If ten years of historic data is not available for the Storage Hydro Qualifying Resource, the Participant may alternatively employ data on the same metrics from a demonstrably comparable facility or apply another method that provides reasonable confidence in the reliability of the predicted values, as more fully set forth in the Business Practice Manuals. The Participant's QCC calculation shall be subject to review and validation by WPP. In connection with such review, the Participant shall provide WPP with the following information necessary to calculate a QCC for

Storage Hydro Qualifying Resources: (i.a) historic reservoir elevation levels; (ii.a) historic plant generation; (iii.a) elevation versus capacity curves; (iv.a) any minimum or maximum reservoir level constraints; (v.a) forced outage rates; (vi.a) volume of water versus reservoir elevation storage tables; and (vii.a) turbine discharge versus generation efficiency curve.

16.2.5.6 For Run of River Qualifying Resources, WPP will determine QCC based on the monthly average performance of such resource during Capacity Critical Hours, as further specified in the Business Practice Manuals

16.2.5.7 For resources that (i) are not within the meaning of any of Sections 16.2.5.1 through 16.2.5.5, and that (ii) either (a) are not dispatchable; or (b) require the purchaser of energy from the resource to take energy as available from such resource, including but not limited to a qualifying facility as defined under the Public Utility Regulatory Policies Act of 1978, WPP will determine QCC based on the monthly average performance of such resource during Capacity Critical Hours, as further specified in the Business Practice Manuals.

16.2.6 Net Contract QCC: WPP shall determine Net Contract QCC for the agreement types specified below in accordance with the governing principles specified below for each agreement type, and consistent with further details specified for each agreement type in the Business Practice Manuals. Net Contract QCC may be either positive or negative, to take account of, for example, a Participant's agreements for the sale of capacity to any other party.

16.2.6.1 Absent one of the exceptions described and limited below, capacity supply agreements qualifying for a Net Contract QCC in the WRAP must be resource specific, and therefore must include, among other requirements, an identified source, an assurance that the capacity is not used for another entity's resource adequacy requirements, an assurance that the seller will not fail to deliver in order to meet other supply obligations, and affirmation of NERC priority 6 or 7 firm point-to-point transmission service rights or network integration transmission service rights from the identified resource to the point of delivery/load. The specific resources identified in a capacity supply agreement qualifying for Net Contract QCC shall meet the same Resource QCC accreditation requirements for the given resource type, as specified in Section 16.2.5.

16.2.6.2 A system sales contract can qualify for a Net Contract QCC value, provided that if the seller is not a Participant, the system

capacity that is the subject of the agreement must be deemed surplus to the seller's estimated needs, there must be an assurance that the seller will not fail to deliver in order to meet other commercial obligations, and there must be NERC priority 6 or 7 firm point-to-point transmission service rights or network integration transmission service rights from the identified resource) to the point of delivery/load. Surplus status may be demonstrated by a Senior Official Attestation with pertinent supporting details for such surplus status, including written assent of the non-Participant Seller, secured by the purchasing Participant. Such attestation is not required if the seller is a Participant, because the information needed to verify surplus status is already available.

16.2.6.3 A supply agreement entered into prior to October 1, 2021 ("Legacy Agreement") can qualify for a Net Contract QCC value; provided that where a legacy agreement does not identify the source, it must be possible for WPP to presume a source or sources for the contract, including with the written assent of the supplier under such Legacy Agreement, conveyed in the form and manner set forth in the Business Practice Manuals. A Legacy Agreement for which such resource determination cannot be reasonably made will not be counted as adding to the Portfolio QCC.

16.2.7 Total RA Transfer: A Participant may agree with another Participant on a transfer of a portion of their FS Capacity Requirement ("RA Transfer"), provided that the details and duration of such transfer are reported to WPP for validation in accordance with procedures and information requirements specified in the Business Practice Manuals. Where such transfers have been duly reported and validated, an RA Transfer will be added to the purchasing Participant's Portfolio QCC and subtracted from the selling Participant's Portfolio QCC.

16.2.8 Planned Outages: Participants shall include in their Forward Showing Submittal for a Binding Season information on all Qualifying Resources that are currently out of service with a scheduled return date that falls during the Binding Season. Capacity associated with such resources must be deducted from Participants' Portfolio QCC as specified in the Business Practice Manuals to ensure no credit is granted for such resources during the planned outage. The aggregate of any additional outages that are planned to occur during the Binding Season but have not yet begun at the time of submission must be within the Participant's remaining surplus (or replaced with other supply). Participants may provide information on all Qualifying Resources that are planned to be out of service but if such data cannot be supplied with reasonable specificity, a Participant may provide a Senior Official Attestation at the time of the submission of its FS

Submittal that it expects the sum of planned outages to be equal to or less than the surplus stated in its FS Submittal throughout the Binding Season.

16.2.8.1 If a Qualifying Resource is planned to return to service within the first five days of a Binding Season, WPP may approve a qualified acceptance of the FS Submittal, provided the deficiency is less than 500 MW.

16.2.8.2 A planned outage shall not justify a waiver of or exception to a Participant's holdback or energy delivery obligations under Part III of this Tariff. Participants will be expected to procure the necessary capacity or energy to meet the Operations Program requirements, regardless of planned outage schedules or FS Submittal acceptance.

16.3 FS Transmission Requirement

16.3.1 As part of its Forward Showing Submittal for a Binding Season, each Participant must demonstrate, as specified in the Business Practice Manuals, that it has secured firm transmission service rights, including under supply arrangements with a third party that holds or has committed transmission service rights, sufficient to deliver a MW quantity equal to at least 75% of the MW quantity of its FS Capacity Requirement. To the extent a Participant holds transmission service rights with a point of receipt at a Qualifying Resource, or in connection with an RA Transfer to such Participant, any such rights from such point in a MW quantity, respectively, in excess of the QCC of such Qualifying Resource, or in excess of the value of such RA Transfer, shall not contribute toward satisfaction of such Participant's FS Transmission Requirement. The FS Transmission Requirement must be met with NERC Priority 6 or NERC Priority 7 firm point-to-point transmission service or network integration transmission service, from such Participant's Qualifying Resource(s) or from the delivery points for the resources identified for its Net Contract QCC or for its RA Transfer to such Participant's load. Notwithstanding the foregoing, authorized use of Capacity Benefit Margin will satisfy the FS Transmission Requirement. Demonstration of the FS Transmission Requirement shall not, in and of itself, relieve any Participant of responsibility for a Delivery Failure Charge as determined under Section 20.7 if such Participant's failure to obtain or maintain firm transmission service of the type and quantity expected by the Operations Program, as described in Section 20.6 of this Tariff, caused or contributed to an Energy Delivery Failure.

16.3.2 A Participant may include in its Forward Showing Submittal a request for an exception from a limited part of its FS Transmission Requirement, provided the exception request meets the terms, conditions, and limitations of one or more of the following four exception categories:

16.3.2.1 Enduring Constraints. Participant is unable to demonstrate sufficient NERC Priority 6 or NERC Priority 7 firm point-to-point or network integration transmission service rights on any single segment of a source to sink path for a Qualifying Resource; and Participant demonstrates that no ATC for such transmission service rights is available (either from the transmission service provider or through a secondary market) at the FS Deadline on the applicable segment for the Month(s) needed (for a duration of one year or less) at the applicable Open Access Transmission Tariff rate or less; and Participant submits a Senior Official Attestation that Participant has taken commercially reasonable efforts to procure firm transmission service rights, and that Participant has posted Firm Transmission Requirements on a relevant bulletin board prior to the FS Deadline. In the event such transmission service rights are only available for a duration of more than one year (whether from the transmission service provider or through a secondary market) at the FS Deadline on the applicable segment for the Month(s) needed at the applicable Open Access Transmission Tariff rate or less, a Participant is not required to obtain such service in order to qualify for the Enduring Constraints exception hereunder. Notwithstanding the foregoing, if such Participant declines to obtain such available service and is granted the exception hereunder, such Participant shall not qualify for an exception hereunder for the same path (or across the same constraint) for the same season of the subsequent year if the Participant again declines to obtain such transmission service rights that are available for a duration of more than one year. In addition to the foregoing, Participant must further demonstrate that there was remaining available transmission transfer capability (i.e., non-firm ATC after the fact) for all CCHs in the same season of the most recent year for which CCHs have been calculated; or, if the path was constrained in at least one CCH of the CCHs in the same season of the most recent year for which CCHs have been calculated, Participant in that case must demonstrate either that it is constructing or contracting for a new local resource for at least the amount of the exception requested, or that it is pursuing long-term firm transmission service rights by entering the long-term queue and taking all appropriate steps to obtain at least the amount of the exception requested.

16.3.2.2 Future Firm ATC Expected. Participant demonstrates that ATC for NERC Priority 6 or NERC Priority 7 firm point-to-point or network integration transmission service rights is not posted or available prior to the FS Deadline (for a duration of one year or less) at the applicable Open Access Transmission Tariff rate or less, and that the transmission service provider has, after the FS Deadline, released additional ATC for such transmission service

rights in every one of the CCHs of the most recent year for which CCHs have been calculated on the applicable path. In the event ATC for such transmission service rights is only posted or available prior to the FS Deadline for a duration of more than one year (whether from the transmission service provider or through a secondary market) on the applicable segment for the Month(s) needed at the applicable Open Access Transmission Tariff rate or less, a Participant is not required to obtain such service in order to qualify for the Future Firm ATC Expected exception hereunder. Notwithstanding the foregoing, if such Participant declines to obtain such available service and is granted the exception hereunder, such Participant shall not qualify for an exception hereunder for the same path (or across the same constraint) for the same season of the subsequent year if the Participant again declines to obtain such transmission service rights that are available for a duration of more than one year. The Participant must also demonstrate that the exception request meets volume and duration limitations specified in the Business Practice Manuals.

16.3.2.3 Transmission Outages and Derates. Participant demonstrates that an applicable segment of its existing transmission service rights from its source to sink path for its Qualifying Resource is expected to be derated or out-of-service and the ATC for NERC Priority 6 or NERC Priority 7 firm point-to-point or network integration transmission service rights is not otherwise available, and that the exception request meets volume and duration limitations specified in the Business Practice Manuals.

16.3.2.4 Counterflow of a Qualifying Resource. Participant demonstrates that either: (i) Participant's use of firm transmission service in connection with the delivery of capacity from Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to Participant's load (or other qualifying delivery point permitted by the WRAP) or (ii) a second Participant's use of firm transmission service in connection with the delivery of capacity from the second Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to the second Participant's load (or other qualifying delivery point permitted by the WRAP) provides a direct and proportional counterflow transmission that supports the first Participant's delivery of capacity from the first Participant's Qualifying Resource (or from the resource associated with its Net Contract QCC) to the first Participant's load (or other qualifying delivery point permitted by the WRAP) Qualifying Resource to their load. If the exception is requested under subpart (ii) of this subsection, the Participant requesting the exception shall include a written

acknowledgement from the second Participant that it is aware of such exception request.

As more fully set forth in the Business Practice Manuals, such exceptions may be subject to overall WRAP limits, and shall be supported by a Senior Official Attestation. WPP will consider the exception category terms, conditions and limitations set forth above, and may consider the completeness of the exception request, information from transmission service providers, OASIS data, and data readily available to WPP from other reliable and validated sources concerning the duration, timing, firmness and quantity of available transmission service or equivalent options (including transmission construction), in determining whether to grant or deny a transmission exception request. WPP shall provide such determination no later than sixty days after submission of such Participant's FS Submittal containing such transmission exception request. A Participant denied an exception request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested exception shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall give notice of any exception granted hereunder in the time and manner provided by the Business Practice Manuals.

A Participant granted a transmission exception under either Section 16.3.2.1 or Section 16.3.2.2 must complete a monthly transmission exception check report demonstrating that either (i) the circumstances necessitating the exception have not changed; (ii) transmission has become available and the Participant has acquired it; or (iii) the Participant has acquired a different resource, and associated transmission service rights, and no longer requires the exception. Failure to timely submit a required monthly report will result in assessment of a Deficiency Charge, unless the deficiency is cured within seven days of notice of non-compliance.

- 16.3.3 To the extent a Participant does not demonstrate satisfaction of its FS Transmission Requirement by the FS Deadline, the Participant may correct any such deficiency on or before the end of the cure period prescribed by Section 14.5 of this Tariff to avoid a Deficiency Charge.
- 16.3.4. Any deficiency of transmission service rights ultimately determined by WPP will be treated, for purposes of Deficiency Charge determinations, as in conjunction with, and not additive to, any deficiencies of QCC determined pursuant to Section 16.2.

17. Forward Showing Deficiency Charge

- 17.1 If a Participant fails during the cure period to demonstrate that it has resolved any identified deficiencies in either or both of its FS Capacity Requirement and its FS Transmission Requirement, the Participant will be assessed a Deficiency Charge for each Month for which a deficiency is identified in accordance with this section. In such case, the deficiency for which the Participant will be assessed a Deficiency Charge will be calculated in accordance with the following:

Participant's Monthly Capacity Deficiency = Maximum of (Monthly FS Capacity Requirement – Monthly Portfolio QCC, 0)

Participant's Monthly Transmission Deficiency (MW) = Maximum of ((75% × Monthly FS Capacity Requirement) – (Monthly Transmission Demonstrated + Approved Monthly Transmission Exemptions), 0)

Where Monthly Transmission Demonstrated is the amount of transmission service rights submitted by a Participant per the requirements in Section 16.3 and validated by WPP for each month.

Monthly Deficiency (MW) = Maximum of (Monthly Capacity Deficiency, Monthly Transmission Deficiency)

- 17.2 A Participant's Deficiency Charges shall be calculated as set forth in this Section 17.2, subject to the Transition Period rules in Section 17.3, and shall take account of multiple Monthly Deficiencies within a Forward Showing for a single Binding Season, and multiple Deficiencies across a Forward Showing Year, consisting of a Summer Season and the immediately succeeding Winter Season, in accordance with the following:

- 17.2.1 The Monthly Deficiency with the highest MW value in a Forward Showing for a Summer Season shall be assessed a Deficiency Charge equal to:

Max Summer Deficiency (MW) × Annual CONE (\$/kW-year) × 1000 × Summer Season Annual CONE Factor

- 17.2.2 Any other Monthly Deficiency in the Participant's Forward Showing for the same Summer Season shall be assessed a Deficiency Charge equal to:

Additional Summer Deficiency (MW) × (Annual CONE (\$/kW-year)/12) × 1000 × 200%

- 17.2.3 Any Monthly Deficiency in the Forward Showing for the immediately succeeding Winter Season with a higher MW value than the highest MW value of the Monthly Deficiency in the Summer Season shall be assessed a Deficiency Charge on the incremental MW value above the Summer Season equal to:

Maximum of (Max Winter Deficiency – Max Summer Deficiency, 0) (MW) × Annual CONE (\$/kW-year) × 1000 × Winter Season Annual CONE Factor

and in such case where there is a Monthly Deficiency in the Winter Season with a higher MW value than the highest MW value of any Monthly Deficiency in the Summer Season, the Monthly Deficiency with the highest MW value in the Summer Season shall be assessed an additional Deficiency Charge calculated in accordance with Section 17.2.2.

- 17.2.4 Any other Monthly Deficiency in the Participant’s Forward Showing Submittal for the same Winter Season shall be assessed a Deficiency Charge equal to:

Additional Winter Capacity Deficiency × (Annual CONE/12) × 1000 × 200%

- 17.2.5 For purposes of the above, CONE is the estimated cost of new entry of a new peaking natural gas-fired generation facility. The CONE estimate shall be based on publicly available information relevant to the estimated annual capital and fixed operating costs of a hypothetical natural gas-fired peaking facility. The CONE estimate shall not consider the anticipated net revenue from the sale of capacity, energy, or ancillary services from the hypothetical facility, nor shall it consider variable operating costs necessary for generating energy.

- 17.2.6 WPP shall review the CONE estimate annually for a possible update. Any proposed changes in the CONE estimate shall be subject to review through the stakeholder process for program rule changes.

- 17.2.7 The Summer Season Annual CONE Factor shall vary based on the ratio (“Summer % Deficit”) of the Aggregate Capacity Deficiency for the WRAP as a whole for that Summer Season, divided by the P50 Peak Load Forecast for the Summer Season, as follows:

If the Summer % Deficit is less than 1%, the Summer Season Annual CONE Factor = 125%

If the Summer % Deficit is greater than 1% but less than 2%, the Summer Season Annual CONE Factor = 150%

If the Summer % Deficit is greater than 2% but less than 3%, the Summer Season Annual CONE Factor = 175%

If the Summer % Deficit is greater than 3%, the Summer Season Annual CONE Factor = 200%

17.2.8 The Winter Season Annual CONE Factor shall vary based on the ratio (“Winter % Deficit”) of the Aggregate Capacity Deficiency for the WRAP as a whole for that Winter Season, divided by the P50 Peak Load Forecast for the Winter Season, as follows:

If the Winter % Deficit is less than 1%, the Winter Season Annual CONE Factor = 125%

If the Winter % Deficit is greater than 1% but less than 2%, the Winter Season Annual CONE Factor = 150%

If the Winter % Deficit is greater than 2% but less than 3%, the Winter Season Annual CONE Factor = 175%

If the Winter % Deficit is greater than 3%, the Winter Season Annual CONE Factor = 200%

17.2.9 Notwithstanding Sections 17.2.7 and 17.2.8, if there is either a Summer % Deficit or a Winter % Deficit in a Forward Showing Year, then for the immediately following Forward Showing Year, both the Summer Season Annual CONE Factor and the Winter Season Annual CONE Factor shall be 200%.

17.2.10. Subject to the Transition Period rules in Section 17.3, revenues from the payment of Deficiency Charges as to a Binding Season shall be allocated among those Participants with no Deficiency Charges for that Binding Season, pro rata based on each Participant’s share of all such Participants’ Median Monthly P50 Peak Loads for such Binding Season.

17.3 During the Transition Period, Deficiency Charges otherwise calculated under Section 17.2 shall be reduced as, when, and to the extent, and subject to the conditions, provided in Section 17.3.2; and revenue allocations otherwise calculated under Section 17.2 shall be adjusted as, when, and to the extent, and subject to the conditions, provided in Section 17.3.4.

17.3.1. During the Transition Period, a Participant with a Monthly Capacity Deficiency can pay a reduced Deficiency Charge for so much of such Monthly Capacity Deficiency as was due to an Excused Transition Deficit. To obtain an Excused Transition Deficit for a Binding Season, the Participant must provide a Senior Official Attestation attesting that the Participant has made commercially reasonable efforts to secure Qualifying Resources in the quantity needed to satisfy the Participant’s FS Capacity Requirement for the Binding Season, but is unable to obtain Qualifying Resources in the quantity required for the Binding Season because the supply of such resources on a timely basis and on commercially reasonable terms is at that time inadequate. Excused Transition Deficits are not

resource specific, relate to a MW quantity of the Participant's FS Capacity Requirement, and are limited for each Participant as to a Binding Season during the Transition Period to a maximum permissible MW quantity equal to a percentage value times the FSPRM applicable to such Participant for all Forward Showing Submittals submitted by such Participant for such Binding Season. For purposes of such calculation, the percentage value is 75% for each of the 2025 Summer Season and 2025-2026 Winter Season, 50% for each of the 2026 Summer Season and 2026-2027 Winter Season, and 25% for each of the 2027 Summer Season and 2027-2028 Winter Season.

- 17.3.2 A Participant will pay a reduced Deficiency Charge as to the portion of its Monthly Capacity Deficiency for which it obtained an Excused Transition Deficit. The Deficiency Charge otherwise applicable to such Participant under Section 17.2 shall be reduced by a percentage value equal to 75% for each of the 2025 Summer Season and 2025-2026 Winter Season, 50% for each of the 2026 Summer Season and 2026-2027 Winter Season, and 25% for each of the 2027 Summer Season and 2027-2028 Winter Season. The Participant will be assessed a Deficiency Charge calculated under Section 17.2, without reduction or adjustment, for any of its Monthly Capacity Deficiency that is in excess of the amount of such deficiency for which it obtained an Excused Transition Deficit.
- 17.3.3 Whether or not a Participant obtains an Excused Transition Deficit as to a Binding Season, the Participant may reduce a Monthly Capacity Deficiency otherwise calculated under Section 17.1 for a Binding Season during the Transition Period to the extent such deficiency is due to the Participant's inability to obtain assent from the supplier under a Legacy Agreement to the accreditation required for such Legacy Agreement under Part II of this Tariff and the Business Practice Manuals. To obtain such relief, the Participant must provide a Senior Official Attestation attesting that the Participant made commercially reasonable efforts to execute the required accreditation form with the supplier under the Legacy Agreement, but the supplier was unable or unwilling to counter sign the accreditation form. The reduction in Monthly Capacity Deficiency permitted by this Section 17.3.3 as to any Participant for all Forward Showing Submittals submitted by such Participant for any Binding Season during the Transition Period shall not exceed a MW quantity equal to 25% times the FSPRM applicable for such Participant for such Binding Season. To the extent a Participant reduces a Monthly Capacity Deficiency under this subsection, the percentage of the Participant's FSPRM corresponding to the reduction hereunder shall reduce the maximum permissible percentage of FSPRM reduction allowed under Section 17.3.1 for Excused Transition Deficits for the same Binding Season.
- 17.3.4 A Participant that, as a result of application of this Section 17.3, pays no Deficiency Charge as to a Binding Season, shall not be deemed a "Participant[] with no Deficiency Charges" for purposes of Section

17.2.10, and shall not receive an allocation of revenues from the payment of Deficiency Charges as to such Binding Season.

PART III OPERATIONS PROGRAM

18. Operations Program Overview

- 18.1 The Operations Program facilitates access to collective capacity made available through regional load and resource diversity of all Participants under the terms of this Part III.
- 18.2 The Operations Program evaluates forecasted system conditions across the seven-day period (“Multi-Day-Ahead Assessment”) preceding the Operating Day, commencing at the outset of the assessment period with an initial Sharing Calculation and initial identification of potential Sharing Events for the Operating Day. The assessment is refined as forecasted conditions for the Operating Day are revised and established on the Preschedule Day, a Holdback Requirement for any Sharing Events is then identified. To the extent a Sharing Event continues to be identified for the Operating Day, Holdback Requirements shall be converted into Energy Deployments on the Operating Day.
- 18.3 The Operations Program prescribes pricing designed to incent Participants to resolve any forecast Operating Day deficiencies before the Operating Day, including through transactions outside the Operations Program, and to fully compensate Participants that provide support through the Operations Program to Participants with Operating Day deficiencies.

19. Operations Program Timeline and Supporting Information

- 19.1 The Multi-Day Ahead Assessment is conducted for the seven rolling days before each Operating Day. WPP shall prepare and post a forecast for the Operating Day on the first day of the Multi-Day-Ahead Assessment, revise the forecast each day thereafter, including on the Preschedule Day, and then revise the forecast hourly into the Operating Day during any Sharing Event.
- 19.2 The Operations Program, during any Binding Season, shall rely on and employ (among other data) the following information from the Forward Showings for such Binding Season: (i) the P50 Peak Load Forecast for each Participant; (ii) the Monthly FSPRMs for each Participant during such Binding Season; (iii) expected performance by Qualifying Resource type and any RA Transfers; (iv) expected forced outage rates by resource type; (v) expected Contingency Reserves; and (vi) firm transmission service rights made available for purposes of regional diversity sharing under the WRAP, as demonstrated by Participants in their Forward Showing Submittals, as permitted under Part II of this Tariff, which shall be assumed to be available for all hours of each Month for which such firm transmission service rights were made available.
- 19.3 To facilitate WPP's conduct of the Multi-Day-Ahead Assessment, each Participant shall provide the Program Operator information relevant to the Participant's expected demand and supply conditions on each Operating Day, of the type, in the manner, and with the frequency, specified in the Business Practice Manuals.
- 19.4 Each Participant in any Subregion identified in the Business Practice Manuals as not containing a central transmission hub permitting energy deliveries to that hub from any point within such Subregion, shall, in addition to providing the information required by Section 19.3, identify, on or before the deadline during the Preschedule Day specified in the Business Practice Manuals, for each Hour of the Operating Day each point to which it can deliver energy, each point at which it can take receipt of energy, the quantity it can deliver or receive at each such point, and a numeric factor intended to prioritize use of transmission made available by Participants with positive Sharing Calculations and needed by Participants with negative Sharing Calculations for each such hour, employing for such purpose the numeric factor developed by WPP with input from the stakeholder committees identified for such input in the Business Practice Manuals. A Participant with a positive Sharing Calculation for an hour must provide a total quantity for all identified points at which it can deliver that is no less than the amount of its positive Sharing Calculation for such hour (adjusted as necessary for any RA Transfer in accordance with Section 20.1.2). A Participant with a negative Sharing Calculation for an hour must provide a total quantity for all identified points at which it can take receipt that is no less than the amount of its negative Sharing Calculation for such hour (adjusted as necessary for any RA Transfer in accordance with Section 20.1.2). Participants shall provide this same information for each Operating Day on an expected or preliminary basis on each day of the Multi-Day-Ahead Assessment

following, and based on, the expected Holdback Requirement estimates provided on each such day for the Operating Day.

- 19.5 Any Participant may, at its sole election, in addition to the information and priorities provided pursuant to Section 18.4, offer on the Preschedule Day additional holdback capacity, or additional transmission service rights, including intermediate or wheeling transmission service, for use by other Participants under Part III of this Tariff. Any such offer shall include for such offered holdback or transmission service rights the same type of point of receipt, point of delivery, quantity, and numeric factor information required by Section 19.4 as well as any associated or resulting limit on such Participant's offered holdback.

20. Components of the Operations Program

20.1 Sharing Requirement

20.1.1 WPP shall implement, as more fully described in the Business Practice Manuals, with respect to each Forward Showing Submittal accepted by WPP for a Participant under Part II of this Tariff, or with respect to each Subregion in which the Participant is responsible for load regardless of whether the Participant submitted a single Forward Showing Submittal encompassing its loads in both Subregions, the following Sharing Calculation to identify any hour in which any Participant is forecast to have a capacity deficit (known as a “Sharing Event”). This calculation takes into account changes in a Participant’s resource availability, resource performance, forecast load, and Contingency Reserves relative to the Forward Showing, plus an Uncertainty Factor. The Sharing Requirement is equal to:

$$[\mathbf{P50 + FSPRM - Regional Diversity Transmission - \Delta Forced Outages + \Delta RoR Performance + \Delta VER Performance}] - [\mathbf{Load Forecast + \Delta CR + Uncertainty Factor}]$$

Where:

P50 refers to the Participant’s Monthly P50 Peak Load for that Binding Season’s month;

FSPRM refers to the MW quantity of the FSPRM percentage applied to the Participant P50 Peak Load Forecast for that Participant for that Binding Season;

Regional Diversity Transmission refers to the MW quantity of additional transmission service rights made available for purposes of regional diversity sharing under the WRAP, as demonstrated by the Participant in its Forward Showing Submittal in lieu of demonstrating an equal MW quantity of Portfolio QCC, as permitted under Part II of this Tariff; provided that when separate Sharing Calculations are performed for each of two Subregions in which a Participant is responsible for load, the Regional Diversity Transmission shall be equal to the lower of (i) the additional firm transmission service rights (above that required for the FS Transmission Requirement) demonstrated in the Participant’s Forward Showing Submittal and (ii) the additional firm transmission service rights (above that required for the FS Transmission Requirement) demonstrated in the Participant’s Forward Showing Submittal minus any transfer made from the Subregion with the lower PRM to the Subregion with the higher FS PRM to address all or part of a negative Sharing Calculation result in the Subregion with the higher FSPRM.

Δ Forced Outages refers, for the subject hour, to: (i) any change in forced outages of any of the thermal resources included in the Participant's Portfolio QCC, relative to the forced outages assumed in the Forward Showing Submittal by application of the Forced Outage Factor; (ii) any change in forced outages of any of the Storage Hydro Qualifying Resources relative to the forced outages assumed in the calculation of the Participant's Resource QCC as more fully described in the Business Practice Manuals; and (iii) any impacts of transmission conditions on previously acquired firm transmission service rights that result in capacity reductions up to the level of the Resource QCC of the associated Qualifying Resource;

ΔRoR Performance refers to any change, for the subject hour, in expected performance of any of the run-of-river resources in the Participant's Portfolio QCC relative to the QCC of that Qualifying Resource;

ΔVER Performance refers to any change, for the subject hour, in expected performance of the VER Resources in the Participant's Portfolio QCC relative to the QCC of that Qualifying Resource;

Load Forecast refers to the forecast of expected load for the subject hour for the loads for which the Participant is responsible;

ΔCR refers to any change in Contingency Reserves for the subject hour, relative to that assumed in the Participant's Forward Showing Submittal; and

Uncertainty Factor refers to a factor determined by WPP, as more fully set forth in the Business Practice Manuals, to account for the potential variance between forecasts of load, solar resources, wind resources, and run-of-river resources, and the Operating Day conditions of such load and resources based on historic data.

- 20.1.2 In addition to the foregoing, the Sharing Calculation for a Participant that is a purchaser of an RA Transfer shall be performed in two passes, with and without such purchase. If the result of assuming in the first pass that the Participant had not purchased the RA Transfer is that the Participant has a negative Sharing Calculation, then the Participant that sold the RA Transfer must agree, for the time period addressed by the Sharing Calculation, to an energy delivery to the Participant that purchased the RA Transfer, in an amount equal to the lesser of: (i) the MW quantity needed to result in a net zero Sharing Calculation for the Participant that purchased the RA Transfer; and (ii) the MW amount of the RA Transfer. If the result of recognizing the Participant's purchase of the RA Transfer in the second pass is that the Participant has a positive Sharing Calculation, then the Participant that sold the RA Transfer must assume a share of the purchasing Participant's resulting obligation to the Operations Program in an amount equal to the

MW quantity of the RA Transfer, minus the MW quantity of the delivery made by the seller of the RA Transfer to the purchaser of the RA Transfer as a result of the first pass.

20.1.3 The Sharing Calculation of any Participant that was found to have a Monthly Capacity Deficiency under Sections 16.1 and 16.2, for which such Participant paid an FS Deficiency Charge, including any Deficiency Charge reduced by application of Section 17.3 during the Transition Period, shall be reduced by the MW quantity of such Monthly Deficiency. During the Transition Period, a Participant that had a Deficiency Charge as to a Binding Season reduced by application of Section 17.3 shall receive a lesser priority to Holdback and Energy Deployments during such Binding Season relative to Participants that, as to the same Binding Season, had no Monthly Capacity Deficiency under Sections 16.1 and 16.2, or had a Monthly Capacity Deficiency under those sections but obtained no reduction in the Deficiency Charge under Section 17.3. Such priority shall apply only in the event that during a Sharing Event, there is insufficient Holdback available to satisfy the deficits of all Participants with a negative Sharing Calculation, or in the event that there is insufficient Energy Deployment available to satisfy the deficit positions of all Participants that confirmed a need for Energy Deployment. In either such event, the Holdback, or Energy Deployment, available to Participants that had their Deficiency Charges reduced by Section 17.3 shall be limited to that available after satisfying the deficit positions of Participants that did not had no Monthly Capacity Deficiency under Sections 16.1 and 16.2, or had a Monthly Capacity Deficiency under those sections but obtained no reduction in their Deficiency Charge under Section 17.3.

20.2 Holdback Requirement

20.2.1 To the extent that: (i) WPP's application of the Sharing Calculation identifies on the Pre-Schedule Day a Sharing Event for any hour(s) of the Operating Day; and (ii) the Participant(s) found to be deficient for such hour(s) by the Sharing Calculation confirms to the WPP, in accordance with notification and confirmation procedures set forth in the Business Practice Manuals, such Participant's need for capacity for such hour(s), then WPP shall determine the Participants having a Holdback Requirement for such hour(s) and the quantity of the Holdback Requirement for each such Participant in accordance with the following Holdback Calculation:

$$\text{Participant Holdback Requirement} = \text{Participant Sharing Ratio} \times \text{Total Program Sharing Requirement}$$

where:

Participant Sharing Ratio = [the positive Sharing Requirement, if any, calculated for such Participant] / Σ positive Sharing Requirements of all Participants having a positive Sharing Requirement for such hour]

Total Program Sharing Requirement = $\text{abs}(\Sigma \text{ negative Sharing Requirements of all Participants having a negative Sharing Requirement for such hour})$

Holdback Requirements shall be expressed as whole MWs for each hour for which they are estimated or established and shall not be specific to any Qualifying Resource.

20.2.2 Absent a Holdback Requirement Transfer as described below, a Participant's Holdback Requirement for any hour of an Operating Day shall not exceed the level first set by WPP on the Preschedule Day for that Participant for that hour. Prior to establishing the Holdback Requirement for an hour of an Operating Day, WPP, during the Multi-Day-Ahead Assessment, will estimate, and provide to affected Participants, an expected Holdback Requirement for such hour of the Operating Day. As expected, conditions change over the Multi-Day-Ahead Assessment, WPP may adjust its estimate of the expected Holdback Requirement for such hour, applying the same considerations and principles set forth in Section 20.3.1 for a release of a Holdback Requirement, as well as the same process and considerations for early release of Holdback Requirement set forth in Section 20.3.1.1. When WPP notifies affected Participants of such reduction, the Holdback Requirement established on the Preschedule Day shall not exceed the reduced level previously estimated by WPP for such hour.

20.2.3 Any Participant may agree with any other Participant for the first Participant to transfer to the second Participant some or all of the Holdback Requirement established for the first Participant for any hour on any Operating Day. Any such Holdback Requirement Transfer shall be a bilateral arrangement settled outside the Operations Program, provided, however, that both Participants must timely notify WPP, by the time and in the manner described in the Business Practice Manuals, of such Holdback Requirement Transfer. Any necessary transmission arrangements and any transaction settlements shall be the sole responsibility of the Participants that are the parties to such bilateral arrangement.

20.3 Release of Holdback Requirement

20.3.1 As detailed in the Business Practice Manuals, WPP will review Holdback Requirements for each hour of an Operating Day following the establishment during the Preschedule Day of any Holdback Requirement for that hour. To the extent the WPP determines any Holdback Requirements can be reduced, it shall release all or a portion of Participants'

Holdback Requirements. WPP will permit a release of Holdback Requirements to the extent WPP has not applied a Safety Margin for such hour and (i) WPP's continued Sharing Calculations determine that no Participant has a negative Sharing Requirement for such hour; and (ii) WPP determines there is a low probability of a Sharing Event for the hour; or (iii) WPP grants a Participant's request for extenuating circumstances of all or any portion of that Participant's Holdback Requirement for the hour.

20.3.1.1 In advance of the process described in Section 20.3.1 WPP may, on its own or in response to a Participant request, set a ceiling on the Holdback Requirement based on application of the same considerations set forth in Section 20.3.1 for a release of a Holdback Requirement.

20.3.2 Upon release of all or any portion of a Holdback Requirement, the quantity of Holdback Requirement so released shall no longer be subject to an Energy Deployment requirement under the Operations Program for the subject hour.

20.3.3 No Holdback Requirement transfer for any hour shall be permitted if notice of such bilateral transaction is not fully reported to WPP, in the form required by the Business Practice Manuals, by 120 minutes before the start of such hour.

20.4 Energy Deployment

20.4.1 Participants shall provide energy during an hour, in support of any Participants with a negative Sharing Requirement and a confirmed need for energy under the Operations Program for such hour, in accordance with WPP's calculation of the Energy Deployment for such hour.

20.4.1.1 For any hour, as to any Subregion identified in the Business Practice Manuals as containing a central transmission hub permitting energy deliveries to that hub from any point within such Subregion, the total Energy Deployment required of all Participants that are subject to Energy Deployment shall equal the sum, in MWh for that hour, of the energy confirmed as being needed in that hour by Participants in such Subregion with negative Sharing Requirements in such hour, to the extent that can be supported by the Program. The Energy Deployment required from a Participant in such Subregion in such hour shall be that Participant's pro rata share of the total Energy Deployment for such Subregion, based on the ratio of that Participant's final Holdback Requirements for such hour to the sum of all final Holdback Requirements for that hour. Energy Deployments required hereunder shall be delivered to the central transmission hub in such Subregion, or to an alternate delivery point mutually agreed by the parties to a specific Energy

Deployment, provided both parties to the transaction report such alternative delivery arrangements to WPP in the form and manner described in the Business Practice Manuals.

20.4.1.2 For any hour, as to any Subregion identified in the Business Practice Manuals as not containing a central transmission hub permitting energy deliveries to that hub from any point within such Subregion, WPP shall conduct an optimization calculation that prioritizes use of transmission service voluntarily offered by a Participant pursuant to Section 19.3.1 and additional holdback capacity and transmission service voluntarily offered pursuant to Section 19.5, and that employs the receipt point and delivery point information, quantities, and numeric factors provided pursuant to Section 18.4 as well as any associated or resulting limit on such Participant's offered holdback, to match and allocate provision of Energy Deployment and receipt of Energy Deployment within the following categories: (i) holdback and transmission service rights offered pursuant to Section 19.5; (ii) transmission service offered pursuant to Section 19.3.1, paired with any holdback offered pursuant to Section 19.5 that is not fully used by category (i); (iii) Holdback Requirement under Section 20.2 matched pursuant to the information provided pursuant to Section 19.4 on a nearest neighbor cluster basis, allocated pro rata among Participants within such cluster; (iv) Holdback Requirement under Section 20.2 matched pursuant to the information provided pursuant to Section 19.4 and allocated among Participants within the same Subregion to the extent not matched and allocated under category (iii); and (v) Holdback Requirement under Section 20.2 from Participants in another Subregion, paired with any transmission service offered pursuant to Section 19.3.1 that is not fully used by category (ii).

20.4.2 The Energy Deployment a Participant may receive for any hour shall be no greater than the negative Sharing Requirement calculated for such Participant for such hour. Such Participant shall confirm, by no later than 120 minutes before the start of such hour, the quantity of Energy Deployment for which it requires delivery for such hour, through the procedures outlined in the Business Practice Manuals. Any Participant that does not confirm required Energy Deployment deliveries for such hour by such deadline will be deemed to waive all deliveries of Energy Deployment under the Operations Program for such hour. See Section 21.2 Settlement Price Calculation below for payment obligations.

20.4.3 The Energy Deployment a Participant can be required to supply for an hour shall not exceed the final Holdback Requirement calculated for such Participant on Pre-Schedule Day, including any duly reported exchange of Holdback Requirement, as of 120 minutes before the start of such hour. Any Participant for which WPP calculated during the Preschedule Day a

negative Sharing Requirement for the hour in question shall have zero Holdback Requirement and shall not have any Energy Deployment obligation for that hour.

20.4.4 WPP shall advise each Participant with a required Energy Deployment for an hour of the required MWh quantity and delivery point of such Energy Deployment by no later than ninety minutes before the start of such hour.

20.4.5 Participants may engage in voluntary, bilateral transfers of Energy Deployment obligations for an hour, provided that the Participants assume sole responsibility for any required transmission arrangements and settlement of such bilateral transfer. All such bilateral transfers must be reported to WPP no later than the third Business Day of the Month following the Month in which the transfer occurs.

20.5 Safety Margin

20.5.1 WPP may establish on the Preschedule Day a Safety Margin for the WRAP Region or any identified Subregion thereof for any hour of an Operating Day when warranted by such circumstances as potential large resource trips, heavy transmission outage conditions, significant environmental conditions, or other similar regional or subregional conditions, as more fully set forth in the Business Practice Manuals.

20.5.2 Any Safety Margin so determined for an hour shall be allocated pro rata among Participants with a positive Sharing Requirement, based on their relative shares of the sum of all positive Sharing Requirements for such hour, provided, however, that the Safety Margin allocated to a Participant may not result in a Holdback Requirement for such Participant greater than such Participant's Sharing Requirement. A Participant allocated holdback for a Safety Margin hereunder does not receive compensation under this Tariff for such allocation of holdback.

20.5.3 WPP shall notify all Participants of application of a Safety Margin for any hour, including in such notice the total timeframe, the MW amount, and the rationale for such Safety Margin.

20.6 Operations Program Transmission Service Requirements

Participant shall have in place, prior to the Operating Day, transmission service satisfying NERC priority 6 or 7 for each hour of such Operating Day for which a Sharing Event has been established, in a quantity sufficient for deliveries from the Qualifying Resources relied upon in such Participant's Forward Showing Submittal to demonstrate satisfaction of such Participant's FS Capacity Requirement (or from replacement Qualifying Resources) to serve such Participant's loads during such hours. In the event a Participant has an Energy Delivery Failure, the review associated with the possible assessment of a Delivery Failure Charge on such Participant shall, as further described in the Business Practice Manuals, include

whether a failure to secure sufficient NERC priority 6 or priority 7 firm transmission service rights caused or contributed to such Energy Delivery Failure. For such purpose, the Participant will have been expected to have complied with the transmission service requirement stated in this subsection.

20.7 Failure to Deliver Energy Deployments

20.7.1 A Participant assigned a required Energy Deployment pursuant to Section 20.4.4 of this Tariff for any hour that fails to deliver the specified energy during such hour, and that does not obtain a waiver of its Energy Deployment obligation, shall be assessed a Delivery Failure Charge.

20.7.2 A Participant shall be deemed to have an Energy Delivery Failure if Participant fails to deliver the Energy Deployment quantity established under Section 20.4.1, absent grant of a waiver pursuant to Section 20.7.3 of this Tariff.

20.7.3 A Participant anticipating an Energy Delivery Failure should provide WPP notice of such expected Energy Delivery Failure as soon as practicable after becoming aware of the anticipated failure. Whether anticipated or not, a Participant may request a waiver of an Energy Deployment obligation after an Energy Delivery Failure has occurred. The WPP shall review all such waiver requests and shall determine whether the Participant's justification for the Energy Delivery Failure is valid and warrants waiver of its Energy Deployment obligation. The WPP also shall consider whether the Participant knew in advance, or reasonably should have known in advance, of an Energy Delivery Failure, and what efforts the Participant took to notify the WPP in advance of such Energy Delivery Failure. The procedures for addressing such waiver requests, including a non-exclusive list of valid justifications for an Energy Delivery Failure shall be set forth in the Business Practice Manuals. A Participant denied a waiver request hereunder may appeal such denial to the Board of Directors in accordance with the procedures and deadlines set forth in the Business Practice Manuals. In such event, the requested waiver shall be denied or permitted as, when and to the extent permitted by the Board, in accordance with the procedures and timing set forth in the Business Practice Manuals. WPP shall report on the disposition of each waiver request received.

20.7.4 The Delivery Failure Charge for each hour shall be the Charge Rate applicable for such hour times the MWhs of energy that were required to be, but were not, delivered pursuant to an Energy Deployment during such hour. The Charge Rate shall be the higher of the Day-Ahead price or Real-Time price provided by the Day-Ahead Applicable Price Index and Real-Time Applicable Price Index as specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery, respectively, for the hour, times a Delivery Failure Factor, as follows:

- 20.7.4.1 If the deficit is fully covered by other Participants through the Operations Program, in each instance of failure, the Delivery Failure Factor shall be five for the first non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; ten times for the second non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; and twenty times for the third and subsequent non-waived Energy Delivery Failures in a Cumulative Delivery Failure Period. For purposes of applying the Delivery Failure Factors under this Section 20.7.4 or the review referenced in Section 20.7.5, multiple Energy Delivery Failures occurring in one day shall be treated as a single instance of failure.
- 20.7.4.2 If the deficit is not fully covered by other Participants through the Operations Program, the Delivery Failure Factor is twenty-five times for the first non-waived Energy Delivery Failure in a Cumulative Delivery Failure Period; and fifty times for the second and subsequent non-waived Energy Delivery Failures (regardless of whether the prior instance(s) of delivery failure were fully covered by other Participants) in a Cumulative Delivery Failure Period.
- 20.7.4.3 Revenues from Delivery Failure Charges assessed in cases where the deficit was fully satisfied by other Participants will be used to reduce WPP costs that are recovered under Schedule 1, WRAP Administration Charge. Revenues from Delivery Failure Charges assessed in cases where the deficit was not fully met by other Participants will be collected by the WPP and provided to the Participant that had an unserved deficit.
- 20.7.4.4 Notwithstanding anything to the contrary in this Section 20.7.4, the Delivery Failure Charges assessed on a Participant, regardless of application of the Delivery Failure Factor, shall not exceed, over the course of a Summer Season and the immediately succeeding Winter Season, the dollar amount that, as more fully detailed in the Business Practice Manuals, would have been assessed cumulatively under Section 17 as Deficiency Charges if the Participant had one or more Forward Showing Capacity Deficiencies over the course of such Summer Season and Winter Season in the same MW amounts as the highest MW amount of Delivery Failure experienced by such Participant in each Month of such Summer Season and Winter Season. The maximum dollar amount described herein shall be calculated on an ongoing basis during such Summer Season and Winter Season, and increased or reduced accordingly, without awaiting the end of the combined period of such Summer Season and Winter Season.

20.7.5 In addition to assessment of the Delivery Failure Charge, a third or subsequent instance of non-waived delivery failure, when all such delivery failures are fully covered by other Participants, or a second or subsequent instance of non-waived delivery failure when such instance is not fully covered by other Participants, will subject the Participant to review for expulsion from the WRAP.

20.8 Voluntary Response to Increased Deficiencies Identified After Pre-Schedule Day

20.8.1 A Participant that identifies an unmet need for energy for any hour of an Operating Day that is in excess of assistance provided or to be provided by Holdback Requirements or Energy Deployments established hereunder may, in accordance with procedures specified in the Business Practice Manuals, notify WPP of the need for such assistance. WPP will establish a portal or other procedure, as specified in the Business Practice Manuals, to facilitate provision of assistance, on a voluntary, bilateral basis, by other Participants to the Participant that identified the unmet need. Compensation, terms, and conditions of any resulting bilateral transactions will be determined by the affected parties outside of this Tariff. While Participant response to any such notification is voluntary, Participants are encouraged to provide assistance to other Participants in the circumstances described in this subsection, in consideration of the mutual support each Participant has agreed to provide to each other Participant by its agreement to participate in the WRAP, including this Operations Program. Voluntary provision of assistance by one Participant to another Participant hereunder shall follow priority tiers during the Transition Period based on the status or condition of the Participant seeking assistance, with the first priority afforded to Participants during a Binding Season (as to such Participant) that had no Monthly Capacity Deficiency for the applicable Month, or that paid a Deficiency Charge that was not reduced under the Transition Period provisions of Part II of this Tariff; the second priority afforded to Participants during a Binding Season (as to such Participant) that obtained relief from a Monthly Capacity Deficiency and Deficiency Charges for the applicable Month under the Transition Period provisions of Part II of this Tariff; and the third priority afforded to Participants during a Non-Binding Season (as to such Participant).

21. Operations Program Settlements

21.1 Nature of Operation Program Settlements

21.1.1 Operations Program settlements are bilateral transactions; they are not purchases from or sales to a central market.

21.1.2 Operations Program transactions use existing transaction systems and processes.

21.1.3 The WPP will calculate and post settlement quantities and prices based on the Energy Deployment and Holdback Requirement, in accordance with procedures specified in the Business Practice Manuals for provision of transaction information by and among Participants and WPP, but WPP has no role in the transaction itself. WPP is not a settlement entity.

21.1.4 Settlement Prices calculated under Section 21.2 shall recognize pricing differences among Subregions. Where the seller and buyer are located in the same Subregion, the Applicable Price Index shall be the price index specified for that Subregion in the Business Practice Manuals. Where the seller and buyer are located in different Subregions, the following components of the settlement price calculation in Section 21.2 will be calculated using the Applicable Price Index for the Subregion that provides the higher index price: (i) Possible Block Sale Revenue; (ii) Total Settlement Price; (iii) Energy Declined Settlement Price; and (iv) Realtime Value of Unheld Energy. If a third participant is involved by providing transmission service rights between Subregions, the Participant that provided holdback or Energy Deployment shall receive the settlement price of the Subregion from which the holdback or Energy Deployment was sourced, and the Participant that provided Subregion to Subregion transmission service rights pursuant to Section 19.3.1 shall receive the difference between each Subregion's Total Settlement Price, or zero, whichever is greater.

21.2 Settlement Price Calculation. Settlement prices shall be calculated in accordance with the following, as more fully set forth in the Business Practice Manuals.

21.2.1 A Participant assigned a Holdback Requirement on a Preschedule Day for any hour of an Operating Day shall be paid the Holdback Settlement Price times the MW quantity of the Holdback Requirement. A Participant that provides energy to another Participant pursuant to an Energy Deployment shall be paid the Energy Declined Settlement Price, defined in Section 21.2.4, times the MWhs of energy provided to such other Participant, and its total payments shall be reduced by the Energy Declined Settlement Price times the MWhs of energy that would have been provided under a Holdback Requirement but were declined by the other Participant. A Participant

assigned a Holdback Requirement also shall be paid, when applicable, a Make Whole Adjustment, as provided below in Section 21.2.5.

- 21.2.2 A Participant that had a negative Sharing Requirement for any hour of an Operating Day, which was incorporated in the calculation of Holdback Requirements of any Participants for such hour, determined as of the Preschedule Day, shall pay the Holdback Settlement Price times the MW quantity of such negative Sharing Requirement. In addition, any Participant that had a negative Sharing Requirement that was incorporated in the calculation of a Holdback Requirement shall contribute to the payment of the Make Whole Adjustment based on its negative Sharing Calculation. A Participant that declines energy that would have been provided under a Holdback Requirement shall be credited the Energy Declined Settlement Price times the MWs of energy declined by such Participant.
- 21.2.3 The Holdback Settlement Price shall equal the Total Settlement Price minus the Energy Declined Settlement Price.
- 21.2.4 The Energy Declined Settlement Price shall equal the lesser of (i) 0.80 times the Total Settlement Price, or (ii) the Applicable Real-Time Index Price for the hour.
- 21.2.5 The Make Whole Adjustment is applied in the event that the settlement revenue and the estimated value of the non-dispatched energy is less than the estimated revenues the selling entity would have received had such entity not been subject to a Holdback Requirement and had sold a day-ahead block of energy with a MW value equal to the maximum amount of Holdback Requirement for the hours in the block, and is determined as follows:

$$\begin{aligned} \text{Make Whole Adjustment (when applicable)} = & \\ & \text{Possible Block Sale Revenue} \\ & - \text{Final Settlement Revenue} \\ & - \text{Realtime Value of Declined Energy} \\ & - \text{Realtime Value of Unheld Energy} \end{aligned}$$

Where:

$$\text{Realtime Value of Declined Energy} = \text{Energy Declined} \times \text{Energy Declined Settlement price}$$

provided that Declined Energy is only applicable to those hours where there was a positive Holdback Requirement.

$$\text{Realtime Value of Unheld Energy} = (\text{Maximum Holdback MW in Block} - \text{Holdback MW Requested}) \times \text{Applicable Index Price}$$

21.2.6 The Total Settlement Price used in the above calculations shall be determined in accordance with the following formula:

Total Settlement Price = Maximum of (Minimum of (Hourly Shaping Factor × Day Ahead Applicable Index Price × 110%, 2000 \$/MWh), 0)

where:

Hourly Shaping Factor is based on the most recent High-Priced Day for the relevant season, defined as a day in which at least one hour has a system marginal energy cost (“SMEC”) greater than \$200/MWh, and shall be calculated as follows:

$1 + \{[\text{CAISO Hourly Day Ahead SMEC} - \text{CAISO Average Day Ahead SMEC (on- or off-peak hours)}] / [\text{CAISO Average Day Ahead SMEC (on- or off-peak hours)}]\}$

Day-Ahead Applicable Index Price is the day-ahead heavy load/light load ICE Index price that is specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery. If donated transmission was used to facilitate holdback, the Applicable Index Price shall be the higher of the two subregional day-ahead index prices for that portion of the holdback.

Real-Time Applicable Index Price is the real-time index price that is specified in the Business Practice Manuals for the Subregion applicable to the location of the delivering entity, applicable to the day and hour of the energy delivery.

SCHEDULE 1

WESTERN RESOURCE ADEQUACY PROGRAM ADMINISTRATIVE COST RECOVERY CHARGE

The Western Power Pool's Costs of administering and operating the Western Resource Adequacy Program including, without limitation, all costs incurred or obligated by WPP as Program Administrator, all costs paid or payable by WPP to the Program Operator or other service providers, all costs of the Board of Directors in directing, supervising, or overseeing the WRAP, and the costs of maintaining a reasonable reserve as provided in Section 1 of this Schedule 1, shall be recovered from Participants pursuant to the charges set forth in this Schedule 1.

Section 1. WRAP Costs

1. As used herein, Costs shall mean WPP's costs, expenses, disbursements and other amounts incurred (whether paid or accrued) or obligated of administering and operating the WRAP as described above, including, without limitation, operating expenses, general and administrative expenses, costs of outside services, taxes, fees, capital costs, depreciation expense, interest expense, working capital expense, any costs of funds or other financing costs, and the costs of a reasonable reserve as provided herein.
2. The Costs included in a WRAP Administration Charge assessed for a Month shall be the Costs determined as being incurred for that Month, including, without limitation, for each Month, one-twelfth of any annual charge(s).
3. The Costs included in the WRAP Administration Charge for a reasonable reserve shall be those designed to establish over the first twelve months that this WRAP Administration charge is in effect an amount equal to 6% of the expected Costs, exclusive of such reserve, for one year; and to maintain such reserve thereafter at an amount equal to 6% of the expected Costs, exclusive of such reserve for the then-current year. WPP shall record on its income statement deferred regulatory expense, and WPP's balance sheet will reflect as a cumulative deferred regulatory liability, revenues collected under this Schedule 1 that are in excess of the Costs exclusive of such reserve and taking account of and including any accrued tax expense effects of this regulatory liability. The deferred regulatory liability will be reduced when after-tax WPP revenues collected under this Schedule 1 during any Month are less than the Costs exclusive of such reserve. Within thirty days after the end of each Year, to the extent WPP determines that the deferred regulatory liability exceeds 6% of WPP's revenues that were collected under this Schedule 1 during such Year, such excess amounts in the deferred regulatory liability shall be refunded evenly over the applicable billing determinant volumes in the remainder of the subsequent Year through credits to charges to then-current customers under this Schedule 1.

Section 2. WRAP Administration Charge

Each Participant shall be assessed each Month a WRAP Administration Charge equal to the sum of the Base Charge and the Load Charge,

where:

The Base Charge for each Participant equals the Base Costs divided by the number of Participants being assessed the Base Charge for the Month for which the WRAP Administration Charge is being calculated;

The Load Charge for each Participant equals the Load Charge Rate of the Load Services Costs divided by the sum of the Median Monthly P50 Peak Loads of the Participants being assessed the Load Charge for the Month for which the WRAP Administration Charge is being calculated, times that Participant's Median Monthly P50 Peak Load;

And where:

Base Costs means the Costs for the Month of the Base Services Cost Centers shown in the WRAP Cost Assignment Matrix, plus the Base Services Percentage times the Costs for that Month of the Dual Benefit Cost Centers shown below in Section 4: WRAP Cost Assignment Matrix;

Load Services Costs means the Costs for the Month of the Load Services Cost Centers shown in the WRAP Cost Assignment Matrix, plus the Load Services Percentage times the Costs for that Month of the Dual Benefit Cost Centers shown in the WRAP Cost Assignment Matrix; and

Median Monthly P50 Peak Loads means, for each Participant, the median of the Monthly P50 Peak Loads used in the FS Capacity Requirement of such Participant for two Binding Seasons corresponding to the two FS Submittal most recently validated by WPP.

If before or during a Binding Season, a Participant has need to update their Monthly P50 Peak Load for allowable reasons, those updated Monthly P50 Peak Loads will be replaced and the Median Monthly P50 Peak Load value recalculated upon validation of the change in participating load.

A Participant joining the Program will supply data such that WPP can validate Monthly P50 Peak Loads for the first two Binding Seasons for which the Participant will submit an FS Submittal for use in calculating Load Services Costs until these FS Submittals are submitted and reviewed in the normal timeframe.

Section 3. Maximum Charge Rates

- 3.1 Notwithstanding anything to the contrary in this Schedule 1, the sum of the Base Charges for all Months in a Year shall not exceed the Annual Maximum Base Charge of \$59,000/Year, and the sum of the Load Charge Rates for all Months in a Year shall not exceed the Annual Maximum Load Charge Rate of \$199/MW. WPP shall, to the extent reasonably practicable, provide two-months' notice prior to WPP's filing at FERC of an application to change the Maximum Base Charge or the Maximum Load Charge Rate, provided that nothing herein shall limit the Board of Director's authority and discretion to seek at FERC a change in the maximum rates in the time and manner the Board determines in the best interests of the Western Resource Adequacy Program. For purposes of clarity, these specified maximum rates on the Base Charge and the Load Charge do not limit the level of the Cash Working Capital Support Charge established under Section 5 of this Schedule 1, nor do they limit the amount of the default Allocation assessment provided under Part I of this Tariff.
- 3.2 To facilitate Participant planning, the WPP shall prepare, and provide to the RAPC, good faith, non-binding estimates of: (i) reasonably anticipated WRAP budgets for three Years beyond the most recently approved WRAP budget, including sensitivity analyses for reasonably identified major contingencies; (ii) reasonably anticipated numbers of Participants and MWs of Winter and Summer P50 Loads for each such Year; and (iii) reasonably anticipated highest monthly Base Charges and Load Charge Rates for each such Year. All assumptions and estimates in such forecasts and analyses shall be in WPP's sole discretion, which may be informed by RAPC discussion of such topics.

Section 4. WRAP Cost Assignment Matrix

	BASE COSTS	LOAD COSTS	DUAL BENEFIT
Program Administration (non-participant)		100%	
Program Administration (Participant engagement, RAPC facilitation)	100%		
WRAP portion of WPP BOD costs			50%/50%
Program Operations Staffing and Overhead		100%	
Program Operations Technology		100%	
Legal Services		100%	
Independent Evaluator		100%	

Section 5. Cash Working Capital Support Charge

- 5.1 In addition to the WRAP Administration Charge, each Participant shall be assessed a Cash Working Capital Support Charge, to support WPP's maintenance of sufficient funds on hand to make payments required for the operation and administration of the WRAP on a timely basis. Cash Working Capital Support Charges shall be designed to maintain a Cash Working Capital Fund that, at its maximum level over a twelve-month cycle, equals approximately nine-twelfths of the expected annual payment due from the WPP to the Program Operator for its Program Operator services.
- 5.2 A Participant shall pay a Cash Working Capital Support Charge no later than thirty days after that Participant executes a WRAPA. The Cash Working Capital Support Charge due following WRAPA execution equals the Cash Working Capital Support Charge Rate, calculated as the Cash Working Capital Fund at its required maximum twelve-month cycle level divided by the sum of the Median Monthly P50 Peak Loads of all Participants, times that Participant's Median Monthly P50 Peak Load.
- 5.3 To the extent the Cash Working Capital Fund is adequately funded at the time a new Participant executes a WRAPA, the revenue from such Participant's payment of the Cash Working Capital Support Charge shall be distributed to all Participants that previously have paid a Cash Working Capital Support Charge, pro rata based on the Median Monthly P50 Peak Loads of all Participants that have previously paid such charge.
- 5.4 To the extent, and at such time, WPP determines that an incremental addition to the Cash Working Capital Fund is needed due to such causes as, for example, an expected increase in the annual payment to the Program Operator, each Participant shall be assessed an Incremental Cash Working Capital Support Charge equal to the desired incremental addition, divided by the sum of the Median Monthly P50 Peak Loads of all Participants being assessed the Incremental Cash Working Capital Support Charge for the Month for which the Incremental Cash Working Capital Support Charge is being calculated, times that Participant's Median Monthly P50 Peak Load.

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Seattle City Light	Jeffrey Wolf	Greg Shiring

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the City Light Department; authorizing the Department to enter and participate in the Western Resource Adequacy Program, including the ability to execute additional agreements necessary or convenient to participating in the Western Resource Adequacy Program; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation:

The integrated regional power system is in transition. Studies, including a recent North American Electric Reliability Corporation (“NERC”) Long-Term Reliability Assessment, have observed unprecedented change in the electricity grid, causing concern about future resource adequacy. Customers are using more energy while the industry is retiring fossil fuel emitting generating plants. As generation of electricity from variable renewable resources grows, concern exists whether there will always be consistent capacity to meet customer demand.

This legislation seeks authority for City Light to participate in the Western Resource Adequacy Program (“WRAP”). Resource adequacy is a regulatory construct that ensures there will be sufficient resources available to serve electric demand under all but the most extreme conditions. This resource adequacy program provides benefits of enhanced coordination and increased visibility and transparency across the regional power system. It seeks to enhance and increase reliability for the system through the development of a risk pool.

The WRAP is a voluntary, proactive, industry-initiated and led effort developed by a diverse set of participants. The WRAP was developed with significant engagement by stakeholders including entities expected to participate in the program, as well as non-participant industry leaders from a variety of sectors including state regulators. City Light is and has been an active participant in the development of this program.

The Program design has two components, a Forward Showing Program (FS Program) and an Operational Program (Ops Program). The FS Program establishes regional metrics for the regional WRAP footprint and ensures the footprint has enough demonstrated capacity, well in advance of required performance, to meet established reliability metrics. The Ops Program creates a framework to provide participants with pre-arranged access to capacity resources in the Program footprint during times when a participant is experiencing an extreme event.

The Program seeks to achieve a balance between planning in a reasonably conservative manner but also to provide flexibility to protect customers from unreasonable costs.

The WRAP is currently in a “non-binding” phase beginning with the Winter 2022/2023 Season. The soonest participants can elect to enter the binding phase of the program is Summer 2025; however, participants can elect to remain in the non-binding phase for up to three years. The non-binding transition period allows the WRAP time to develop regional metrics and insight into regional resource constraints while giving participants time to understand how their resources perform against these metrics and time to procure any required resources. By Summer 2028 all participants must fully adhere to the Federal Energy Regulatory Commission (“FERC”) approved tariff provisions, and participation becomes binding for those who have elected to join. Additionally, any entity can withdraw from the program by providing a two-year notice. This two-year window is intended to provide sufficient time for the program to take the impact of a participant’s withdrawal into account and make any adjustments required to maintain reliability standards.

Based on current information, City Light intends to elect the latest binding season (Summer 2028) possible when executing the Western Resource Adequacy Program Agreement (“WRAPA”). This allows sufficient time for City Light to collect information on how WRAP is working, assess the resource adequacy of our portfolio, and exercise the opportunity to withdraw if we decide not to continue moving forward.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Any funds paid for City Light’s participation in this Program will come from existing appropriations to City Light’s Power Management Division. For years 2023 through 2027, the cost of the Program will be limited to administrative costs, which are not anticipated to require additional appropriation. Beginning in 2028, the WRAP obligations will become binding on City Light. Binding participation includes program charges for failing to meet its obligations under the program. City Light may terminate its participation in this Program upon two-year’s notice.

Are there financial costs or other impacts of *not* implementing the legislation?

Yes, in terms of lost opportunity for City Light to participate in this Program designed to assess regional adequacy and provide City Light with access to additional energy sources

should the need arise because of an extreme event. Additionally, by not participating at this early stage, City Light loses the ability to help shape the program from the beginning.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
No.
- b. **Is a public hearing required for this legislation?**
No.
- c. **Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?**
No
- d. **Does this legislation affect a piece of property?**
No.
- e. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

No, this ordinance seeks authority for City Light to participate in the WRAP which will help City Light better and more reliably meet the energy needs of its customers. It does not alter or reallocate budget from how City Light offers services to vulnerable or historically disadvantaged communities.

- f. **Climate Change Implications**
 - 1. **Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

This legislation will likely result in a decrease in carbon emissions. A goal of the WRAP is to use fewer resources overall by finding savings opportunities and pooling resources. The Program is part of an overall approach designed to meet customer needs for reliability and affordability while also advancing City Light's goals for sustainability and environmental stewardship.

By covering a large geographic footprint, the program is designed to capitalize on the benefits of regional diversity for renewable intermittent resources - including wind in the north intermountain west, hydro in the Pacific northwest, and solar in the desert southwest - and on differences in demand profiles across the region.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

This legislation may increase Seattle’s resiliency to climate change. With coordination and visibility across participants, the WRAP provides a more accurate, regional picture of energy resource needs and supply. It addresses resource adequacy and assures reliability through collaboration, taking advantage of operating efficiencies, geographic diversity, and sharing of pooled resources.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?

This legislation is consistent with City Light’s commitment to energy efficiency, resource adequacy, and reliability. The WRAP is the first program of its kind and will assist City Light in addressing concerns about future capacity needed to serve its customers at a time when the regional power grid is in transition and subject to fluctuations caused by increased demand, variable energy generation, and extreme weather caused by climate change.



Legislation Text

File #: CB 120514, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to app-based workers in Seattle; establishing labor standards requirements for paid sick and paid safe time for app-based workers working in Seattle; adding a new Chapter 8.39 to the Seattle Municipal Code; and amending Section 3.02.125 of the Seattle Municipal Code.

WHEREAS, the Paid Sick and Safe Time Ordinance, Seattle Municipal Code (SMC) Chapter 14.16, has been in effect since September 1, 2012 and requires employers to provide employees with paid leave to care for their personal and family members' health conditions or safety needs; and

WHEREAS, the Paid Sick and Safe Time Ordinance entitles employees to use "paid sick time" for absences related to care of a personal or family member's medical diagnosis, care or treatment of a health condition, illness, injury, or need for preventive medical care; and

WHEREAS, the Paid Sick and Safe Time Ordinance entitles employees to use "paid safe time" for absences related to all workplace closures due to public health emergencies, large employer workplace closures or reduced operations due to any health- or safety- related reasons, closures of a family member's school or place of care, and the need to obtain necessary services for domestic violence, sexual assault and stalking; and

WHEREAS, The City of Seattle (City) is a leader on wage, labor, and workforce practices that improve workers' lives, support economic security, and contribute to a fair, healthy, and vibrant economy; and

WHEREAS, on July 13, 2020, the City enacted the Paid Sick and Safe Time Ordinance for Gig Workers, Ordinance 126091, establishing requirements for paid sick and paid safe time for food delivery network company workers during the COVID-19 emergency and these requirements will end on April 31, 2023;

and

WHEREAS, on May 31, 2022, the City Council (Council) passed the App-Based Worker Minimum Payment Ordinance, Ordinance 126595, establishing SMC Chapter 8.37 and requirements for minimum pay, flexibility, and transparency for food delivery network company workers and other app-based workers, and these requirements will go into effect on January 13, 2024; and

WHEREAS, establishing a permanent labor standard that requires food delivery network company workers and other app-based workers to have access to paid sick and paid safe time is a subject of vital and imminent concern to the people of this City and requires appropriate action by the Council to establish this labor standard for app-based workers; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council (Council) finds and declares that:

A. In the exercise of The City of Seattle’s police powers, the City is granted authority to pass regulations designed to protect and promote public health, safety, and welfare.

B. Seattle Municipal Code Chapter 8.39, created by this ordinance, protects and promotes public health, safety, and welfare by requiring network companies to provide app-based workers working in Seattle with paid sick and paid safe time, which will: alleviate the economic pressures that compel app-based workers to work when conditions are not safe; reduce the risk of app-based workers working while sick and spreading illness; increase opportunities for app-based workers to stay home and take care of themselves and family members during periods of illness and other health or safety risks; and promote a healthier and more productive workforce with enhanced public health outcomes for app-based workers, their families, network companies, and the community as a whole.

C. Researchers Stefan Pichler and Nicolas Robert Ziebarth report in “The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior,” that mandatory paid sick leave policies in U.S. cities, including Seattle, clearly and significantly reduced the rates of influenza-

like illness.

D. When app-based workers have access to paid leave to care for their personal or family member's health conditions, they are more likely to stay home to care for themselves, their children, or other family members who are sick or who have been exposed to an infectious disease, thereby reducing the risk of public exposure to infectious diseases.

E. When app-based workers have access to paid sick and paid safe time, they have less risk of economic insecurity because they will not lose earnings if they miss work because network companies are not operating due to a public health emergency or other health- or safety-related reasons, or because they need to care for family members when schools or places of care are closed, or to care for themselves, their children, or other family members who are ill or injured.

F. When app-based workers have access to paid leave for reasons related to domestic violence, sexual assault, or stalking, they are better able to receive medical treatment, participate in legal proceedings, and obtain other necessary services, and are more likely to maintain financial independence to leave abusive situations, achieve safety, and minimize physical and emotional injuries.

G. Paid sick and paid safe time will promote the safety, health, and welfare of the people of Seattle by reducing the chances that worker's illnesses will intensify or be prolonged, by reducing the exposure of co-workers and members of the public to infectious diseases, and by reducing the exposure of children at schools and day cares to infectious diseases; resulting in a healthier and more stable and productive workforce, better health for older family members and children, enhanced public health, and improved family economic security, thereby benefiting app-based workers, their families, network companies, and the community as a whole.

H. The need for paid leave is ongoing and continuing for the reasons stated in this ordinance, regardless of the existence of a declared civil emergency related to public health issues, such as COVID-19.

I. Network companies represent that their business models require that they treat app-based workers as independent contractors, thereby creating barriers for app-based workers to access paid sick and paid safe time

protections and other labor standards established by local, state, and federal law, and these barriers make app-based workers highly vulnerable to economic insecurity and health or safety risks.

J. In the pursuit of economic opportunity, many app-based workers are immigrants and people of color who have taken on debt or invested their savings to purchase and/or lease vehicles or other equipment to work for network companies. Therefore, they are highly susceptible to the economic pressures of continuing to work while sick and during periods of heightened public health concern and even if working is not safe for themselves or others.

M. Providing app-based workers with access to paid sick and paid safe time protects public health and supports stable incomes by ensuring that app-based workers can provide their services in a safe and reliable manner and will in turn protect public health.

Section 2. A new Chapter 8.39 is added to the Seattle Municipal Code as follows:

Chapter 8.39 APP-BASED WORKER PAID SICK AND SAFE TIME

8.39.010 Short title

This Chapter 8.39 shall constitute the “App-Based Worker Paid Sick and Safe Time Ordinance” and may be cited as such.

8.39.020 Definitions

For purposes of this Chapter 8.39:

“Adverse action” means reducing the compensation to the app-based worker, garnishing tips or gratuities, temporarily or permanently denying or limiting access to work, incentives, or bonuses, offering less desirable work, demoting, terminating, deactivating, threatening, penalizing, retaliating, engaging in unfair immigration-related practices, filing a false report with a government agency, or otherwise discriminating against any person for any reason prohibited by Section 8.39.120. “Adverse action” for an app-based worker may involve any aspect of work, including compensation, work hours, volume and frequency of offers made available, desirability and compensation rates of offers made available, responsibilities, or other material

change in the terms and conditions of work or in the ability of an app-based worker to perform work. “Adverse action” also includes any action by the network company or a person acting on the network company’s behalf that would dissuade a reasonable person from exercising any right afforded by this Chapter 8.39.

“Agency” means the Office of Labor Standards and any division therein.

“Aggrieved party” means an app-based worker or other person who suffers tangible or intangible harm due to a network company’s or other person's violation of this Chapter 8.39.

“App-based worker” means a person who has entered into an agreement with a network company governing the terms and conditions of use of the network company’s worker platform or a person affiliated with and accepting offers to perform services for compensation via a network company’s worker platform. For purposes of this Chapter 8.39, at any time, including but not limited to, when an app-based worker is logged into the network company’s worker platform, the worker is considered an app-based worker.

“Application dispatch” means technology that allows customers to directly request dispatch of app-based workers for provision of services and/or allows food delivery network company worker app-based workers or network companies to accept offers to perform services for compensation and payments for services via the internet using interfaces including but not limited to website, smartphone, and tablet applications.

“Average daily compensation” means the daily average of compensation owed to the app-based worker for each day worked for the network company during the 12 months immediately prior to the date the app-based worker’s amount of accrued paid sick and paid safe time was last calculated. “Average daily compensation” shall be recalculated every calendar month. When calculating the average of daily compensation, the compensation considered for each covered calendar day includes work performed in Seattle and outside Seattle. Beginning January 13, 2024, “average daily compensation” shall not include tips earned from customers.

“Calendar day” means the 24-hour period that begins at 12:00 AM and ends at 11:59 PM.

“Calendar year” means the twelve-month period that begins on January 1 and ends on December 31.

“City” means The City of Seattle.

“Commences work” and “commencement of work” mean no later than the beginning of the first calendar day on which the app-based worker performs services in furtherance of an offer facilitated or presented by the network company.

“Compensation” means the total amount of payment owed to an app-based worker by reason of performing work facilitated or presented by the network company, including but not limited to network company payments, bonuses, incentives, commissions, and tips earned from customers.

“Creative services or works” means labor that results in or contributes to the creation of original works, as well as the works resulting from such labor. The term “creative services or works” includes but is not limited to fiction and nonfiction writing, art, photography, graphic design, marketing, and related consulting services.

“Day of paid sick and paid safe time” means the average daily compensation amount owed to an app-based worker for one 24-hour period.

“Day worked” or “days worked” means any calendar day(s) that an app-based worker performs services in furtherance of an offer facilitated or presented by the network company, where the services are performed in whole or part in Seattle.

“Deactivation” means the blocking of an app-based worker’s access to the network company’s platform, changing an app-based worker’s status from eligible to provide delivery services to ineligible, or other material restriction in access to the network company’s platform that is effected by a network company.

“Director” means the Director of the Office of Labor Standards or the Director's designee.

“Eating and drinking establishment” means “eating and drinking establishment” as defined in Section 23.84A.010.

“Food processing” means “food processing” as defined in Section 23.84A.012.

“Franchise” has the same meaning as defined in RCW 19.100.010 as amended.

“Front pay” means the compensation the app-based worker would earn or would have earned if

reinstated by the network company.

“Grocery store” means “grocery store” as defined in Section 23.84A.014.

“Hearing Examiner” means the official appointed by the City Council and designated as the Hearing Examiner under Chapter 3.02 or that person’s designee (e.g., Deputy Hearing Examiner or Hearing Examiner Pro Tem).

“Health-related reason” means a serious public health concern that could result in bodily injury or exposure to an infectious agent, biological toxin, or hazardous material. “Health-related reason” does not include inclement weather.

“Incentive” means a sum of money paid to an app-based worker in addition to the guaranteed minimum network company payment for an offer, upon completion of specific tasks presented by the network companies, including but not limited to completing performance of a certain number of offers, completing performance of a certain number of consecutive offers, completing performance of an offer subject to a price multiplier or variable pricing policy, making oneself available to accept offers in a particular geographic location during a specified period of time, or recruiting new app-based workers.

“Marketplace network company” means a network company primarily engaged in facilitating or presenting pre-scheduled offers in which (a) the application or platform enables the prospective customer and app-based worker to exchange information about the scope and details of services to be performed, prior to the customer placing the online order for those services or the app-based worker accepting the offer; (b) the app-based worker sets their own rates; and (c) the network company does not monitor offers by mileage or time. On-demand network companies and companies that primarily provide delivery services are not marketplace network companies.

When determining whether a network company is “primarily engaged in facilitating or presenting pre-scheduled offers in which: (a) the application or platform enables the prospective customer and app-based worker to exchange information about the scope and details of services to be performed, prior to the customer

placing the online order for those services or the app-based worker accepting the offer; (b) the app-based worker sets their own rates; and (c) the network company does not monitor offers by mileage or time” the Agency may consider any number of factors, including but not limited to the following examples: number of pre-scheduled offers relative to the network company’s overall offers; how app-based worker rates are set; what information regarding offer mileage or offer time a network company knows before, during, or after performance of an offer; information from app-based workers performing offers through the application or platform; marketing or promotional materials from the network company; or other public statements from representatives of the network company.

“Network company” means an organization, whether a corporation, partnership, sole proprietor, or other form, operating in Seattle, that uses an online-enabled application or platform, such as an application dispatch system, to connect customers with app-based workers, present offers to app-based workers through a worker platform, and/or facilitate the provision of services for compensation by app-based workers.

1. The term “network company” includes any such entity or person acting directly or indirectly in the interest of a network company in relation to the app-based worker.

2. The term “network company” excludes:

a. An entity offering services that enable individuals to schedule appointments with and/or process payments to users, when the entity neither engages in additional intermediation of the relationships between parties to such transactions nor engages in any oversight of service provision;

b. An entity operating digital advertising and/or messaging platforms, when the entity neither engages in intermediation of the payments or relationships between parties to resulting transactions nor engages in any oversight of service provision;

c. An entity that meets the definition of “transportation network company” (TNC) as defined by RCW 46.04.652 as amended; or

d. An entity that meets the definition of “for hire vehicle company” or “taxicab

association” as defined in Section 6.310.110.

“Network company payment” means the amount owed to an app-based worker by reason of performing services in furtherance of an offer facilitated or presented by the network company, including but not limited to payment for providing services and/or commissions, or participating in any training program required by a network company.

“Offer” means one or more online orders presented to an app-based worker as one opportunity to perform services for compensation that the app-based worker may accept or reject.

1. An opportunity to perform services for compensation includes but is not limited to an opportunity described via a worker platform as a shift, a period of time to be spent engaged in service provision, a continuous period of time in which the app-based worker must make themselves available to perform services, or any other continuous period of time when the worker is not completely relieved of the duty to perform the service(s), and such a period of time shall be considered as one offer.

2. The term “offer” includes “pre-scheduled offers” and “on-demand offers.”

“On-demand network company” means a network company that is primarily engaged in facilitating or presenting on-demand offers to app-based workers.

1. The term “on-demand network company” includes but is not limited to a network company operating in Seattle that is primarily engaged in facilitating or presenting on-demand offers to app-based workers for delivery services from one or more of the following: (a) eating and drinking establishments; (b) food processing establishments; (c) grocery stores; or (d) any facility supplying groceries or prepared food and beverages for an online order.

2. When determining whether a network company is “primarily engaged in facilitating or presenting on-demand offers to app-based workers,” the Agency may consider any number of factors, including but not limited to the following examples: number of on-demand offers relative to the network company’s overall offers; information from app-based workers; marketing or promotional materials from the network

company; or other public statements from representatives of the network company.

“On-demand offer” means an offer facilitated or presented by a network company to an app-based worker that requires performance to be initiated within two hours of acceptance (i.e., an offer that is not a prescheduled offer).

“Online order” means an order for services that is placed through an online-enabled application or platform, such as an application dispatch system, and that is facilitated or presented by a network company or presented by a network company for its own benefit. The Director may issue rules further defining the definition of “online order” and the types of transactions excluded from this definition. The term “online order” does not include the following transactions:

1. Sale or rental of products or real estate;
2. Payment in exchange for a service subject to professional licensure that has been listed by the Director pursuant to Section 8.37.020;
3. Payment in exchange for services wholly provided digitally;
4. Payment in exchange for creative services or works;
5. TNC dispatched trips. For purposes of this definition, “TNC dispatched trips” mean the provision of transportation by a driver for a passenger through the use of a transportation network company's application dispatch system; and
6. Transportation provided by taxicabs or for-hire vehicles, as defined in Chapter 6.310.

“Operating in Seattle” means, with respect to a network company, facilitating or presenting offers to provide services for compensation using an online-enabled application or platform, such as an application dispatch system, to any app-based worker, where such services are performed in whole or part in Seattle.

“Paid safe time” means accrued days of paid leave provided by a network company for use by an app-based worker for any of the reasons specified in subsection 8.39.060.A.2, for which time an app-based worker shall be compensated at the app-based worker’s average daily compensation.

1. For purposes of determining eligibility for “paid safe time” under subsection 8.39.060.A.2.c, “family member” means a child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling.

a. “Child” means a biological child, adopted child, foster child, stepchild, or a child to whom an app-based worker stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status.

b. “Parent” means a biological parent, adoptive parent, de facto parent, foster parent, stepparent, or legal guardian of an app-based worker or the app-based worker’s spouse or registered domestic partner, or a person who stood in loco parentis when the app-based worker was a minor child.

2. For purposes of determining eligibility for “paid safe time” under subsection 8.39.060.A.2.d:

a. “Family member” means, as defined in RCW 49.76.020 as amended (wherever that section uses the term “employee,” that term shall be substituted with “app-based worker” as defined by this Section 8.39.020), any individual whose relationship to the app-based worker can be classified as a child, spouse, parent, parent-in-law, grandparent, or person with whom the app-based worker has a dating relationship.

b. “Household members” means, spouses, domestic partners, former spouses, former domestic partners, persons who have a child in common regardless of whether they have been married or have lived together at any time, adult persons related by blood or marriage, adult persons who are presently residing together or who have resided together in the past, persons 16 years of age or older who are presently residing together or who have resided together in the past and who have or have had a dating relationship, persons 16 years of age or older with whom a person 16 years of age or older has or has had a dating relationship, and persons who have a biological or legal parent-child relationship, including stepparents and stepchildren and grandparents and grandchildren.

c. “Domestic violence” means:

1) Physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, between family or household members;

2) Sexual assault of one family or household member by another; or

3) Stalking of one family or household member by another family or household member.

d. “Stalking” means stalking as defined in RCW 49.76.020 as amended.

e. “Dating relationship” means a social relationship of a romantic nature, as defined in RCW 49.76.020, as amended.

f. “Sexual assault” means sexual assault as defined in RCW 49.76.020 as amended.

“Paid sick time” means accrued days of paid leave provided by a network company for use by an app-based worker for any of the reasons authorized in subsection 8.39.060.A.1, for which time an app-based worker shall be compensated at the app-based worker’s average daily compensation.

1. For purposes of determining eligibility for “paid sick time,” “family member” means a child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling.

a. “Child” means a biological child, adopted child, foster child, stepchild, or a child to whom an app-based worker stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status.

b. “Parent” means a biological parent, adoptive parent, de facto parent, foster parent, stepparent, or legal guardian of an app-based worker or the app-based worker’s spouse or registered domestic partner, or a person who stood in loco parentis when the app-based worker was a minor child.

“Pre-scheduled offer” means an offer that is facilitated or presented by a network company to an app-based worker at least two hours prior to when the app-based worker is required to initiate performance.

“Rate of inflation” means 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and Clerical Workers, termed CPI-W,

for the 12-month period ending in August, provided that the percentage increase shall not be less than zero.

“Respondent” means a network company or any person who is alleged or found to have committed a violation of this Chapter 8.39.

“Successor” means any person to whom a network company quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys in bulk and not in the ordinary course of the network company’s business, a major part of the property, whether real or personal, tangible or intangible, of the network company’s business. For purposes of this definition, “person” means an individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, corporation, business trust, partnership, limited liability partnership, company, joint stock company, limited liability company, association, joint venture, or any other legal or commercial entity.

“Tips” means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of some service performed for the customer by the app-based worker receiving the tip.

“Verification” means evidence that establishes or confirms that an app-based worker’s use of paid sick and paid safe time is for an authorized purpose under Section 8.39.060.

“Work-related stop in Seattle” means a commercial stop in Seattle that is related to an app-based worker’s performance of services in furtherance of an offer facilitated or presented by a network company, and does not include stopping for refueling, stopping for a personal meal or errands, or time spent in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle with no commercial stops in Seattle.

“Worker platform” means the worker-facing application dispatch system software or any online-enabled application service, website, or system, used by an app-based worker, that enables the arrangement of services for compensation.

“Written” or “writing” means a printed or printable communication in physical or electronic format, including but not limited to a communication that is transmitted through email, text message, or a computer

system, or is otherwise sent or maintained electronically, including via the worker platform.

8.39.030 App-based worker coverage

A. For the purposes of this Chapter 8.39, covered app-based workers are limited to those who perform services in furtherance of an offer facilitated or presented by a covered network company, where those services are performed in whole or part in Seattle.

B. Services performed “in Seattle” shall include a work-related stop in Seattle.

C. App-based workers who are employees under Chapter 14.16 for covered network companies are not covered app-based workers under this Chapter 8.39. Network companies must provide such app-based workers with paid sick and paid safe time in accordance with their obligations in Chapter 14.16.

8.39.040 Network company coverage

A. For the purposes of this Chapter 8.39, covered network companies are limited to those that facilitate work performed by 250 or more app-based workers worldwide, regardless of where those workers perform work, including but not limited to chains, integrated enterprises, or franchises associated with a franchise or network of franchises that facilitate work performed by 250 or more app-based workers worldwide in aggregate.

1. From May 1, 2023 to January 12, 2024, only food delivery network companies as defined and covered by Ordinance 126091, last amended by Ordinance 126123, are covered by this Chapter 8.39.

2. Beginning January 13, 2024, covered network companies include any network company.

B. To determine the number of app-based workers performing work for the current calendar year:

1. The calculation is based upon the average number per calendar week of app-based workers who worked for compensation during the preceding calendar year for any and all weeks during which at least one app-based worker worked for compensation.

2. For network companies that did not have any app-based workers during the preceding calendar year, the number of app-based workers counted for the current calendar year is calculated based upon

the average number per calendar week of app-based workers who worked for compensation during the first 90 calendar days of the current year in which the network company engaged in business.

3. If a network company quits, sells out, exchanges, or disposes the network company's business, or the network company's business is otherwise acquired by a successor, the number of app-based workers hired for the current calendar year for the successor network company is calculated based upon the average number per calendar week of app-based workers who worked for compensation during the first 90 calendar days of the current year in which the successor network company engaged in business.

4. All app-based workers who worked for compensation shall be counted, including but not limited to:

- a. App-based workers who are not covered by this Chapter 8.39;
- b. App-based workers who worked in Seattle; and
- c. App-based workers who worked outside Seattle.

C. Separate entities that form an integrated enterprise shall be considered a single network company under this Chapter 8.39. Separate entities will be considered an integrated enterprise and a single network company under this Chapter 8.39 where a separate entity controls the operation of another entity. The factors to consider in making this assessment include, but are not limited to:

1. Degree of interrelation between the operations of multiple entities;
2. Degree to which the entities share common management;
3. Centralized control of labor relations; and
4. Degree of common ownership or financial control over the entities.
5. Use of a common brand, trade, business, or operating name.

D. For the purposes of this Chapter 8.39, covered network companies do not include any company that meets the definition of a marketplace network company.

8.39.050 Accrual of paid sick and paid safe time

A. An app-based worker who accrued paid sick leave under Ordinance 126091 shall retain all accrued, unused paid sick and paid safe time and is entitled to use such paid sick and paid safe time as provided in this Chapter 8.39.

B. App-based workers shall accrue at least one day of paid sick and paid safe time for every 30 days worked.

1. Network companies may, but are not required to, frontload paid sick and paid safe time to an app-based worker in advance of the accrual required by this subsection 8.39.050.B.

a. Frontloaded paid sick and paid safe time shall meet requirements for accrual, use, and carry-over, and shall otherwise comply with the provisions of this Chapter 8.39.

b. Network companies shall correct any discrepancies, between the frontloaded paid sick and paid safe time and the amount of paid sick and paid safe time required by this subsection 8.39.050.B, as soon as practicable and no later than 30 days after the network company identifies the discrepancy or after an app-based worker provides notice to the network company of the discrepancy.

c. Network companies shall not request or require reimbursement from an app-based worker who uses frontloaded paid sick and paid safe time that exceeds the amount of paid sick and paid safe time the app-based worker would have accrued absent frontloading.

C. Network companies shall allow app-based workers to carry over at least nine days of accrued, unused paid sick and paid safe time to the following year.

1. For the purposes of this subsection 8.39.050.C, “year” means calendar year, unless otherwise established by the network company in the written policy and procedure required by subsection 8.39.100.B to mean fiscal year, service year, or any other fixed consecutive 12-month period established and used in the ordinary course of the network company’s business for the purpose of calculating compensation to app-based workers.

2. If the network company transitions from one type of year to another for the purpose of

carrying-over accrued, unused paid sick and paid safe time, the network company shall ensure that the transition process maintains the accrual, use, carry-over, and other requirements of this Chapter 8.39.

3. If an app-based worker carries over unused paid sick and paid safe time to the following year, accrual of paid sick and paid safe time in the subsequent year shall be in addition to the hours accrued in the previous year and carried over.

4. Network companies may allow for a more generous carry over of accrued, unused paid sick and paid safe time to the following year.

D. If a network company quits, sells out, exchanges, or disposes the network company's business, or the network company's business is otherwise acquired by a successor, an app-based worker shall retain all accrued, unused paid sick and paid safe time and is entitled to use such paid sick and paid safe time as provided in this Chapter 8.39 as an app-based worker for the successor network company.

8.39.060 Use of paid sick time and paid safe time

A. An app-based worker is entitled to use paid sick and paid safe time for an authorized purpose, as described in this Section 8.39.060.

1. An app-based worker is authorized to use paid sick time for the following reasons:

a. For a personal mental or physical illness, injury, or health condition; to accommodate the app-based worker's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an app-based worker's need for preventive medical care; and

b. For care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care of a family member who needs preventive medical care.

2. An app-based worker is authorized to use paid safe time for the following reasons:

a. When the network company has suspended or otherwise discontinued operations by order of a public official, for any health-related reason, to limit exposure to an infectious agent, biological

toxin, or hazardous material;

b. When the network company has reduced, suspended, or otherwise discontinued operations for any health- or safety-related reason;

c. When the app-based worker's family member's school or place of care has been closed; and

d. For any of the following reasons related to domestic violence, sexual assault, or stalking, as set out in RCW 49.76.030 as amended. For the purposes of this Chapter 8.39, wherever RCW 49.76.030 uses the term "employee," that term shall be substituted with "app-based worker" as defined by Section 8.39.020.

1) To enable the app-based worker to seek legal or law enforcement assistance or remedies to ensure the health and safety of the app-based worker or the app-based worker's family or household members, including but not limited to, preparing for, or participating in, any civil or criminal legal proceeding related to or derived from domestic violence, sexual assault, or stalking;

2) To enable the app-based worker to seek treatment by a health care provider for physical or mental injuries caused by domestic violence, sexual assault, or stalking, or to attend to health care treatment for a victim who is the app-based worker's family or household member;

3) To enable the app-based worker to obtain, or assist a family or household member in obtaining, services from a domestic violence shelter, rape crisis center, or other social services program for relief from domestic violence, sexual assault, or stalking;

4) To enable the app-based worker to obtain, or assist a family or household member in obtaining, mental health counseling related to an incident of domestic violence, sexual assault, or stalking, in which the app-based worker or the app-based worker's family or household member was a victim of domestic violence, sexual assault, or stalking; or

5) To enable the app-based worker to participate in safety planning, temporarily

or permanently relocate, or take other actions to increase the safety of the app-based worker or app-based worker's family or household members from future domestic violence, sexual assault, or stalking.

B. An app-based worker is entitled to use accrued paid sick and paid safe time if the app-based worker has performed services in whole or part in Seattle within 90 calendar days preceding the app-based worker's request to use paid sick and paid safe time. An app-based worker is entitled to use paid sick and paid safe time during a deactivation or other status that prevents work for the network company, unless such status is due to a verified allegation of sexual assault perpetrated by the app-based worker.

C. Network companies shall establish an accessible system for app-based workers to understand, request, and use their paid sick and paid safe time. Network companies shall make this system available to the app-based worker via smartphone application or online web portal. The Director may issue rules defining reasonable criteria or requirements for this system to ensure that app-based workers have sufficient information to understand and readily access their paid sick and paid safe time, including but not limited to criteria or requirements for the system to include the written notice of rights required by Section 8.39.100, clear instructions and procedures, timely responses to app-based worker requests to use paid sick and paid safe time, ongoing access to paid sick and safe time information (e.g., accrued, used, and available PSST; rate of average daily compensation), and transparent information on days worked and earnings to show the basis for calculating paid sick and paid safe time information. Any rules issued by the Director pursuant to this subsection 8.39.060.C shall go into effect no earlier than January 13, 2024.

D. Network companies shall make accrued days of paid sick and paid safe time available for use as soon as practicable and no more than one week after the date of accrual. The network company shall provide accrued, available paid sick and paid safe time upon an app-based worker's request. An app-based worker is entitled to request one or more accrued days of paid sick and paid safe time for immediate use, including consecutive days of use. The app-based worker shall provide notice of the request to use paid sick time and paid safe time as soon as practicable.

1. Network companies shall compensate the app-based worker for the requested day(s) of paid sick time and paid safe time no later than 14 calendar days or the next regularly scheduled date of compensation following the requested day(s) of paid sick and paid safe time, whichever date is sooner.

2. Network companies shall not request or require reasonable verification except as provided under subsection 8.39.060.F or 8.39.060.G. If verification is required by the network company, the app-based worker must be compensated for the requested day(s) of paid sick and paid safe time no later than the app-based worker's next regularly scheduled date of compensation after the verification is provided.

E. Accrued days of paid sick and paid safe time shall be used in increments of 24 hours.

1. Network companies shall provide the app-based worker with notice, via smartphone application, online web portal or personal log-in, of the duration of their 24-hour increment for use of the paid sick and paid safe time.

2. If an app-based worker performs services in furtherance of an offer facilitated or presented by the network company during the 24-hour period(s) for which the app-based worker requested day(s) of paid sick and paid safe time, a network company may determine that the app-based worker did not use paid sick and paid safe time for an authorized purpose and may follow procedures under subsection 8.39.060.I to withhold compensation for the requested day(s) of paid sick and paid safe time.

F. When an app-based worker uses more than three consecutive days of paid sick and paid safe time, network companies may require reasonable verification that the app-based worker used paid sick time and paid safe time for an authorized purpose covered by subsection 8.39.060.A.1 or 8.39.060.A.2. Network companies are prohibited from requesting verification until an app-based worker uses more than three consecutive days of paid sick and paid safe time.

1. A network company shall provide the app-based worker with a reasonable time period to provide verification; a "reasonable time period" shall be defined by a network company's written policy and procedure required by subsection 8.39.100.B and shall not be less than ten calendar days following the first day

of the app-based worker's use of paid sick and paid safe time.

2. A network company's requirements for verification shall not result in an unreasonable burden or expense on the app-based worker and shall not intrude upon the app-based worker's privacy.

a. When requiring verification, a network company shall notify the app-based worker of the right to provide an oral or written explanation asserting that the app-based worker used paid sick and paid safe time for an authorized purpose and describing how the network company's verification requirement would create an unreasonable burden or expense.

b. If the app-based worker provides an explanation, a network company shall respond within ten calendar days and shall provide alternatives for the app-based worker to meet the verification requirement in a manner that does not result in an unreasonable burden or expense on the app-based worker. Examples of such alternatives include: (i) a network company's acceptance of an app-based worker's oral or written statement that the app-based worker used paid sick time for an authorized purpose; (ii) a network company's acceptance of documentation from a different source than identified in the initial verification requirement, such as documentation from a service provider indicating that the app-based worker used paid sick time or paid safe time for an authorized purpose; or (iii) a network company's payment for at least half the cost of the app-based worker's out-of-pocket expenses to obtain the verification.

G. For reasonable verification of paid sick time, a network company may require documentation signed by a health care provider indicating that the app-based worker's use of paid sick time was necessary; a network company shall not request or require that the documentation explain the nature of the illness, injury, health condition, or preventive care.

H. For reasonable verification of paid safe time:

1. A network company may require that requests under subsections 8.39.060.A.2.a through 8.39.060.A.2.c be supported by verification of a notice of reduced operations or closure and the app-based worker may satisfy this verification request by providing the notice, or a copy of the notice, in whatever format

the app-based worker received it.

2. A network company may require that requests under subsection 8.39.060.A.2.d be supported by verification that the app-based worker or app-based worker's family or household member is a victim of domestic violence, sexual assault, or stalking, and that the leave taken was for one of the purposes covered by subsection 8.39.060.A.2.d. An app-based worker may satisfy this verification requirement by one or more of the following methods:

a. An app-based worker's written statement that the app-based worker or the app-based worker's family or household member is a victim of domestic violence, sexual assault, or stalking and that the leave taken was for one of the purposes of subsection 8.39.060.A.2.d;

b. A police report indicating that the app-based worker or app-based worker's family or household member was a victim of domestic violence, sexual assault, or stalking;

c. A court order protecting or separating the app-based worker or app-based worker's family or household member from the perpetrator of the act of domestic violence, sexual assault, or stalking, or other evidence from the court or the prosecuting attorney that the app-based worker or app-based worker's family or household member appeared, or is scheduled to appear, in court in connection with an incident of domestic violence, sexual assault, or stalking; or

d. Documentation that the app-based worker or app-based worker's family or household member is a victim of domestic violence, sexual assault, or stalking, from any of the following persons from whom the app-based worker or app-based worker's family or household member sought assistance in addressing the domestic violence, sexual assault, or stalking: an advocate for victims of domestic violence, sexual assault, or stalking; an attorney; a member of the clergy; or a medical or other professional. The provision of documentation under subsection 8.39.060.H does not waive or diminish the confidential or privileged nature of communications between a victim of domestic violence, sexual assault, or stalking with one or more of the individuals named in subsection 8.39.060.H.

e. Any verification requirements for use of paid safe time under subsection 8.39.060.A.2.d shall comply with the provisions outlined in WAC 296-135-070 <<https://app.leg.wa.gov/wac/default.aspx?cite=296-135-070>> as amended. For the purposes of this Chapter 8.39, wherever WAC 296-135-070 uses the terms “employee” and “employer,” those terms shall be substituted with “app-based worker” and “network company” respectively, as defined by Section 8.39.020.

I. If a network company can demonstrate that the app-based worker did not use paid sick and paid safe time for an authorized purpose covered by subsection 8.39.060.A.1 or 8.39.060.A.2, the network company may withhold compensation for the days paid sick and paid safe time, subject to the following conditions:

1. The network company shall provide the app-based worker with written notification, in a format that is readily accessible to the app-based worker, of the network company’s decision to withhold compensation and shall provide a method of contact and accessible procedure for the app-based worker to contest the withholding of compensation and to assert that the app-based worker’s use of paid sick and paid safe time was for an authorized purpose.

2. The network company shall not subsequently restrict the app-based worker’s future use of such paid sick and safe time or deduct it from the app-based worker’s days of paid sick and paid safe time available for use.

3. The network company shall not take adverse action against the app-based worker, other than withholding compensation for the applicable days of paid sick and paid safe time.

J. Network companies may not request or require, as a condition of an app-based worker taking paid sick and paid safe time, that the app-based worker search for or find a replacement app-based worker to cover the day(s) during which the app-based worker uses paid sick and paid safe time.

K. Nothing in this Chapter 8.39 shall be construed to prohibit a network company from establishing a policy whereby app-based workers may donate unused accrued paid sick and paid safe time to another app-based worker.

L. Network companies shall provide each app-based worker with written notification of their paid sick and paid safe time information.

1. The notification shall include the following:

a. The current rate of average daily compensation for use of paid sick and paid safe time;

b. An updated amount of accrued paid sick and paid safe time since the last notification, reduced by paid sick and paid safe time used since the last notification; and

c. Any unused paid sick and paid safe time available for use.

2. Network companies shall provide this notification no less than monthly.

3. Network companies may choose a reasonable system for providing this notification, including but not limited to, an email, a pay stub, a weekly summary of compensation information, or the accessible system required by subsection 8.39.060.C where app-based workers can access their own paid sick and paid safe time information via smartphone application or online web portal. If the accessible system required by subsection 8.39.060.C is used to provide this notification, network companies shall affirmatively inform app-based workers where and how to access this information. The Director may issue rules clarifying network company requirements for affirmatively providing notification through the accessible system required by subsection 8.39.060.C.

4. Network companies are not required to provide this notification to an app-based worker if the app-based worker has not worked any days since the last notification.

8.39.070 Confidentiality and nondisclosure

A. Except as provided in subsection 8.39.070.B, a network company shall maintain the confidentiality of information provided by the app-based worker or others in support of an app-based worker's request for paid sick and paid safe time under this Section 8.39.070, including but not limited to health information of the app-based worker or the app-based worker's family member, the fact that the app-based worker or app-based worker's family member is a victim of domestic violence, sexual assault, or stalking, the fact that the app-based worker requested or obtained paid sick and paid safe time under this Chapter 8.39, and any written or oral statement, documentation, record, or corroborating evidence provided by the app-based worker.

B. Information protected by subsection 8.39.070.A may be disclosed by network companies only if it is:

1. Requested or consented to by the app-based worker;
2. Ordered by a court or administrative agency; or
3. Otherwise required by applicable federal or state law.

8.39.080 Separation from work

A. If an app-based worker separates from work due to inactivity, deactivation, or other reason, and commences working within 12 months of separation by the same network company:

1. Previous work shall be counted for purposes of determining the app-based worker's eligibility to use accrued paid sick time and paid safe time under subsection 8.39.060.B, except that if separation does occur, the total time of work used to determine eligibility under subsection 8.39.060.B shall occur within three years.

2. Previously accrued, unused paid sick and paid safe time shall be retained by the app-based worker and the app-based worker is entitled to use such paid sick and paid safe time, depending upon eligibility under subsection 8.39.060.B.

B. If an app-based worker separates from work and commences work after 12 months of separation by the same network company, the app-based worker is not entitled to retain previously accrued paid sick and paid safe time and for the purposes of this Chapter 8.39 the app-based worker shall be considered to have newly commenced work.

8.39.100 Notice of rights

A. Network companies shall affirmatively provide each app-based worker eligible to accrue paid sick and paid safe time with a written notice of rights established by this Chapter 8.39.

1. The Agency may create and distribute a model notice of rights in English and other languages. If the Agency creates a model notice of rights, network companies shall affirmatively provide such notice according to the schedule outlined in subsection 8.39.100.A.2. However, network companies are responsible for

providing app-based workers with the notice of rights required by this subsection 8.39.100.A, in a form and manner sufficient to inform app-based workers of their rights under this Chapter 8.39, regardless of whether the Agency has created and distributed a model notice of rights. The notice of rights shall provide information on:

- a. The right to paid sick and paid safe time guaranteed by this Chapter 8.39;
- b. The amount of paid sick and paid safe time accrual and the terms of its use guaranteed under this Chapter 8.39;
- c. The right to be protected from retaliation for exercising in good faith the rights protected by this Chapter 8.39; and
- d. The right to file a complaint with the Agency or bring a civil action for violation of the requirements of this Chapter 8.39, including a network company's denial of paid sick time and paid safe time as required by this Chapter 8.39, and a network company or other person's retaliation against an app-based worker or other person for requesting or taking paid sick and paid safe time or otherwise engaging in an activity protected by this Chapter 8.39.

2. Network companies shall affirmatively provide each app-based worker eligible to accrue paid sick and paid safe time with the written notice of rights according to the following schedule:

- a. For each app-based worker working for the network company as of May 1, 2023, network companies shall provide the notice of rights by May 30, 2023.
- b. For each app-based worker hired by the network company after May 1, 2023, network companies shall provide the notice of rights prior to the app-based worker commencing work for the network company.
- c. For each app-based worker, network companies shall provide the notice of rights no less than annually.
- d. If the accessible system required by subsection 8.39.060.C is used to provide notice of rights, network companies shall affirmatively inform app-based workers where and how to access this information.

The Director may issue rules clarifying network company requirements for affirmatively providing notice of rights through the accessible system required by subsection 8.39.060.C.

B. Network companies shall affirmatively provide each app-based worker with written notice of the network company's policy and procedure for meeting the requirements of this Chapter 8.39.

1. The policy and procedure shall provide information on:

- a. The app-based worker's right to paid sick and paid safe time under this Chapter 8.39;
- b. Whether the network company is using a year other than the calendar year for carry-over of accrued, unused paid sick and paid safe time;
- c. The authorized purposes under which paid sick and paid safe time may be used;
- d. The manner of providing app-based workers with written notification of the current rate of average daily compensation for use of paid sick and paid safe time, and an updated amount of accrued, reduced, and available paid sick and paid safe time;
- e. Prohibitions against retaliation for use of paid sick and paid safe time;
- f. If applicable, explanation of:
 - 1) Verification required by the network company for use of paid sick and paid safe time for more than three consecutive days;
 - 2) Shared paid sick and paid safe time program in which an app-based worker may choose to donate paid sick and paid safe time to a co-worker;
 - 3) Policy related to frontloaded paid sick and paid safe time; and
- g. Other information that is material and necessary to effectuate the terms of this Chapter

8.39, pursuant to Director rules.

C. Network companies shall provide the notice of rights required by subsection 8.39.100.A and the policy and procedure required by subsection 8.39.100.B in an electronic format that is readily accessible to the app-based worker. The notices shall be made available to the app-based worker via smartphone application or

online web portal, in English and any language that the network company knows or has reason to know is the primary language of the app-based worker(s). The Director may issue rules governing the form and content of the notice of rights, the manner of its distribution, required languages for its translation, and requirements for network companies to file their notice of rights in a written format with the Agency.

8.39.110 Network company records

A. Network companies shall retain records that document compliance with this Chapter 8.39 for each app-based worker including:

1. Date of commencement of work;
2. Days worked in whole or part in Seattle;
3. Compensation for days worked in whole or part in Seattle;
4. Rates of average daily compensation as calculated every calendar month;
5. Paid sick and paid safe time accrued, and any unused paid sick and paid safe time available for use;
6. Paid sick and paid safe time reductions, including but not limited, to paid sick and paid safe time used, paid sick and paid safe time donated to a co-worker through a shared leave program, or paid sick and paid safe time not carried over to the following year; and
7. Other records that are material and necessary to effectuate the terms of this Chapter 8.39, pursuant to Director rules.

B. Network companies shall retain the records required by subsection 8.39.110.A for three years from the date of days worked or the date of use of paid sick and paid safe time.

C. If a network company fails to retain adequate records required under subsection 8.39.110.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the network company violated this Chapter 8.39 for the periods and for each app-based worker for whom records were not retained.

D. Records and documents relating to verification of paid sick and paid safe time for the app-based

worker or their family members, created for purposes of this Chapter 8.39, shall be kept as confidential medical records in separate files/records from the network company's app-based worker files.

8.39.120 Retaliation prohibited

A. No network company or any other person shall interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under this Chapter 8.39. A network company may not adopt or enforce any policy that counts the use of paid sick and paid safe time as an event that may lead to or result in discipline or other adverse action against the app-based worker.

B. No network company or any other person shall take any adverse action against any person because the person has exercised in good faith the rights protected under this Chapter 8.39. Such rights include but are not limited to the right to use paid sick time and/or paid safe time pursuant to this Chapter 8.39; the right to make inquiries about the rights protected under this Chapter 8.39; the right to inform others about their rights under this Chapter 8.39; the right to inform the person's network company, the person's legal counsel, a union or similar organization, or any other person about an alleged violation of this Chapter 8.39; the right to file an oral or written complaint with the Agency or bring a civil action for an alleged violation of this Chapter 8.39; the right to cooperate with the Agency in its investigations of this Chapter 8.39; the right to testify in a proceeding under or related to this Chapter 8.39; the right to refuse to participate in an activity that would result in a violation of federal, state, or local law; and the right to oppose any policy, practice, or act that is unlawful under this Chapter 8.39.

C. No network company or any other person shall communicate to a person exercising rights protected in this Section 8.39.120, directly or indirectly, the willingness to inform a government employee or contracted organization that the person is not lawfully in the United States, or to report, or to make an implied or express assertion of a willingness to report, suspected citizenship or immigration status of an app-based worker or family member of the app-based worker to a federal, state, or local agency because the app-based worker has exercised a right under this Chapter 8.39.

D. It shall be a rebuttable presumption of retaliation if a network company or any other person takes an adverse action against a person within 90 days of the person's exercise of rights protected in this Section 8.39.120. However, in the case of seasonal work that ended before the close of the 90-day period, the presumption also applies if the network company fails to rehire a former app-based worker at the next opportunity for work in the same position. The network company may rebut the presumption with clear and convincing evidence that the adverse action was taken for a permissible purpose.

E. Proof of retaliation under this Section 8.39.120 shall be sufficient upon a showing that a network company or any other person has taken an adverse action against a person and the person's exercise of rights protected in this Section 8.39.120 was a motivating factor in the adverse action, unless the network company can prove that the action would have been taken in the absence of such protected activity.

F. The protections afforded under this Section 8.39.120 shall apply to any person who mistakenly but in good faith alleges violations of this Chapter 8.39.

G. A complaint or other communication by any person triggers the protections of this Section 8.39.120 regardless of whether the complaint or communication is in writing or makes explicit reference to this Chapter 8.39.

8.39.125 Rulemaking authority

The Director is authorized to administer and enforce this Chapter 8.39. The Director is authorized to promulgate, revise, or rescind rules and regulations deemed necessary, appropriate, or convenient to administer, evaluate and enforce the provisions of this Chapter 8.39 pursuant to Chapter 3.02, providing affected entities with due process of law and in conformity with the intent and purpose of this Chapter 8.39. Any rules promulgated by the Director shall have the force and effect of law and may be relied on by network companies, app-based workers, and other parties to determine their rights and responsibilities under this Chapter 8.39.

8.39.130 Enforcement power and duties

The Agency shall have the power to investigate violations of this Chapter 8.39 and shall have such powers and

duties in the performance of these functions as are defined in this Chapter 8.39 and otherwise necessary and proper in the performance of the same and provided for by law.

8.39.140 Violation

The failure of any respondent to comply with any requirement imposed on the respondent under this Chapter 8.39 is a violation.

8.39.150 Investigation

A. The Agency shall have the power to investigate any violations of this Chapter 8.39 by any respondent. The Agency may prioritize investigations of workforces that are vulnerable to violations of this Chapter 8.39. The Agency may initiate an investigation pursuant to Director rules, including but not limited to situations when the Director has reason to believe that a violation has occurred or will occur, or when circumstances show that violations are likely to occur within a class of network companies or businesses because the workforce contains significant numbers of app-based workers who are vulnerable to violations of this Chapter 8.39 or the workforce is unlikely to volunteer information regarding such violations. An investigation may also be initiated through the receipt by the Agency of a report or complaint filed by an app-based worker or other person.

B. An app-based worker or other person may report to the Agency any suspected violation of this Chapter 8.39. The Agency shall encourage reporting pursuant to this Section 8.39.150 by taking the following measures:

1. The Agency shall keep confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the app-based worker or person reporting the violation. However, with the authorization of such person, the Agency may disclose the app-based worker's or person's name and identifying information as necessary to enforce this Chapter 8.39 or for other appropriate purposes.

2. The Agency may require the network company to post or otherwise notify app-based workers working for the network company that the Agency is conducting an investigation. If required, network

companies shall provide the notice to app-based workers in a form, place, and manner designated by the Agency. The Agency shall create the notice of investigation in English and other languages.

3. The Agency may certify the eligibility of eligible persons for “U” Visas under the provisions of 8 U.S.C. § 1184.p and 8 U.S.C. § 1101.a.15.U. This certification is subject to applicable federal law and regulations, and Director Rules.

C. The Agency's investigation shall commence within three years of the alleged violation. To the extent permitted by law, the applicable statute of limitations for civil actions is tolled during any investigation under this Chapter 8.39 and any administrative enforcement proceeding under this Chapter 8.39 based upon the same facts. For purposes of this Chapter 8.39:

1. The Agency's investigation begins on the earlier date of when the Agency receives a complaint from a person under this Chapter 8.39, or when the Agency provides notice to the respondent that an investigation has commenced under this Chapter 8.39.

2. The Agency's investigation ends when the Agency issues a final order concluding the matter and any appeals have been exhausted; the time to file any appeal has expired; or the Agency notifies the respondent in writing that the investigation has been otherwise resolved.

D. The Agency's investigation shall be conducted in an objective and impartial manner.

E. The Director may apply by affidavit or declaration in the form allowed under RCW 5.50.050 as amended to the Hearing Examiner for the issuance of subpoenas requiring a network company to produce the records required by Section 8.39.110, or for the attendance and testimony of witnesses, or for the production of documents required to be retained under Section 8.39.110, or any other document relevant to the issue of whether any app-based worker or group of app-based workers has been or is afforded proper amounts of paid sick and paid safe time under this Chapter 8.39 and/or to whether a network company has violated any provision of this Chapter 8.39. The Hearing Examiner shall conduct the review without hearing as soon as practicable and shall issue subpoenas upon a showing that there is reason to believe that: a violation has

occurred, a complaint has been filed with the Agency, or that circumstances show that violations are likely to occur within a class of businesses because the workforce contains significant numbers of app-based workers who are vulnerable to violations of this Chapter 8.39 or the workforce is unlikely to volunteer information regarding such violations, or the Agency has gathered preliminary information indicating that a violation may have occurred.

F. A network company that fails to comply with the terms of any subpoena issued under subsection 8.39.150.E in an investigation by the Agency under this Chapter 8.39 before the issuance of a Director's Order issued pursuant to subsection 8.39.160.C may not use such records in any appeal to challenge the correctness of any determination by the Agency of liability, damages owed, or penalties assessed.

G. In addition to other remedies, the Director may refer any subpoena issued under subsection 8.39.150.E to the City Attorney to seek a court order to enforce any subpoena.

H. Where the Director has reason to believe that a violation has occurred, the Director may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing, including but not limited to a deposit of funds or bond sufficient to satisfy a good-faith estimate of compensation, interest, damages, and penalties due. A respondent may appeal any such order in accordance with Section 8.39.180.

8.39.160 Findings of fact and determination

A. Except when there is an agreed upon settlement, the Director shall issue a written determination with findings of fact resulting from the investigation and statement of whether a violation of this Chapter 8.39 has or has not occurred based on a preponderance of the evidence before the Director.

B. If the Director determines that there is no violation of this Chapter 8.39, the Director shall issue a "Determination of No Violation" with notice of an app-based worker or other person's right to appeal the decision, pursuant to Director rules.

C. If the Director determines that a violation of this Chapter 8.39 has occurred, the Director shall issue a

“Director's Order” that shall include a notice of violation identifying the violation or violations.

1. The Director's Order shall state with specificity the amounts due under this Chapter 8.39 for each violation, including payment of unpaid compensation, liquidated damages, civil penalties, penalties payable to aggrieved parties, fines, and interest pursuant to Section 8.39.170.

2. The Director's Order may specify that civil penalties and fines due to the Agency can be mitigated for respondent's timely payment of remedy due to an aggrieved party pursuant to subsection 8.39.170.A.4.

3. The Director's Order may specify that civil penalties and fines are due to the aggrieved party rather than due to the Agency.

4. The Director's Order may direct the respondent to take such corrective action as is necessary to comply with the requirements of this Chapter 8.39, including but not limited to, monitored compliance for a reasonable time period.

5. The Director's Order shall include notice of the respondent's right to appeal the decision pursuant to Section 8.39.180.

8.39.170 Remedies

A. The payment of unpaid compensation, liquidated damages of up to twice the amount of unpaid compensation, civil penalties, penalties payable to aggrieved parties, fines, and interest provided under this Chapter 8.39 is cumulative and is not intended to be exclusive of any other available remedies, penalties, fines, and procedures.

1. The amounts of all civil penalties, penalties payable to aggrieved parties, and fines contained in this Section 8.39.170 shall be increased annually to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amounts and file a schedule of such amounts with the City Clerk.

2. If a violation is ongoing when the Agency receives a complaint or opens an investigation, the

Director may order payment of unpaid compensation plus interest that accrues after receipt of the complaint or after the investigation opens and before the date of the Director's Order.

3. Interest shall accrue from the date the unpaid compensation was first due at 12 percent annum, or the maximum rate permitted under RCW 19.52.020 as amended.

4. If there is a remedy due to an aggrieved party, the Director may waive part or all of the amount of civil penalties and fines due to the Agency based on timely payment of the full remedy due to the aggrieved party.

a. The Director may waive the total amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within ten days of service of the Director's Order.

b. The Director may waive half the amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within 15 days of service of the Director's Order.

c. The Director shall not waive any amount of civil penalties and fines due to the Agency if the Director determines that the respondent has not paid the full remedy due to the aggrieved party after 15 days of service of the Director's Order.

5. When determining the amount of liquidated damages, civil penalties, penalties payable to aggrieved parties, and fines due under this Section 8.39.170 for a settlement agreement or Director's Order, including but not limited to the mitigation of civil penalties and fines due to the Agency for timely payment of remedy due to an aggrieved party under subsection 8.39.170.A.4, the Director may consider:

a. The total amount of unpaid compensation, liquidated damages, penalties, fines, and interest due;

b. The nature and persistence of the violations;

c. The extent of the respondent's culpability;

- d. The substantive or technical nature of the violations;
- e. The size, revenue, and human resources capacity of the respondent;
- f. The circumstances of each situation;
- g. The amount of penalties in similar situations; and
- h. Pursuant to rules that the Director may issue, other factors that are material and

necessary to effectuate the terms of this Chapter 8.39.

B. A respondent found to be in violation of this Chapter 8.39 shall be liable for full payment of unpaid compensation due plus interest in favor of the aggrieved party under the terms of this Chapter 8.39 and other equitable relief.

1. If the precise amount of unpaid compensation cannot be determined due to a respondent's failure to produce records, or if a respondent produces records in a manner or form which makes timely determination of the amount of unpaid compensation impracticable, the Director may:

a. Determine unpaid compensation as a matter of just and reasonable inference, including the use of representative evidence such as testimony or other evidence from representative app-based workers or other aggrieved parties establishing violations for a class of app-based workers or aggrieved parties; or

b. Assess a daily amount for unpaid compensation in a minimum amount of \$150 per accrued day of paid sick and paid safe time owed to the aggrieved party, where a minimum amount of \$150 may be assessed in place of the average daily compensation owed for each day. This amount shall be increased annually to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter.

The Agency shall determine the amounts and file a schedule of such amounts with the City Clerk.

2. For a first violation of this Chapter 8.39, the Director may assess liquidated damages in an additional amount of up to twice the unpaid compensation.

3. For subsequent violations of this Chapter 8.39, the Director shall assess an amount of liquidated damages in an additional amount of twice the unpaid compensation.

4. For purposes of establishing a first and subsequent violation for this Section 8.39.170, the violation must have occurred within ten years of the settlement agreement or Director's Order.

C. A respondent found to be in violation of this Chapter 8.39 for retaliation under Section 8.39.120 shall be subject to any appropriate relief at law or equity including, but not limited to reinstatement of the aggrieved party, front pay in lieu of reinstatement with full payment of unpaid compensation plus interest in favor of the aggrieved party under the terms of this Chapter 8.39, and liquidated damages in an additional amount of up to twice the unpaid compensation. The Director also shall order the imposition of a penalty payable to the aggrieved party of up to \$6,230.88.

D. The Director is authorized to assess civil penalties for a violation of this Chapter 8.39 and may specify that civil penalties are due to the aggrieved party rather than due to the Agency.

1. For a first violation of this Chapter 8.39, the Director may assess a civil penalty of up to \$622.85 per aggrieved party.

2. For a second violation of this Chapter 8.39, the Director shall assess a penalty of up to \$1,245.71 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

3. For a third or any subsequent violation of this Chapter 8.39, the Director shall assess a penalty of up to \$6,230.88 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

4. For purposes of this Section 8.39.170, a violation is a second, third, or subsequent violation if the respondent has been a party to one, two, or more than two settlement agreements, respectively, stipulating that a violation has occurred; and/or one, two, or more than two Director's Orders, respectively, have issued against the respondent in the ten years preceding the date of the violation; otherwise, it is a first violation.

E. The Director is authorized to assess fines for a violation of this Chapter 8.39 and may specify that the fines are due to the aggrieved party rather than due to the Agency. The Director is authorized to assess fines as

follows:

Violation	Fine
Failure to establish an accessible system for an app-based worker to request and use paid sick and paid safe time under subsection 8.39.060.C	\$622.85 per aggrieved party
Failure to provide notification of the current rate of average daily compensation and an updated amount of paid time available for use as paid sick and paid safe time under subsection 8.39.060.L	\$622.85 per aggrieved party
Failure to provide app-based workers with written notice of rights under subsection 8.39.100.A	\$622.85 per aggrieved party
Failure to provide app-based workers with the network company’s written policy and procedure for meeting paid sick and paid safe time requirements under subsection 8.39.100.B	\$622.85 per aggrieved party
Failure to retain network company records for three years under subsections 8.39.110.A and 8.39.110.B	\$622.85 per missing record
Failure to comply with prohibitions against retaliation for exercising rights protected under Section 8.39.120	\$1,245.71 per aggrieved party
Failure to provide notice of investigation to app-based workers under subsection 8.39.150.B.2	\$622.85
Failure to post or distribute public notice of failure to comply with final order under subsection 8.39.210.A.1	\$622.85

The maximum amount that may be imposed in fines in a one-year period for each type of violation listed above is \$6,230.88 per aggrieved party unless a fine for retaliation is issued, in which case the maximum amount that may be imposed is \$24,922.26 per aggrieved party.

F. A respondent who willfully hinders, prevents, impedes, or interferes with the Director or Hearing Examiner in the performance of their duties under this Chapter 8.39 shall be subject to a civil penalty of not less than \$1,245.71 and not more than \$6,230.88.

G. In addition to the unpaid compensation, penalties, fines, liquidated damages, and interest, the Agency may assess against the respondent in favor of the City the reasonable costs incurred in enforcing this Chapter 8.39, including but not limited to reasonable attorney’s fees.

H. A respondent that is the subject of a settlement agreement stipulating that a violation shall count for

debarment, or a final order for which all appeal rights have been exhausted, shall not be permitted to bid, or have a bid considered, on any City contract until such amounts due under the final order have been paid in full to the Director. If the network company is the subject of a final order two times or more within a five-year period, the network company shall not be allowed to bid on any City contract for two years. This subsection 8.39.170.H shall be construed to provide grounds for debarment separate from, and in addition to, those contained in Chapter 20.70 and shall not be governed by that chapter provided that nothing in this subsection 8.39.170.H shall be construed to limit the application of Chapter 20.70. The Director shall notify the Director of Finance and Administrative Services of all network companies subject to debarment under this subsection 8.39.170.H.

8.39.180 Appeal period and failure to respond

A. An app-based worker or other person who claims an injury as a result of an alleged violation of this Chapter 8.39 may appeal the Determination of No Violation, pursuant to Director rules.

B. A respondent may appeal the Director's Order, including all remedies issued pursuant to Section 8.39.170, by requesting a contested hearing before the Hearing Examiner in writing within 15 days of service of the Director's Order. If a respondent fails to appeal the Director's Order within 15 days of service, the Director's Order shall be final. If the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run until 5 p.m. on the next business day.

8.39.190 Appeal procedure and failure to appear

A. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases. The hearing shall be conducted de novo and the Director shall have the burden of proving by a preponderance of the evidence that the violation or violations occurred. Upon establishing such proof, the remedies and penalties imposed by the Director shall be upheld unless it is shown that the Director abused discretion. Failure to appear for a contested hearing shall result in an order being entered finding that the respondent committed the violation

stated in the Director's Order. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying or reversing the Director's Order.

8.39.200 Appeal from Hearing Examiner order

A. The respondent may obtain judicial review of the decision of the Hearing Examiner by applying for a Writ of Review in the King County Superior Court within 30 days from the date of the decision in accordance with the procedure set forth in chapter 7.16 RCW as amended, other applicable law, and court rules.

B. The decision of the Hearing Examiner shall be final and conclusive unless review is sought in compliance with this Section 8.39.200.

8.39.210 Failure to comply with final order

A. If a respondent fails to comply within 30 days of service of any settlement agreement with the Agency, or with any final order issued by the Director or the Hearing Examiner for which all appeal rights have been exhausted, the Agency may pursue, but is not limited to, the following measures to secure compliance:

1. The Director may require the respondent to post or distribute public notice of the respondent's failure to comply in a form and manner determined by the Agency.

2. The Director may refer the matter to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the amounts due.

3. The Director may refer the matter to the City Attorney for the filing of a civil action in King County Superior Court, the Seattle Municipal Court, or any other court of competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the Director may seek to enforce a settlement agreement, a Director's Order or a final order of the Hearing Examiner under Section 8.39.220.

4. The Director may request that the City's Department of Finance and Administrative Services

deny, suspend, refuse to renew, or revoke any business license held or requested by the network company or person until such time as the network company complies with the remedy as defined in the settlement agreement or final order. The City's Department of Finance and Administrative Services shall have the authority to deny, refuse to renew, or revoke any business license in accordance with this subsection 8.39.210.A.4.

B. No respondent that is the subject of a settlement agreement or final order issued under this Chapter 8.39 shall quit business, sell out, exchange, convey, or otherwise dispose of the respondent's business or stock of goods without first notifying the Agency and without first notifying the respondent's successor of the amounts owed under settlement agreement or the final order at least three business days prior to such transaction. At the time the respondent quits business, or sells out, exchanges, or otherwise disposes of the respondent's business or stock of goods, the full amount of the remedy, as defined in the settlement agreement or the final order issued by the Director or the Hearing Examiner, shall become immediately due and payable. If the amount due under the settlement agreement or final order is not paid by respondent within ten days from the date of such sale, exchange, conveyance, or disposal, the successor shall become liable for the payment of the amount due, provided that the successor has actual knowledge of the order and the amounts due or has prompt, reasonable, and effective means of accessing and verifying the fact and amount of the order and the amounts due. The successor shall withhold from the purchase price a sum sufficient to pay the amount of the full remedy. When the successor makes such payment, that payment shall be deemed a payment upon the purchase price in the amount paid, and if such payment is greater in amount than the purchase price the amount of the difference shall become a debt due such successor from the network company.

8.39.220 Debt owed The City of Seattle

A. All monetary amounts due under a settlement agreement or Director's Order shall be a debt owed to the City and may be collected in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies, provided that amounts collected by the City for unpaid compensation,

liquidated damages, penalties payable to aggrieved parties, or front pay shall be held in trust by the City for the aggrieved party and, once collected by the City, shall be paid by the City to the aggrieved party.

B. If a respondent fails to appeal a Director's Order to the Hearing Examiner within the time period set forth in subsection 8.39.180.B, the Director's Order shall be final, and the Director may petition the Seattle Municipal Court, or any court of competent jurisdiction, to enforce the Director's Order by entering judgment in favor of the City finding that the respondent has failed to exhaust its administrative remedies and that all amounts and relief contained in the order are due. The Director's Order shall constitute prima facie evidence that a violation occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 5.50.050 as amended, containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to appeal the Director's Order to the Hearing Examiner within the time period set forth in subsection 8.39.180.B, and therefore has failed to exhaust the respondent's administrative remedies, shall also be admissible without further evidentiary foundation.

C. If a respondent fails to obtain judicial review of an order of the Hearing Examiner within the time period set forth in subsection 8.39.200.A, the order of the Hearing Examiner shall be final, and the Director may petition the Seattle Municipal Court to enforce the Director's Order by entering judgment in favor of the City for all amounts and relief due under the order of the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence that the violations contained therein occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 5.50.050 as amended, containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to avail itself of judicial review in accordance with subsection 8.39.200.A, shall also be admissible without further evidentiary foundation.

D. In considering matters brought under subsections 8.39.220.B and 8.39.220.C, the Seattle Municipal Court may include within its judgment all terms, conditions, and remedies contained in the Director's Order or

the order of the Hearing Examiner, whichever is applicable, that are consistent with the provisions of this Chapter 8.39.

8.39.230 Private right of action

A. Any person or class of persons that suffers an injury as a result of a violation of this Chapter 8.39, or is the subject of prohibited retaliation under Section 8.39.120, may bring a civil action in a court of competent jurisdiction against the network company or other person violating this Chapter 8.39 and, upon prevailing, may be awarded reasonable attorney fees and costs and such legal or equitable relief as may be appropriate to remedy the violation including, without limitation: the payment of any unpaid compensation plus interest due to the person and liquidated damages in an additional amount of up to twice the unpaid compensation; and a penalty payable to any aggrieved party of up to \$6,230.88 if the aggrieved party was subject to prohibited retaliation. Interest shall accrue from the date the unpaid compensation was first due at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020 as amended.

B. For purposes of this Section 8.39.230, “person” includes any entity a member of which has suffered an injury or retaliation, or any other individual or entity acting on behalf of an aggrieved party that has suffered an injury or retaliation.

C. For purposes of determining membership within a class of persons entitled to bring an action under this Section 8.39.230, two or more app-based workers are similarly situated if they:

1. Are or were hired for the same network company or network companies, whether concurrently or otherwise, at some point during the applicable statute of limitations period,
2. Allege one or more violations that raise similar questions as to liability, and
3. Seek similar forms of relief.

D. For purposes of subsection 8.39.230.C, app-based workers shall not be considered dissimilar solely because the app-based workers’:

1. Claims seek damages that differ in amount, or

2. Job titles or other means of classifying app-based workers differ in ways that are unrelated to their claims.

8.39.235 Encouragement of more generous policies

A. Nothing in this Chapter 8.39 shall be construed to discourage or prohibit a network company from the adoption or retention of a paid sick and paid safe time policy more generous than the one required herein.

B. Nothing in this Chapter 8.39 shall be construed as diminishing the obligation of a network company to comply with any contract or other agreement providing more generous protections to an app-based worker than required by this Chapter 8.39.

8.39.240 Other legal requirements-Effect on other laws

A. The provisions of this Chapter 8.39:

1. Supplement and do not diminish or replace any other basis of liability or requirement established by statute or common law;
2. Shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard for minimum labor and compensation requirements, or standard that provides for greater accrual or use by app-based workers of sick or safe time, whether paid or unpaid, or which extends other protections to app-based workers; and
3. Shall not be interpreted or applied so as to create any power or duty in conflict with federal or state law.

B. This Chapter 8.39 shall not be construed to preclude any person aggrieved from seeking judicial review of any final administrative decision or order made under this Chapter 8.39 affecting such person. Nothing in this Section 8.39.240 shall be construed as restricting an app-based worker's right to pursue any other remedies at law or equity for violation of their rights.

8.39.250 Severability

The provisions of this Chapter 8.39 are declared to be separate and severable. If any clause, sentence,

paragraph, subdivision, section, subsection, or portion of this Chapter 8.39, or the application thereof to any network company, app-based worker, person, or circumstance, is held to be invalid, it shall not affect the validity of the remainder of this Chapter 8.39, or the validity of its application to other persons or circumstances.

Section 3. Section 3.02.125 of the Seattle Municipal Code, last amended by Ordinance 126665, is amended as follows:

3.02.125 Hearing Examiner filing fees

A. The filing fee for a case before the City Hearing Examiner is \$85, with the following exceptions:

Basis for Case	Fee in dollars
* * *	
App-Based Worker Minimum Payment Ordinance (Chapter 8.37)	No fee
App-Based Worker Paid Sick and Safe Time Ordinance (Chapter 8.39)	No fee
* * *	

* * *

Section 4. The City Council intends to consider separate legislation that would require marketplace network companies to provide paid sick and paid safe time for app-based workers if, as contemplated by Section 8 of Ordinance 126595, the Council establishes regulations for marketplace network companies to comply with minimum payment, transparency, or flexibility standards for app-based workers.

Section 5. Sections 2 and 3 of this ordinance shall take effect on May 1, 2023.

Section 6. 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 _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this ____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Legislative Department	Karina Bull/206-715-2460	n/a

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to app-based workers in Seattle; establishing labor standards requirements for paid sick and paid safe time for app-based workers working in Seattle; adding a new Chapter 8.39 to the Seattle Municipal Code; and amending Section 3.02.125 of the Seattle Municipal Code.

Summary and Background of the Legislation: In summer 2020, the City of Seattle (City) enacted the PSST for Gig Workers Ordinance ([Ordinance 126091](#)), a labor standard establishing temporary protections for food delivery network company workers and transportation network company (TNC) drivers during the COVID-19 emergency. Since the nature of delivery and transportation services provided by these workers could involve close contact with the public, they were at risk of catching or spreading COVID-19 and other illnesses. However, unlike employees covered by the Paid Sick and Safe Time Ordinance ([Seattle Municipal Code 14.16](#)), these workers did not have a right to paid leave to stay home when sick because network companies hired them as independent contractors.

The PSST for Gig Workers Ordinance established a temporary right for food delivery network company workers and TNC drivers to accrue and use PSST (i.e., paid leave to care for their personal or family member's health conditions and safety needs) and tasked the Office of Labor Standards (OLS) with implementation and enforcement. For TNCs, these requirements ended on January 1, 2023, when a statewide paid sick leave system established by [Engrossed Substitute House Bill \(ESHB\) 2076](#) took effect and (with certain exceptions) preempted the City from regulating the field of TNCs and drivers. For food delivery network company workers, these requirements will end on April 30, 2023.

This legislation would establish a permanent right to PSST for food delivery network company workers and other app-based workers providing services in whole or part in Seattle for network companies. The legislation would largely adopt the framework of the PSST for Gig Workers Ordinance, with a substantive change in coverage and a handful of other changes to improve clarity, align with other labor standards, and facilitate implementation of permanent requirements.

Coverage would expand from food delivery network companies under the PSST for Gig Workers Ordinance to all network companies covered by the App-Based Workers Minimum Payment Ordinance ([Ordinance 126595](#)). To prevent disruption of temporary benefits, the legislation would become effective for food delivery network companies on May 1, 2023, and for other covered network companies on January 13, 2024 (i.e., the effective date of the App-Based Worker Minimum Payment Ordinance).

OLS would implement and enforce these requirements and aggrieved parties would have a private right of action. As with the City’s other labor standards, OLS would be required to commence any investigation within three years of the alleged violation and could order penalties, fines, and unpaid compensation for violations.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Yes. This legislation would establish an implementation and enforcement role for OLS.

To implement and enforce the legislation, OLS estimates \$115,000 in 2023 costs and \$148,000 in ongoing annual costs. Costs in 2023 would cover \$46,000 for initial implementation activities (e.g., creation of model notice of rights and educational documents, translation and interpretation services, rulemaking, outreach, communication campaigns) and \$69,000 for six months of salary for 1.0 FTE Senior Investigator position. On-going annual costs would cover the full year salary for 1.0 FTE Senior Investigator and a reduced scope of outreach. See Attachment B for a budget chart listing OLS’s estimated implementation costs.

Are there financial costs or other impacts of *not* implementing the legislation?

This legislation would establish rights for app-based workers to access paid leave if they are not able to work due to health or safety reasons. There are no financial costs to the City of not implementing the legislation. However, not implementing this legislation could impact the public health, safety and welfare of the community because workers without access to PSST are more likely to work while sick and to miss opportunities to care for their personal and family member’s health or safety needs.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
Yes. OLS would implement and enforce this legislation. The Hearing Examiner would conduct hearings on appeals from respondents and aggrieved parties. There also could be an undetermined number of legal referrals to the City Attorney.
- b. Is a public hearing required for this legislation?**
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- d. Does this legislation affect a piece of property?**
No.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
The Race and Social Justice Initiative (RSJI) is the City’s commitment to eliminating racial disparities and achieving racial equity in Seattle. This legislation is intended to change the underlying system that creates race-based disparities in our community by establishing a right for app-based workers to accrue and use paid leave to stay home and take care of themselves and family members for health and safety reasons. Providing access to paid leave is intended to support recovery from illness, reduce the spread of illness, and enhance financial and health outcomes for workers, their families, and the community.

A 2021 Pew Research Center study found that 16 percent of American adults earned money from app-based work and the rates were higher for those who Black, Indigenous, and other People of Color (BIPOC).¹ While most surveyed workers (68 percent) reported that app-based work was a side job, 31 percent reported that app-based work was their main job during the past year. Surveyed workers also reported being very (15 percent) or somewhat (36 percent) concerned about contracting a contagious illness (e.g., COVID-19) on the job, with BIPOC workers (59 percent) reporting being at least somewhat concerned compared to white workers (38 percent).²

Given that workers may need to miss days of work for health and safety reasons on an ongoing basis (regardless of COVID-19 risks), establishing a permanent right to PSST could provide an important benefit for app-based workers who would otherwise receive no paid leave. This benefit could especially impact BIPOC workers. Black and Latinx workers are

¹ Anderson, Monica; McClain, Colleen; Faverio, Michelle; Gelles-Watnick, Risa. [The State of Gig Work in 2021](#). Pew Research Center, December 2021.

² *Id.*

overrepresented in the app-based industry, comprising almost 42 percent of app-based workers but less than 29 percent of the overall labor force.³

Regarding language access, this legislation would authorize OLS to create and distribute a model “notice of rights” in English and other languages.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?

OLS could publicly share information on outreach and enforcement efforts on its [on-line, interactive dashboard](#). The same metrics publicized for other local labor standards could apply for this legislation (e.g., number of inquiries, number of investigations, amount of remedies). OLS also could contract with community and business organizations to conduct measurable outreach and education efforts on worker rights and network company responsibilities.

³ [Labor Force Statistics from the Current Population Survey: Electronically Mediated Employment](#). U.S. Bureau of Labor Statistics, May 2017.



Legislation Text

File #: CB 120527, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to acceptance of funding from non-City sources; authorizing the heads of various departments to accept and authorize the expenditure of specified grants, private funding, and subsidized loans and to execute, deliver, and perform corresponding agreements; amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; revising project allocations for certain projects in the 2023-2028 CIP; and ratifying and confirming certain prior acts.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. For each item in the following table, the head of the listed department is authorized to accept non-City funding from the listed sources below; and to execute, deliver, and perform, on behalf of The City of Seattle, agreements for the purposes described. The funding, when received, shall be deposited in the receiving fund identified to support, or as reimbursement for, either the appropriations set forth in Section 2 of this ordinance or existing appropriations in the receiving department.

Item	Department	Source	Purpose	Fund	Accept
1.1	Department of Finance and Administrative Services	Bloomberg Philanthropies	This additional grant funding from the Bloomberg Philanthropies I-Teams Procurement Cohort supports procurement innovation and transformation for The City of Seattle.	Finance and Administrative Services Fund (50300)	\$500,000
1.2	Human Services Department	Department of Commerce	Funding to design, construct, and pilot an innovative portative construction type to house the homeless.	Human Services Fund (16200)	\$582,000

1.3	Office of Emergency Management	Washington State Military Department - Emergency Management Division	Emergency Management Performance Grants (EMPGs) support the enhancement, sustainment, and improvement of state, local, and tribal EM programs. This FY22 EMPG provides funding support for three full-time OEM emergency management positions.	General Fund (00100)	\$440,497
1.4	Office of Emergency Management	Department of Homeland Security - FEMA Region 10	This grant supports creation of Puget Sound Resilience Hubs, which are augmented community-led and community-serving spaces to support socially vulnerable communities with coordinated resource distribution and services before, during, or after a catastrophic event. This project will coordinate efforts with all 8 Puget Sound Counties to design a pilot that is scalable for all community types and sizes, to address the needs of people who need support.	General Fund (00100)	\$1,496,750
1.5	Executive (Office of Housing)	Department of Energy	The purpose of the grant is to decarbonize 3-5 affordable housing multifamily buildings.	Low Income Housing Fund (16400)	\$1,050,000

1.6	Seattle Department of Transportation	Federal Highway Administration (FHWA) - FFY 2022 Local Bridge Program Selections	The City of Seattle will repaint the existing steel superstructure and substructure of the Dr. Jose P. Rizal Bridge supports on 12th Ave S and spans across S. Dearborn St. The proposed body of work is to repaint the existing steel superstructure and substructure. As part of the repainting of the structure, the project will also conduct lead abatement to remove the existing lead-based paint that is on the bridge before repainting the bridge with an environmentally friendly paint system.	Transportation Fund (13000)	\$3,150,465
1.7	Seattle Department of Transportation	FHWA	This project will install pedestrian refuge islands, rectangular rapid flashing beacons, crosswalks, curb extensions, and ADA ramps to reduce pedestrian exposure at uncontrolled spot (reactive) locations where a serious injury or fatal pedestrian crash occurred between 2016-2020 or at uncontrolled systemic (proactive) locations that rank within the top 5% of uncontrolled intersections per the BPSA rankings for pedestrian safety.	Transportation Fund (13000)	\$1,330,000

1.8	Seattle Department of Transportation	FHWA	This project will rebuild Harrison St and improve connecting transit corridors to serve high-frequency bus routes and significantly increased pedestrian activity. Primary project elements include roadway upgrades such as repaving and rechannelization, traffic signal upgrades and transit signal priority, transit stops, real-time information signage for transit, trolleywire infrastructure, and enhanced pedestrian realm improvements.	Transportation Fund (13000)	\$4,200,000
1.9	Seattle Department of Transportation	FHWA	This project will construct 1.9 miles of protected bike lane on Airport Way S, S Alaska St and 6th Ave S between S Lucile St and Airport Way S and the intersection of the SODO Trail and S Forest St to connect the Georgetown neighborhood to Downtown Seattle as the final link in a system of trails and protected bike lanes in the SODO area of the Duwamish River Valley.	Transportation Fund (13000)	\$2,370,000

1.10	Seattle Department of Transportation	FHWA	This planning project would lead to TS&L (type, size, and location) for the 4th/Argo Railyard Bridge Replacement following a previous seismic retrofit that identified replacement as the best, most cost-effective option. The replacement structure will consider design elements that will provide for safe and predictable travel for people walking, biking, and driving in cars as well as freight trucks to access jobs and essential services. It will also protect safe, efficient, and cost-effective rail freight mobility for the railyard that this replacement structure will span across.	Transportation Fund (13000)	\$2,400,000
1.11	Seattle Department of Transportation	FHWA	This grant will expand The City of Seattle’s Transportation Demand Management (TDM) programs to reach key underserved or unserved travel markets. The key elements of this work will support TDM programs for event spaces and small businesses, expand SDOT’s wayfinding program, and provide support and guidance to employers to achieve compliance with Seattle’s Commuter Benefit Ordinance.	Transportation Fund (13000)	\$3,820,000

1.12	Seattle Fire Department	Dept of Homeland Security/FEMA	The AFG Grant Program provides financial assistance directly to eligible fire departments, non-affiliated EMS organizations and State Fire Training Academies for critical training and equipment to recognize standards, enhance operational efficiencies, foster inoperability and support community resilience.	General Fund (00100)	\$1,815,609
1.13	Seattle Fire Department	Dept of Homeland Security/FEMA	The object of the Port Security Grant Program is to provide funding to port authorities, facility operators and state and local agencies for activities associated with implementing Area Maritime Security Plans (AMSPs), facility security plans and other port-wide risk management efforts.	General Fund (00100)	\$20,625

1.14	Seattle Fire Department	King County Office of Emergency Management	The State Homeland Security Program (SHSP) provides funds to build capabilities at the State, Local, Tribal and Territorial levels, to enhance National resilience to absorb disruptions and rapidly recover from incidents both natural and manmade as well as to implement the goals and objectives included in State Homeland Security Strategies and Initiatives. Activities implemented under SHSP must support terrorism preparedness by building or enhancing capabilities that relate to the prevention of, protection from, mitigation of, response to, and recovery from terrorism in order to be considered eligible. Many capabilities which support terrorism preparedness simultaneously support preparedness for other hazards.	General Fund (00100)	\$332,192
1.15	Seattle Police Department	Washington Traffic Safety Commission	This item provides funding for overtime related to supplemental traffic enforcement with special emphasis on impaired and distracted driving, seat belt, and motorcycle safety.	General Fund (00100)	\$25,900
1.16	Seattle Police Department	Department of Homeland Security	This grant provides funding for a contract intelligence analyst to support emergency preparedness efforts in King County.	General Fund (00100)	\$85,000

1.17	Seattle Public Utilities	King County Flood Control District	Provides one of a suite of three awarded grants to fund 2023 construction of the Royal Arch Reach Habitat Restoration Project, a component of the Cedar River Habitat Conservation Program Downstream Habitat Program.	Water Fund (43000)	\$275,000
1.18	Seattle Public Utilities	King County Dept of Natural Resources and Parks	Provides one of a suite of three awarded grants to fund 2023 construction of the Royal Arch Reach Habitat Restoration Project, a component of the Cedar River Habitat Conservation Program Downstream Habitat Program.	Water Fund (43000)	\$1,000,000
1.19	Seattle Public Utilities	WA State Recreation and Conservation Office (RCO)	Provides one of a suite of three awarded grants to fund 2023 construction of the Royal Arch Reach Habitat Restoration Project, a component of the Cedar River Habitat Conservation Program Downstream Habitat Program.	Water Fund (43000)	\$2,144,088
1.20	Seattle Public Utilities	King County Flood Control District	Address frequent flooding of four streets lacking drainage infrastructure that impacts pedestrians, bicyclists, vehicles, and several single-family homes in the southeastern portion of Seattle.	Drainage and Wastewater Fund (44010)	\$283,000
1.21	Seattle Fire Department	Department of Homeland Security	This grant assists high-threat, high density Urban Areas in efforts to build, sustain, and deliver the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.	General Fund (00100)	\$1,150,521

1.22	Seattle Police Department	Department of Homeland Security	This grant assists high-threat, high density Urban Areas in efforts to build, sustain, and deliver the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.	General Fund (00100)	\$1,720,258
Total					\$30,191,905

Section 2. Contingent upon the execution of grant or other funding agreements and receipt of the funds authorized in Section 1 of this ordinance, the appropriations in the 2023 Budget for the following items are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	CIP Project/ID	Change to 2023 Appropriations
2.1	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	City Purchasing and Contracting Services (50300-BO-FA-CPCS)		\$500,000
2.2	Human Services Department	Human Services Fund (16200)	Addressing Homelessness (16200-BO-HS-H3000)		\$582,000
2.3	Office of Emergency Management	General Fund (00100)	Office of Emergency Management (00100-BO-EP-10000)		\$440,497
2.4	Office of Emergency Management	General Fund (00100)	Office of Emergency Management (00100-BO-EP-10000)		\$1,496,750
2.5	Executive (Office of Housing)	Low Income Housing Fund (16400)	Homeownership & Sustainability (16400-BO-HU-2000)		\$1,050,000
2.6	Seattle Department of Transportation	Transportation Fund (13000)	Major Maintenance/Replacement (13000-BC-TR-19001)	Bridge Painting Program (MC-TR-C007)	\$3,150,465
2.7	Seattle Department of Transportation	Transportation Fund (13000)	Mobility-Capital (13000-BC-TR-19003)	Vision Zero (MC-TR-C064)	\$1,330,000

2.8	Seattle Department of Transportation	Transportation Fund (13000)	Mobility-Capital (13000-BC-TR-19003)	Harrison St Transit Corridor (MC-TR-C119)	\$4,200,000
2.9	Seattle Department of Transportation	Transportation Fund (13000)	Mobility-Capital (13000-BC-TR-19003)	Bike Master Plan - Protected Bike Lanes (MC-TR-C062)	\$2,370,000
2.10	Seattle Department of Transportation	Transportation Fund (13000)	Major Maintenance/Replacement (13000-BC-TR-19001)	Bridge Rehabilitation and Replacement Phase II (MC-TR-C039)	\$2,400,000
2.11	Seattle Department of Transportation	Transportation Fund (13000)	Mobility Operations (13000-BO-TR-17003)		\$3,820,000
2.12	Seattle Fire Department	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$1,815,609
2.13	Seattle Fire Department	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$20,625
2.14	Seattle Fire Department	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$332,192
2.15	Seattle Police Department	General Fund (00100)	Special Operations (00100-BO-SP-P3400)		\$25,900
2.16	Seattle Police Department	General Fund (00100)	Special Operations (00100-BO-SP-P3400)		\$85,000
2.17	Seattle Public Utilities	Water Fund (43000)	Habitat Conservation Program (43000-BC-SU-C160B)	Downstream Fish Habitat (MC-SU-C1607)	\$275,000
2.18	Seattle Public Utilities	Water Fund (43000)	Habitat Conservation Program (43000-BC-SU-C160B)	Downstream Fish Habitat (MC-SU-C1607)	\$1,000,000
2.19	Seattle Public Utilities	Water Fund (43000)	Habitat Conservation Program (43000-BC-SU-C160B)	Downstream Fish Habitat (MC-SU-C1607)	\$2,144,088

2.20	Seattle Public Utilities	Drainage and Wastewater Fund (44010)	Utility Service and Operations (44010-BO-SU-N200B)		\$283,000
2.21	Seattle Fire Department	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$1,150,521
2.22	Seattle Police Department	General Fund (00100)	Special Operations (00100-BO-SP-P3400)		\$1,720,258
Total					\$30,191,905

Section 3. Item 1.22, appropriated in item 2.22, accepts a grant to improve “the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism as well as other emergency events” in “high-threat, high density Urban Areas.” To further address these threats, the Seattle Police Department is requested to consult with the Office of Inspector General in 2023 to develop a written SPD policy that is consistent with national best practices regarding appropriate use of armored rescue vehicles.

Unspent funds so appropriated shall carry forward to subsequent fiscal years until they are exhausted or abandoned by ordinance.

CIP Project Allocation modifications for Seattle City Light, Seattle Public Utilities, and the Seattle Department of Transportation in this section shall operate for the purposes of increasing or decreasing the base for the limit imposed by subsection 4(c) of Ordinance 126725.

Section 4. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 5. 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 _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth A. Adkisson, Interim City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
City Budget Office	Anna Hurst	

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to acceptance of funding from non-City sources; authorizing the heads of various departments to accept and authorize the expenditure of specified grants, private funding, and subsidized loans and to execute, deliver, and perform corresponding agreements; amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; revising project allocations for certain projects in the 2023-2028 CIP; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This ordinance proposes the acceptance of grants and/or private funds or donations from various agencies and organizations and authorizes the expenditure of funding backed by their respective revenue sources.

During the course of a year, City departments receive grant awards or opportunities for other funding resources that are not anticipated in the Adopted Budget. The City Budget Office formally accepts these funds by compiling departmental grants acceptances and similar agreements in separate ordinances throughout the year.

The attached ordinance contains grant-related requests and spending adjustments to the Adopted Budget received for the first quarter of 2023.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? X Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2023	2024	2023	2024
	\$7,087,352		\$23,104,553	
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
	\$7,087,352		\$23,104,553	

Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024
	0	0	0	0

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
 No.

Is there financial cost or other impacts of *not* implementing the legislation?
 The City would not have available the financial resources that the ordinance accepts.

3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

See Attachment A to this document for additional details.

3.e. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

See Attachment A to this document for additional details.

3.f. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?
 Yes, this legislation impacts a number of departments' 2023 budgets.

b. Is a public hearing required for this legislation?
 No

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
 No

d. Does this legislation affect a piece of property?
 No

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
 Please see Attachment A to this document for additional details.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

Please see Attachment A to this document for additional details.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

Please see Attachment A to this document for additional details.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?

Please see Attachment A to this document for additional details.

List attachments/exhibits below:

Summary Attachment A – 2023 Q1 Grants Detail Table

Item	Department	Source	Description	Fund	Budget Summary Level / BCL Code	Capital Project / ID	Accept	Appropriate
1.1	Department of Finance and Administrative Services	Bloomberg Philanthropies	This item increases grant-backed appropriation authority by \$500,000 in the Department of Finance and Administrative Services in the Finance and Administrative Services Fund City Purchasing and Contracting Services Budget Control Level (50300-BO-FA-CPCS). This \$500,000 of a \$1,000,000 grant from Bloomberg Philanthropies will provide funds for the digital transformation initiative. Digital transformation will be scoped during the grant period. Examples of ways cities might use digital transformation funds include but are not limited to purchasing a new software or IT solution that digitizes key aspects of the procurement or contract management process (e.g., a new online portal for vendor registration, implementation of a digital survey tool to complete vendor performance evaluations); integration of contracting data across disperse IT systems; or digitization of RFP or contracting documents. The remaining \$500,000 was appropriated through Ordinance 126635 (Items 1.1 and 1.2) in 2022 and is being used for procurement innovations including Citywide Women and Minority-Owned Businesses (WMBE) trainings, production of procurement training materials, and vendor engagement.	Finance and Administrative Services Fund (50300)	City Purchasing and Contracting Services (50300-BO-FA-CPCS)		\$500,000	\$500,000
1.2	Human Services Department	Department of Commerce	This item accepts grant funding and increases appropriation in the Addressing Homelessness Human Services Fund Budget Control Level (HSD - BO-HS-H3000-16200). The grant is from the Washington State Commerce Department for \$600,000; the total amount of the grant, less the fee, is - \$582,000. The grant was appropriated in the 2016 state supplemental capital budget and needs to be spent by June 2023 on costs to design, construct, and pilot an innovative portative construction type to house the homeless. The funds can be used on past projects going back to 2013 as long as the expense is an eligible use of funds.	Human Services Fund (16200)	Addressing Homelessness (16200-BO-HS-H3000)		\$582,000	\$582,000
1.3	Office of Emergency Management	Washington State Military Dept- Emergency Mgmt Division	This item increases appropriation authority in the Office of Emergency Management BSL (00100-BO-EP-10000) by \$440,497 to support the enhancement, sustainment and improvement of the City of Seattle’s emergency management program. This grant provides funding support for three full-time OEM emergency management positions. The terms of this grant run from June 1st, 2022 to September 30th, 2023 and has a matching requirement of \$440,497 provided by OEM’s general fund budget.	General Fund (00100)	Office of Emergency Management (00100-BO-EP-10000)		\$440,497	\$440,497
1.4	Office of Emergency Management	Department of Homeland Security - FEMA Region 10	This item increases appropriation authority in the Office of Emergency Management BSL (00100-BO-EP-10000) by \$1,496,750 from FEMA Region 10 to support creation of Puget Sound Resilience Hubs in coordination with 8 Puget Sound Counties.	General Fund (00100)	Office of Emergency Management (00100-BO-EP-10000)		\$1,496,750	\$1,496,750

Item	Department	Source	Description	Fund	Budget Summary Level / BCL Code	Capital Project / ID	Accept	Appropriate
1.5	Office of Housing	Department of Energy	This item increases appropriation authority by \$1,050,000 in the Office of Housing will provide additional appropriation authority to the Office of Housing Low Income Housing (16400) Homeownership and Sustainability Budget Control Level (OH-BO-HU-2000). This grant will support the decarbonization of multifamily affordable housing. This item will align the departments appropriation authority with the Department of Energy grant award amount of \$1,800,000. Council accepted the initial share of this grant and appropriated \$750,000 in CB 120452 as part of the 2023 Adopted Budget Legislation; this appropriation authority can be referenced in the Att A - 2023 Proposed Budget Grant Acceptance Detail Table, item 1.48. This item will provide the remaining acceptance and appropriation amount of \$1,050,000.	Low Income Housing Fund (16400)	Homeownership & Sustainability (16400-BO-HU-2000)		\$1,050,000	\$1,050,000
1.6	Seattle Department of Transportation	Federal Highway Administration - FFY 2022 Local Bridge Program Selections	This item accepts and increases appropriation authority by \$3,150,465 in the Seattle Department of Transportation (SDOT) Transportation Fund Major Maintenance/Replacement Budget Control Level (13000-BC-TR-19001). This grant will fund the Bridge Painting - Jose Rizal project. The project is currently in design and will move to construction in late 2023/early 2024. The funding is provided from the Federal Highways Administration (FHWA) RFFY 2022 Local Bridge Program Selections. The grant does not require local match as federally eligible costs will be reimbursed at 100%.	Transportation Fund (13000)	Major Maintenance/Replacement (13000-BC-TR-19001)	Bridge Painting Program (MC-TR-C007)	\$3,150,465	\$3,150,465
1.7	Seattle Department of Transportation	FHWA	This item accepts and increases appropriation authority by \$1,330,000 in the Seattle Department of Transportation (SDOT) Transportation Fund Mobility-Capital Budget Control Level (13000-BC-TR-19003). This grant will fund the design phase of pedestrian crossing improvements under the Vision Zero project in 2023. The funding is from the Federal Highways Administration (FHWA) Highway Safety Improvement Program (HSIP) grant program. The grant does not require a local match and the project is eligible for 100% HSIP funding for all phases authorized prior to April 30, 2026.	Transportation Fund (13000)	Mobility-Capital (13000-BC-TR-19003)	Vision Zero (MC-TR-C064)	\$1,330,000	\$1,330,000
1.8	Seattle Department of Transportation	FHWA	This item accepts and increases appropriation authority by \$4,200,000 in the Seattle Department of Transportation (SDOT) Transportation Fund Mobility-Capital Budget Control Level (13000-BC-TR-19003). The grant will support the design of Harrison St Transit Pathway project starting in late 2023. The funding is provided from the Federal Highways Administration (FHWA) Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) grant program. The grant does not require local match as federally eligible costs will be reimbursed at 100%.	Transportation Fund (13000)	Mobility-Capital (13000-BC-TR-19003)	Harrison St Transit Corridor (MC-TR-C119)	\$4,200,000	\$4,200,000

Item	Department	Source	Description	Fund	Budget Summary Level / BCL Code	Capital Project / ID	Accept	Appropriate
1.9	Seattle Department of Transportation	FHWA	This item accepts and increases appropriation authority by \$2,370,000 in Seattle Department of Transportation (SDOT) Transportation Fund Mobility-Capital Budget Control Level (13000-BC-TR-19003). This grant will fund the Georgetown to Downtown Protected Bike Lane project. The project is currently in design and the grant will support construction scheduled to start in late 2023. The funding is provided from the Federal Highways Administration (FHWA) Surface Transportation Block Grant Program (STP) grant program. The grant requires a 13.5% local match, which has been budgeted.	Transportation Fund (13000)	Mobility-Capital (13000-BC-TR-19003)	Bike Master Plan - Protected Bike Lanes (MC-TR-C062)	\$2,370,000	\$2,370,000
1.10	Seattle Department of Transportation	FHWA	This item accepts and increases appropriation authority by \$2,400,000 in the Seattle Department of Transportation (SDOT) Transportation Fund Major Maintenance/Replacement Budget Control Level (13000-BC-TR-19001). This grant will fund the 4th/Argo Railyard Bridge Replacement Planning Study that is currently underway. The funding is from the Federal Highways Administration (FHWA) Bridge Investment Program (BIP). The grant requires 20% local match, which has been budgeted.	Transportation Fund (13000)	Major Maintenance/Replacement (13000-BC-TR-19001)	Bridge Rehabilitation and Replacement Phase II (MC-TR-C039)	\$2,400,000	\$2,400,000
1.11	Seattle Department of Transportation	FHWA	This item increases appropriation authority by \$3,820,000 (already accepted in 2021 SDOT-CG02) in the Seattle Department of Transportation (SDOT) Transportation Fund Mobility Operations Budget Control Level (13000-BO-TR-17003). This grant will support the design, construction, and programming of Transportation Demand Management Wayfinding project in 2023. The funding is from the Federal Highways Administration (FHWA) CMAQ grant program. The grant requires 13.5% local match, which has been budgeted.	Transportation Fund (13000)	Mobility Operations (13000-BO-TR-17003)		\$3,820,000	\$3,820,000
1.12	Seattle Fire Department	Dept of Homeland Security /FEMA	This item increases appropriation authority by \$1,815,609 in the Seattle Fire Department (SFD) FD0 BSL (00100-BO-FD-F3000). This grant from the Federal Emergency Management Agency (FEMA) of the Department of Homeland Security provides funding for to purchase two particulate hoods for each SFD firefighter and provides Fire Dynamics Boot Camp Training. The period of Performance is 9/22/2022 – 9/21/2024. There is a 10% Cash Match of \$181,561 required for this project. There are no new positions associated with this project.	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$1,815,609	\$1,815,609

Item	Department	Source	Description	Fund	Budget Summary Level / BCL Code	Capital Project / ID	Accept	Appropriate
1.13	Seattle Fire Department	Dept of Homeland Security /FEMA	This item increases appropriation authority by \$20,625 in the FD0 BSL (00100-BO-FD-F3000). This grant from the Federal Emergency Management Agency (FEMA) of the Department of Homeland Security provides funding for completion of the Area Maritime Security Assessment (AMSE). The AMSA provide analyses and search results concerning vulnerabilities and consequences for four Transportation Security Incidents as defined within the existing Area Maritime Security Plan. The period of Performance is 9/1/2022 – 8/31/2025. There is a 25% match of \$6,875 required for this project. There are no new positions associated with this project.	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$20,625	\$20,625
1.14	Seattle Fire Department	King County Office of Emergency Management	This item increases grant-backed appropriation authority by \$332,192 in the Seattle Fire Department (SFD) General Fund FD0 BSL (00100-BO-FD-F3000). The grant amendment funds received from the Federal Emergency Management Agency (FEMA) of the Department of Homeland Security through the King County Office of Emergency Management, will fund Structural Collapse Refresher Training and purchase of heavy rescue equipment for Seattle Fire Department and regional partners. There are no positions or match required for this grant. The period of performance is 9/1/22 through 5/31/25.	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$332,192	\$332,192
1.15	Seattle Police Department	Washington Traffic Safety Commission	This item increases appropriation authority by \$25,900 in the Special Operations BSL (00100-BO-SP-P3400) from the Washington State Traffic Safety Commission. This item provides funding for overtime related to supplemental traffic enforcement with special emphasis on impaired and distracted driving, seat belt, and motorcycle safety. The contract term runs from October 1, 2022 to September 30, 2023. There are no matching requirements or capital improvement projects associated with this item.	General Fund (00100)	Special Operations (00100-BO-SP-P3400)		\$25,900	\$25,900
1.16	Seattle Police Department	Department of Homeland Security	This item increases appropriation authority by \$85,000 in the Special Operations BSL (00100-BO-SP-P3400) from the Department of Homeland Security. This grant provides funding for a contract intelligence analyst in the Washington State Fusion Center. This position will support emergency preparedness efforts in King County in collaboration with the King County Office of Emergency Management. The term of this agreement runs from October 1, 2022 to September 30, 2025. There is no matching requirement for this item. There are no capital improvement projects associated with this item.	General Fund (00100)	Special Operations (00100-BO-SP-P3400)		\$85,000	\$85,000

Item	Department	Source	Description	Fund	Budget Summary Level / BCL Code	Capital Project / ID	Accept	Appropriate
1.17	Seattle Public Utilities	King County Flood Control District	This item increases appropriation authority by \$275,000 for the Seattle Public Utilities (SPU) Water Fund Habitat Conservation Program (43000-BC-SU-C160B) Budget Control Level. This grant represents an agreement with the King County Flood Control District, beginning in 2022 and ending in 2025, that will provide funding for construction of the Royal Arch Reach Habitat Restoration Project, a component of the Cedar River Habitat Conservation Program Downstream Habitat Program.	Water Fund (43000)	Habitat Conservation Program (43000-BC-SU-C160B)	Downstream Fish Habitat (MC-SU-C1607)	\$275,000	\$275,000
1.18	Seattle Public Utilities	King County Dept of Natural Resources and Parks	This item increases appropriation authority by \$1,000,000 for the Seattle Public Utilities (SPU) Water Fund Habitat Conservation Program (43000-BC-SU-C160B) Budget Control Level. This grant represents an agreement with the King County Department of Natural Resources and Parks, beginning in 2022 and ending in 2023, that will fund construction of the Royal Arch Reach Habitat Restoration Project, a component of the Cedar River Habitat Conservation Program Downstream Habitat Program.	Water Fund (43000)	Habitat Conservation Program (43000-BC-SU-C160B)	Downstream Fish Habitat (MC-SU-C1607)	\$1,000,000	\$1,000,000
1.19	Seattle Public Utilities	WA State Recreation and Conservation Office (RCO)	This item increases appropriation authority by \$2,144,088 for the Seattle Public Utilities (SPU) Water Fund Habitat Conservation Program (43000-BC-SU-C160B) Budget Control Level. This grant represents an agreement with the Washington State Recreation and Conservation Office (RCO), beginning in 2022 and ending in 2027, that will provide funding for construction of the Royal Arch Reach Habitat Restoration Project, a component of the Cedar River Habitat Conservation Program Downstream Habitat Program.	Water Fund (43000)	Habitat Conservation Program (43000-BC-SU-C160B)	Downstream Fish Habitat (MC-SU-C1607)	\$2,144,088	\$2,144,088
1.20	Seattle Public Utilities	King County Flood Control District	This item increases appropriation authority by \$283,000 for the Seattle Public Utilities (SPU) Utility Services and Operations (44010-BO-SU-N200B) Budget Control Level. This grant represents an agreement with the King County Flood Control District to provide funding for the Rainier View flood control project, addressing frequent flooding of four streets lacking drainage infrastructure and resulting in impacts to pedestrians, bicyclists, vehicles, and residences in southeast Seattle.	Drainage and Wastewater Fund (44010)	Utility Service and Operations (44010-BO-SU-N200B)		\$283,000	\$283,000

Item	Department	Source	Description	Fund	Budget Summary Level / BCL Code	Capital Project / ID	Accept	Appropriate
1.21	Seattle Fire Department	Department of Homeland Security	Fiscal Note: This item increases appropriation authority by \$1,150,521 in the FD0 BSL. This grant funding is from the Federal Emergency Management Agency (FEMA) of the Department of Homeland Security through the Washington State Military Department - Office of Emergency Management. This is a part of the UASI FY 2022 Grant that is being submitted and accepted by the Seattle Police Department. The Seattle Fire Department's portion of this grant will provide funds to enhance the City's ability to increase and sustain structural collapse capability for rescue response. The project will include Structural Collapse Training, Aviation Drill Training and purchase of heavy rescue equipment, Class 1 and 2 CBRNE suits, Rescue Task Force body armor (ballistic vests and helmets) and Methane Gas Detectors for the Seattle Fire Department and regional partners. There are no positions associated with this grant and no local match requirement. The period of performance for this grant is from 9/1/22 through 12/31/24.	General Fund (00100)	Operations (00100-BO-FD-F3000)		\$1,150,521	\$1,150,521
1.22	Seattle Police Department	Department of Homeland Security	This item increases appropriation authority by \$1,720,258 in the Special Operations BSL (00100-BO-SP-P3400). This grant funding is from the Federal Emergency Management Agency and U.S. Department of Homeland Security through the Washington State Military Department - Emergency Management Division under the Urban Areas Security Initiative (UASI) for federal fiscal year 2022. This item provides funding to continue and enhance the City of Seattle's ability to prevent, protect, respond to and recover from acts of terrorism as well as other emergency events. The Seattle Police Department accepts and manages this grant on behalf of several regional partners, including the Seattle Fire Department and the Office of Emergency Management. The following SPD projects are funded under this grant: program management and sustainment; citizen preparedness and outreach; contract analysts; equipment and training to respond to acts of terrorism; and mass care shelter planning with the Human Services Department. Seattle Fire Department has a corresponding appropriation increase supported by this grant in the amount of \$1,150,521. The period of performance for this grant is from 9/1/22 through 8/31/24. There are no matching requirements associated with this item.	General Fund (00100)	Special Operations (00100-BO-SP-P3400)		\$1,720,258	\$1,720,258
Total							\$30,191,905	\$30,191,905



Legislation Text

File #: CB 120516, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Section 5.73.090 of the Seattle Municipal Code to allow extension of tax exemptions scheduled to expire at the end of 2023; and amending Section 5.73.120 of the Seattle Municipal Code to extend the program’s sunset date to December 31, 2024.

WHEREAS, chapter 84.14 RCW authorizes local jurisdictions to provide 12-year multifamily property tax exemptions if, at a minimum, the owner agrees to meet the locally adopted affordability requirements for new projects, consistent with chapter 84.14 RCW, as applicable at the time of application for an exemption; and

WHEREAS, chapter 84.14 RCW authorizes local jurisdictions to extend multifamily property tax exemptions for an additional 12 years if, at a minimum, the owner agrees to satisfy locally adopted requirements that are no less restrictive than those for new projects receiving a property tax exemption, as applicable at the time of application for an extension; and

WHEREAS, chapter 84.14 RCW states that requirements for a multifamily property tax exemption should be relative to the size of the project and value of the property owner’s tax benefit; and

WHEREAS, Chapter 5.73 of the Seattle Municipal Code, 2004 Multifamily Housing Property Tax Exemption Program (“MFTE Program”), was adopted by Ordinance 121415 and amended by Ordinances 121700, 121915, 122730, 123550, 123727, 124724, 124877, 124919, 125932, 126278, 126392, and 126443; and

WHEREAS, under certain conditions, the MFTE Program currently authorizes extended tax exemptions for properties for which tax exemptions expire on either December 31, 2021 or December 31, 2022; and

WHEREAS, MFTE expires on December 31, 2023 for five for-profit owned properties, in which 143 of approximately 700 total units have income and rent restrictions; and

WHEREAS, unless extended by the City Council by ordinance, the MFTE Program sunsets on December 31, 2023; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.73.090 of the Seattle Municipal Code, last amended by Ordinance 126443, is amended as follows:

5.73.090 Exemption-Duration-Limits

* * *

D. Extended property tax exemption

1. As authorized by RCW 84.14.020(6), the Director may approve an extended exemption of the value of renter-occupied multifamily housing qualifying under this Chapter 5.73 from ad valorem property taxation for up to a total of 12 successive years beginning January 1 of the year immediately following the calendar year that the original 12-year exemption expires according to subsection 5.73.090.A if((:

a. ~~The))~~ the owner is in compliance with the MFTE agreement for the property's initial 12-year exemption from property taxes for the multifamily housing according to subsection 5.73.090.A and that exemption expires on ((December 31, 2021, or December 31, 2022;)) December 31, 2023, provided that:

~~((b))~~a. A written request for an extended exemption is received by the Office of Housing no later than June 30, 2023; and ((:

~~1) For properties with exemptions scheduled to expire on December 31, 2021, no later than 30 days from October 27, 2021, and~~

~~2) For properties with exemptions scheduled to expire on December 31, 2022, between September 30, 2021, and March 31, 2022; and))~~

~~((e))~~b. The written request includes:

1) A brief written description of the project and a plan set that includes gross floor area by use, site plan, and standard floor plans for units in the multifamily housing;

2) For each residential unit in the multifamily housing, the unit number, floor plan, net unit area measured in square feet, location by floor level, location by building if the multifamily housing consists of multiple structures, ~~((and))~~ status as either a market-rate unit or MFTE unit, occupancy status, and current rent (according to the lease if occupied or asking rent if vacant), all in a form as prescribed by the Office of Housing;

3) ~~((Current))~~ A copy of the current rent roll for the multifamily housing;

4) ~~((For each residential unit in the multifamily housing, start date and end date of each lease and, for vacant units, the date the unit was vacated;~~

5) ~~A copy of the most recent property tax statement for the multifamily housing;~~

6)) A statement from the owner acknowledging the potential tax liability of the multifamily housing;

~~((7))~~5) A recent title report documenting the legal description and ownership of the property that includes the multifamily housing, documentation satisfactory to the Director of the type and organizational structure of the owner, a sample signature block for the owner, and evidence satisfactory to the Director of authority of the owner representative that signed the MFTE extension request; and

~~((8))~~6) A non-refundable check payable to The City of Seattle in the amount of \$10,000 if fewer than 75 percent of the total residential units in the multifamily housing are rent- and income-restricted, or \$4,500 if at least 75 percent of the total residential units in the multifamily housing are rent- and income-restricted.

2. A new contract shall be executed on the title of the property that includes the multifamily housing committing the owner to requirements according to this Chapter 5.73, except that:

a. MFTE units shall be promptly leased at affordable rents to eligible households with

annual incomes at or below 30 percent of median income for compact units in multifamily housing that also includes units larger than compact units, at or below 40 percent of median income for compact units in multifamily housing with no units larger than compact units, at or below 50 percent of median income for studio units, at or below 60 percent of median income for one-bedroom units, at or below 75 percent of median income for two-bedroom units, and at or below 80 percent of median income for three-bedroom and larger units.

b. The contract shall allow multifamily housing to transition to compliance with subsection 5.73.090.D.2.a, consistent with subsection 5.73.090.D.6.

3. ~~((The))~~ For properties with 12-year exemptions scheduled to expire on December 31, 2023, the owner shall ~~((provide to the Office of Housing verification of the annual income of the tenant household for each MFTE unit according to Section 5.73.105))~~:

~~((a. For properties with 12-year exemptions scheduled to expire on December 31, 2021, within 30 days from October 27, 2021; or~~

~~b. For properties with 12-year exemptions scheduled to expire on December 31, 2022, by September 30, 2022;))~~

a. Deliver prior written notice to all tenants of MFTE units of owner's intent to pursue a 12-year extension of the property tax exemption;

b. Initiate annual income verification for each MFTE unit tenant household no later than June 30, 2023; and

c. Provide to the Office of Housing verification of the annual income of the tenant household for each MFTE unit according to Section 5.73.105 by September 30, 2023.

4. The minimum number of MFTE units as a share of total residential units in the multifamily housing shall be the same as according to the property's initial MFTE agreement (i.e., ~~((twenty))~~ 20 percent or 25 percent).

5. Upon approval of an extended tax exemption according to this Chapter 5.73, the Director shall file a Final Certificate with the Assessor. ~~((The applicant shall provide the Office of Housing a check payable to the Assessor to cover the Assessor's fee for administrative costs.))~~ The owner shall be responsible for any administrative fees charged by the Assessor.

6. To allow ongoing occupancy of MFTE units by existing tenants who, while they qualify as eligible households under pre-extension contracts, do not qualify as eligible households according to subsection 5.73.090.D.2.a, and to steadily transition multifamily housing to full compliance with extended exemption requirements, the following provisions apply:

a. For each MFTE unit ~~((that is occupied on December 31 of the calendar year the exemption would expire according to subsection 5.73.090.A))~~, the affordable rent according to the current tenant's lease agreement as of January 1 of the ~~((subsequent))~~ calendar year subsequent to expiration of the initial 12-year property tax exemption and thereafter shall be:

1) No greater than according to subsection 5.73.090.D.2.a if the annual income of the tenant household, as verified according to Section 5.73.105, is less than one and one-half times the limit for the MFTE unit according to subsection 5.73.090.D.2.a; or

2) ~~((For))~~ No greater than 65 percent of median income for compact units((;)) and studio units, ((and)) no greater than 75 percent of median income for one-bedroom units, and no greater than ((80)) 85 percent of median income ((and,)) for two-bedroom and larger units~~((, no greater than 90 percent of median income))~~, provided the annual income of the tenant household, as verified according to Section 5.73.105, is less than one and one-half times ~~((80))~~ 65, 75, or 85 percent of median income ((or 90 percent of median income)) depending on the MFTE unit type, as applicable, and at least one and one-half times the limit for the MFTE unit according to subsection 5.73.090.D.2.a; or

3) According to subsection 5.73.105.B if the annual income of the tenant household, as verified according to Section 5.73.105, equals or exceeds one and one-half times ~~((80))~~ 65

percent of median income for compact units~~((;))~~ and studio units, ~~((and))~~ one and one-half times 75 percent of median income for one-bedroom units ~~((or equals or exceeds))~~ , or one and one-half times ~~((90))~~ 85 percent of median income for two-bedroom and larger units.

b. Each vacant MFTE unit~~((, including each MFTE unit that is vacant on December 31 of the calendar year the exemption would expire according to subsection 5.73.090.A,))~~ shall be promptly leased at an affordable rent to an eligible household according to subsection 5.73.090.D.2.a.

c. ~~((If the number of required MFTE units increases from 20 percent to 25 percent of total residential units according to subsection 5.73.090.D.4, the next available residential unit, consistent with subsection 5.73.040.B.5, shall be designated as an MFTE unit, as approved by the Office of Housing consistent with requirements of this Chapter 5.73, until 25 percent of the total residential units in the multifamily housing are MFTE units leased to eligible households.~~

~~d.))~~ From the date an MFTE unit first satisfies requirements for an extended exemption under subsection 5.73.090.D.2.a until the end of the compliance period, requirements according to 5.73.090.D.2.a shall apply.

* * *

Section 2. Section 5.73.120 of the Seattle Municipal Code, last amended by Ordinance 125932, is amended as follows:

The tax exemption program established by this Chapter 5.73 shall expire on December 31, ~~((2023))~~ 2024, unless extended by the City Council by ordinance. Upon expiration, no additional MFTE applications under Section 5.73.050 shall be accepted. Pending Conditional Certificates and Final Certificates shall be processed as provided according to this Chapter 5.73.

Section 3. 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 _____, 2023, and signed by
me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Office of Housing	Jennifer LaBrecque	Miguel Jimenez

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Section 5.73.090 of the Seattle Municipal Code to allow extension of property tax exemptions scheduled to expire at the end of 2023; and amending Section 5.73.120 of the Seattle Municipal Code to extend the program’s sunset date to December 31, 2024.

Summary and Background of the Legislation: Seattle’s MFTE program typically is reviewed and reauthorized every four years or so. The program, in its current iteration, sunsets on December 31, 2023. This legislation extends the sunset date until the end of 2024. This enables the Office and Housing and City Council to focus its legislative efforts primarily on renewal of the Seattle Housing Levy, which will be on the ballot in 2023. With extension of the MFTE sunset date, additional amendments allow the City of Seattle to extend property tax exemptions expiring in 2023 for another 12 years.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
There are two ways to evaluate the MFTE program’s tax impacts and cost. The first and simplest approach quantifies the amount of exempted property tax burden – that is, the amount of property tax that MFTE property owners collectively avoid in a given year by providing income and rent-restricted set-aside units. Other taxpayers (non-exempt) absorb this tax burden. The second way of evaluating MFTE’s tax impacts and cost considers the amount of net new property tax revenue that MFTE properties’ new construction value would have generated absent MFTE. As intended under State law, the majority of that potential revenue is forgone when MFTE properties’ new construction value is excluded from the tax base for the duration of the exemption period. The remainder of the net new revenue is collected and the associated net new tax burden is shifted to other taxpayers.

Are there financial costs or other impacts of *not* implementing the legislation?

If the legislation is not adopted, the MFTE program will sunset on 12/31/23. For properties that are currently tax exempt, exemptions will continue until expiration at the end of the 12-year terms (or property owners may opt out earlier if they wish). No additional properties will be able to participate in the program. If the legislation is not adopted, MFTE will expire at the end of 2023 for five for-profit owned rental properties. If the MFTE program was allowed to sunset, there would be no additional forgone revenue or tax impacts shifted onto other taxpayers, although tax impacts of properties for which MFTE is not yet scheduled to expire would continue.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

City and county tax revenues will be impacted if property tax exemptions are extended for another 12 years for multifamily properties. Expenses paid from the City of Seattle's General Fund are supported primarily by taxes and the most significant revenue source is the property tax.

b. Is a public hearing required for this legislation?

No

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

d. Does this legislation affect a piece of property?

The legislation would allow for-profit owners of five multifamily properties totaling approximately 700 total units, of which 143 are MFTE units, to extend their exemptions from ad valorem property taxation for an additional 12 years. The properties are in the 23rd & Union-Jackson, University District, Othello, Admiral, and West Seattle Junction neighborhoods.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

OH recently began requiring MFTE property owners to ask tenants to voluntarily provide demographic information. To date it is unclear the degree to which MFTE achieves racially equitable outcomes. AMI limits for MFTE units tend to be higher compared to publicly funded low-income housing units.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No

- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?**

N/A



Legislation Text

File #: Res 32089, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION to initiate a new Business Improvement Area (BIA) to be known as the Metropolitan Improvement District (MID).

WHEREAS, the owners of commercial properties, multifamily residential, and mixed-use properties that are subject to nearly 66 percent 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 Clerk File 322591; and

WHEREAS, the City Council has reviewed the petition and letters of support, and determined it is in the best interests of the City to proceed, as permitted by chapter 35.87A RCW, under the resolution method of creating a Business Improvement Area instead of the petition method; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section 1. The City Council of The City of Seattle declares its intention to establish a new Metropolitan Improvement District (“MID”) in accordance with chapter 35.87A RCW.

Section 2. The MID shall be within the following boundaries as shown on the map attached to this resolution as Attachment A and described in this section. 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.

The Metropolitan Improvement District Area:

- From the corner of Elliott Avenue and Denny Way, proceed west to Elliott Bay [excluding Myrtle Edwards Park]; then proceed
- South along the waterfront to Alaskan Way and Broad Street; then proceed

- South along Alaskan Way, including the piers and/or properties abutting the west side of Alaskan Way, to South Dearborn St; then proceed

- East to 1st Ave South; then proceed

- South to South Royal Brougham Way, including properties abutting the west side of 1st Ave South to Alaskan Way South; then proceed

- East to Occidental Avenue South; then proceed

- North on Occidental Avenue South to South King Street; then proceed

- East on South King Street, including properties abutting the south side of South King Street to 4th Avenue South; then proceed

- North on 4th Avenue South to South Washington Street; then proceed

- East on South Washington Street to 6th Avenue South; then proceed

- North along 6th Avenue South and 6th Avenue to Jefferson Street; then proceed

- North along Interstate-5 to Denny Way [excluding Freeway Park]; then proceed

- West along Denny Way and West Denny Way to Elliott Avenue.

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 within the Business Improvement Area:

A. Cleaning and Maintenance Services;

B. Community Safety, Hospitality, and Outreach Services;

C. Public Events and Beautification of Public Spaces;

D. Economic Development, Advocacy and other Planning Services;

E. Promotion, Marketing and Communication Services;

F. Transportation and Parking Support; and

G. Program Management.

All such activities are supplemental to programs and services provided by the City and are not intended to displace any services regularly provided by municipal government. The total projected cost of MID programs that will be paid for with the proposed MID's assessments in the fiscal year of 2023-2024 is estimated to be approximately \$18.3 million. This will also be the approximate amount in subsequent years as adjusted by various factors including, but not limited to, inflation and other impacts to the total level of assessment due to factors discussed in the assessment formula.

Section 4. There shall be an advisory board whose membership is comprised of ratepayers representative of the entire geography and variety of sizes in the Metropolitan Improvement District. The composition of the Board shall be representative of the varying sizes and types of property owners, residents, and business tenants, within the geographic area of the Metropolitan Improvement District and may include public agencies.

Section 5. Levy of special assessments. To finance the programs authorized in Section 3 of this resolution, a ten-year special assessment shall be levied upon and collected from the owners of commercial property, multifamily residential property (buildings containing four or more residential units), and mixed-use property (multifamily residential and commercial) located within the boundaries of the Metropolitan Improvement District (MID) described in Section 2 of this resolution. Initial assessment calculations will be based on property information from the King County Assessor's Office for Value Year 2021/Tax Year 2022. The MID shall annually update records based on data and information from King County and the City. Ratepayers shall be assessed by the City in ten annual installments to be billed semi-annually beginning in the year of the authorization (2023), by applying the following assessment rates to each ratepayer:

A. Base Year Assessment = $(\$0.45 \times \text{Land Square Footage}) + (\$0.37 \times (\text{Total Taxable Value (Land + Improvements)} / \$1,000))$. Records for the assessment calculation are based on information provided by the King County Assessor's Office. This calculation is called the "Base Formula." Modifications or limitations to these assessments are described below.

B. Building Square Footage Ceiling. 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 $(\$0.24 \times \text{Net Building Square Footage})$. This rate is called the “Building Square Footage Ceiling.”

C. For the following special classifications of Ratepayers (using King County Assessor’s Present Use Code) and where more than 75 percent of a property’s total net building square footage is designated a hotel, parking or residential section use code, a Special Assessment Ceiling Rate as set forth below shall be applied to the Base Year Assessment to determine the rate most reflective of benefit for that particular class of Ratepayer:

1. Hotel Room Ceiling. The hotel room ceiling shall be \$112 in the first assessment year; \$125 in the second assessment year and adjusted by an inflationary factor as set forth in Section 5(G)(3) of this resolution in the second through tenth assessment years.

2. Residential Unit Ceiling. The residential unit ceiling shall be \$175 in the first assessment year; \$195 in the second assessment year and also adjusted by an inflationary factor as set forth in Section 5(G)(3) of this resolution in the second through tenth assessment years.

3. Surface Parking Ceiling: $(\$0.81 \times (\text{Total Appraised Value}/\$1,000))$.

D. If the Total Appraised Value and Total Taxable Value in the King County Assessor’s records are not equal, then using the King County Assessor’s notations about “Tax Value Reason” (TVR), nonprofit rates or other special criteria may apply under the following rules:

1. If TVR is “OP” (Operating Property), then use Appraised Value.

2. If TVR is “HP” (Historic Property), then use Taxable Value.

3. If TVR is “NP” (Nonprofit Org.), and the property is in nonprofit use, then use Taxable Value and calculate the MID Assessment as 25 percent of the Base Formula. Twenty-five percent of the Base Formula is called the Nonprofit Rate.

4. If TVR is “EX” or “MX” (Exempt from Taxes), then review the property in detail, and:

a. If the property is owned and operated by a governmental organization, and in governmental use, then it is exempt from mandatory MID assessment.

b. If the property is owned and operated by a nonprofit organization in nonprofit use, the MID Assessment is calculated using Taxable Value and the Nonprofit Rate.

c. If the property is operated by a for-profit organization, the MID Assessment is calculated using Appraised Value.

5. If TVR is blank, then use Taxable Value.

E. When more than one Assessment Ceiling Rate applies to a single parcel, Ratepayers shall pay the lesser of the applicable Assessment Ceilings.

F. Properties owned by governmental entities and public utilities will not be assessed except as provided in Section 5(D) of this resolution.

G. To maintain the current level of services and increase benefits provided by MID, annual assessment rate increases shall be applied consistent with this subsection.

1. Assessments in the second through fifth years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the first assessment year. In the sixth assessment year (2028-2029), 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.

2. Assessments in the sixth, seventh, eighth, ninth, and tenth assessment years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the sixth assessment year.

3. After the first assessment year, the Land Square Footage rate, and the ceilings for 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-Bellevue ("CPI") but no less than 2.5 percent and no greater than 5 percent.

4. After the first assessment year, the value portion of the prior year's base assessment

calculation 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-Bellevue (“CPI”) but no less than 2.5 percent and no greater than 5 percent.

5. Notwithstanding the provisions of this subsection, the following shall apply:

- a. The Base Formula rate for the Total Taxable Value portion of the calculation will not exceed \$0.37.
- b. The Base Formula rate for the Land Square Footage portion of the calculation will not exceed \$0.45 x the cumulative Inflationary Factor.
- c. The Building Square Footage Ceiling will not exceed \$0.21 x the cumulative Inflationary Factor.
- d. The Hotel Room Ceiling will not exceed \$125.00 x the cumulative Inflationary Factor.
- e. The Residential Unit Ceiling will not exceed \$195.00 x the cumulative Inflationary Factor.
- f. The Surface Parking Ceiling will not exceed \$0.81 x the cumulative Inflationary Factor.

H. New benefit areas shall be added to the assessment roll on an annual basis, as follows. 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. A new benefit area shall be added to the MID assessment roll following its inclusion in the King County Assessor assessment roll during the preceding year. The new benefit area shall be assessed according to the Base Formula factors and Assessment ceiling rates in effect during the assessment year. A new benefit area will continue to have its value updated to the most current year value until it is designated as 100 percent complete and no new dollars are added by the King County Assessor’s Office. The formula for a new benefit area will be calculated using the new King County Assessor’s values in the Base Formula multiplied by the annual CPI Factor in effect. New Business Improvement Area (BIA) assessments

will be billed at the next regularly scheduled billing period established by the Director of Treasury Services.

I. Multifamily Tax Exemption (MFTE). If a property is owned by a for-profit entity and qualifies for the MFTE from the City, the Base Year Assessment will be calculated using the Total Appraised Value upon 100 percent completion of the building and/or authorization of MFTE.

J. 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 BIA Advisory Board and shall not occur more than one time per year.

Adopted by the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its adoption this _____ day of _____, 2023.

President _____ of the City Council

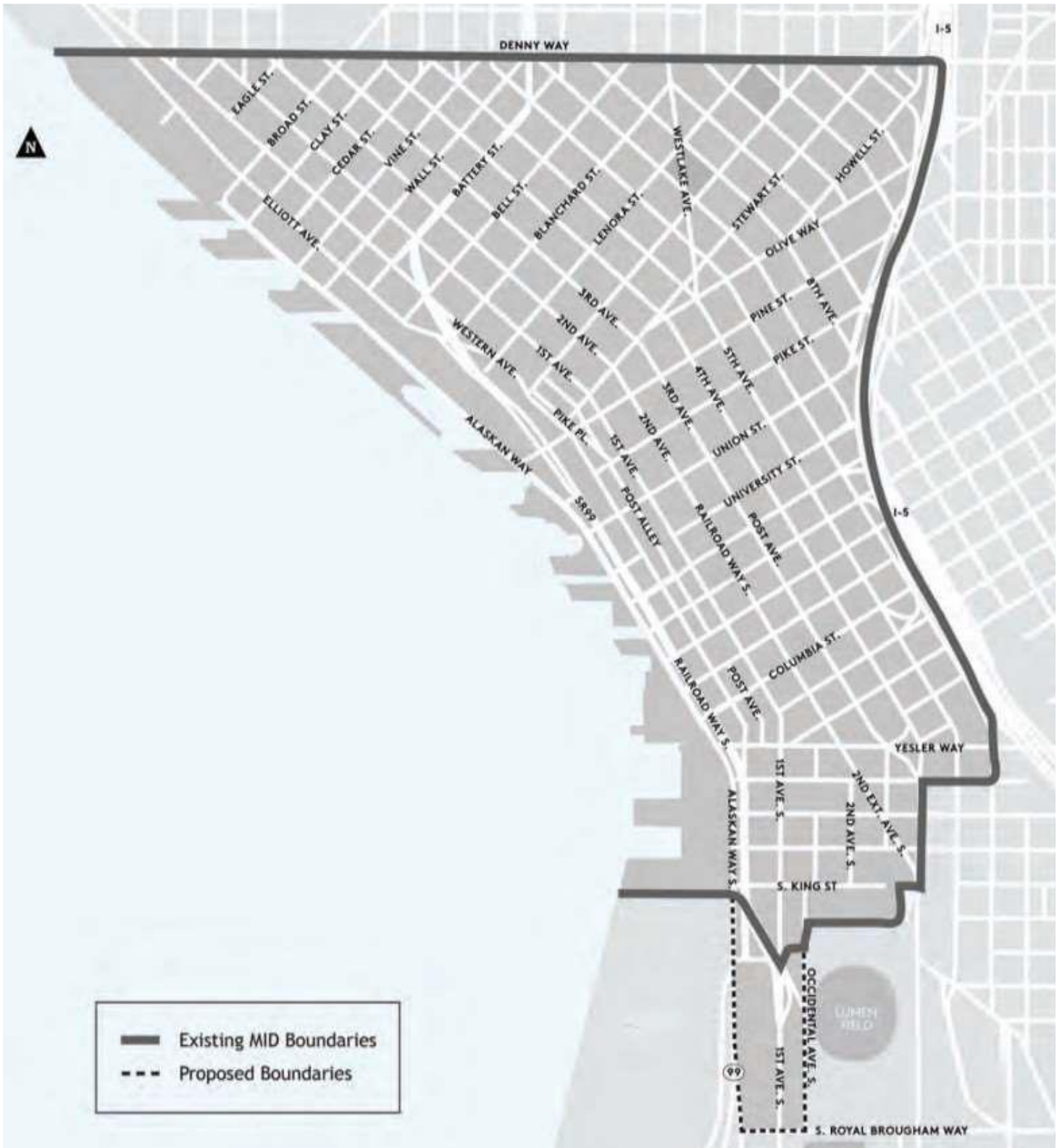
Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

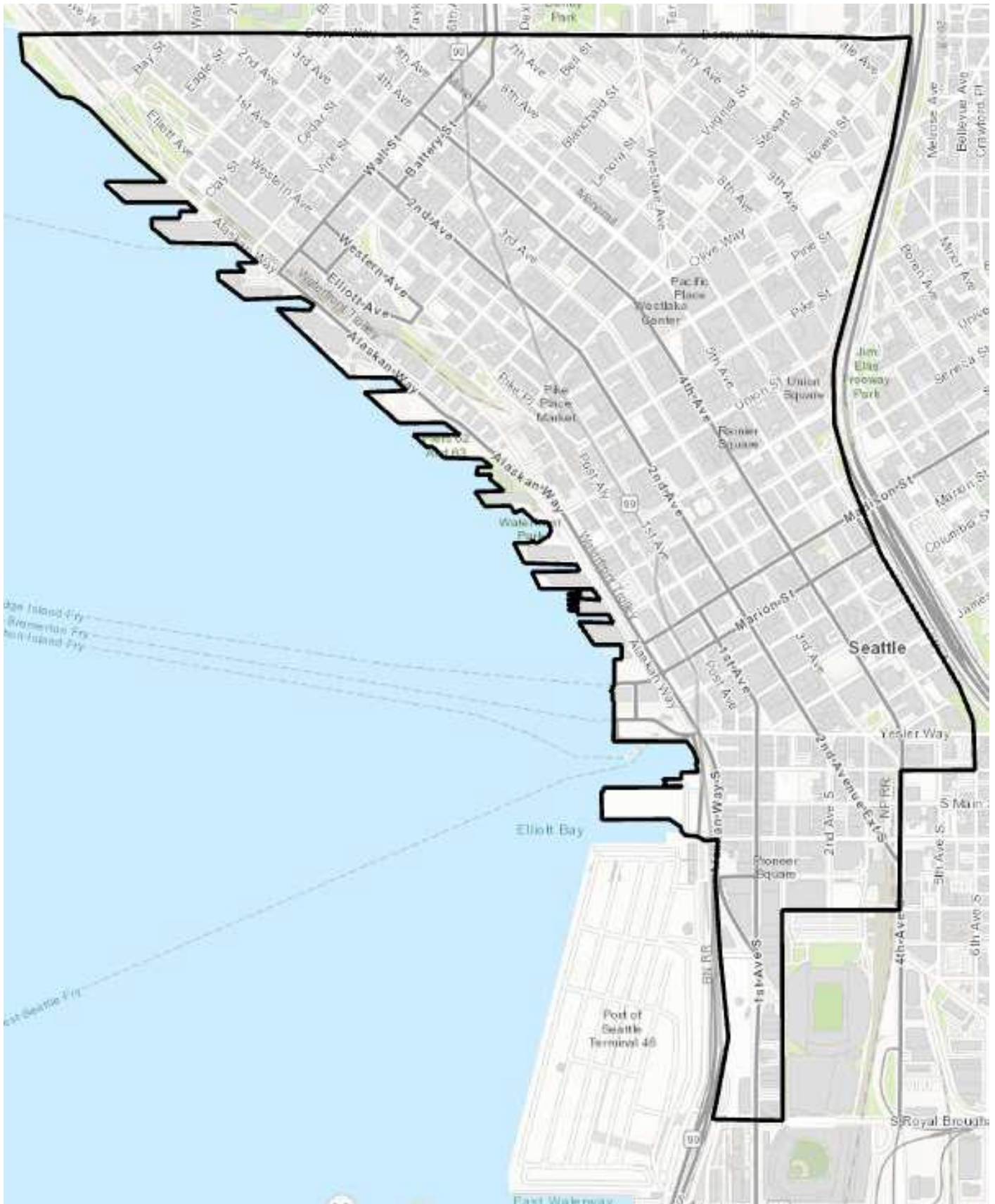
(Seal)

Attachments:
Attachment A - Proposed MID Boundaries

Attachment A – Proposed MID Boundaries
V1



Attachment A – Proposed MID Boundaries
V1



Southern Boundary Detail:



SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Office of Economic Development	Phillip Sit	Nick Tucker

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title:

A RESOLUTION to initiate a new Business Improvement Area (BIA) to be known as the Metropolitan Improvement District (MID).

Summary and Background:

This Resolution initiates a new Business Improvement Area (Metropolitan Improvement District) under RCW 35.87A and is the first of two similar pieces of legislation that must be prepared, per RCW 35.87A. The legislation package also includes a Resolution to set a public hearing date and place. Subsequently, the City Council may introduce an ordinance to create the Metropolitan Improvement District after the public hearing has taken place.

The existing Metropolitan Improvement District was established in 2013 for a ten-year period. Based on its ability to provide services valued by its ratepayers, the Metropolitan Improvement District developed a proposal recommending the creation of a new BIA that would be established for the duration of ten years, with the base year being FY2023/2024. The Metropolitan Improvement District believes its proposal is efficient, accountable, and responsive to the area's needs. The group collected signatures for a petition to form the Metropolitan Improvement District that will fund the following programs within the Business Improvement Area:

- A. Cleaning and Maintenance Services;
- B. Community Safety, Hospitality, and Outreach Services;
- C. Public Events and Beautification of Public Spaces;
- D. Economic Development, Advocacy and other Planning Services;
- E. Promotion, Marketing and Communication Services;
- F. Transportation and Parking Support; and
- G. Program Management.

The petitioning effort resulted in a show of financial support by ratepayers who would pay at least 60% of the total special assessment revenues. Assessments will commence as of July 1st, 2023, or the effective date of this ordinance, whichever is later. The Metropolitan Improvement District will be overseen by a Ratepayers Advisory Board, which would be broadly representative of the proposed ratepayers and stakeholders from the district.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?

Summary Attachment A, the MID Business Plan, expands on the goals of the MID.

Summary Attachments:

Summary Attachment A - MID 2023-2033 Business Plan

MID 2023-2033 BUSINESS PLAN



Downtown
Seattle
Association

Metropolitan
Improvement
District



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23	Communications and Marketing
24	Advocacy and Economic Development
25	Commute Seattle
26	Management Services



Overview

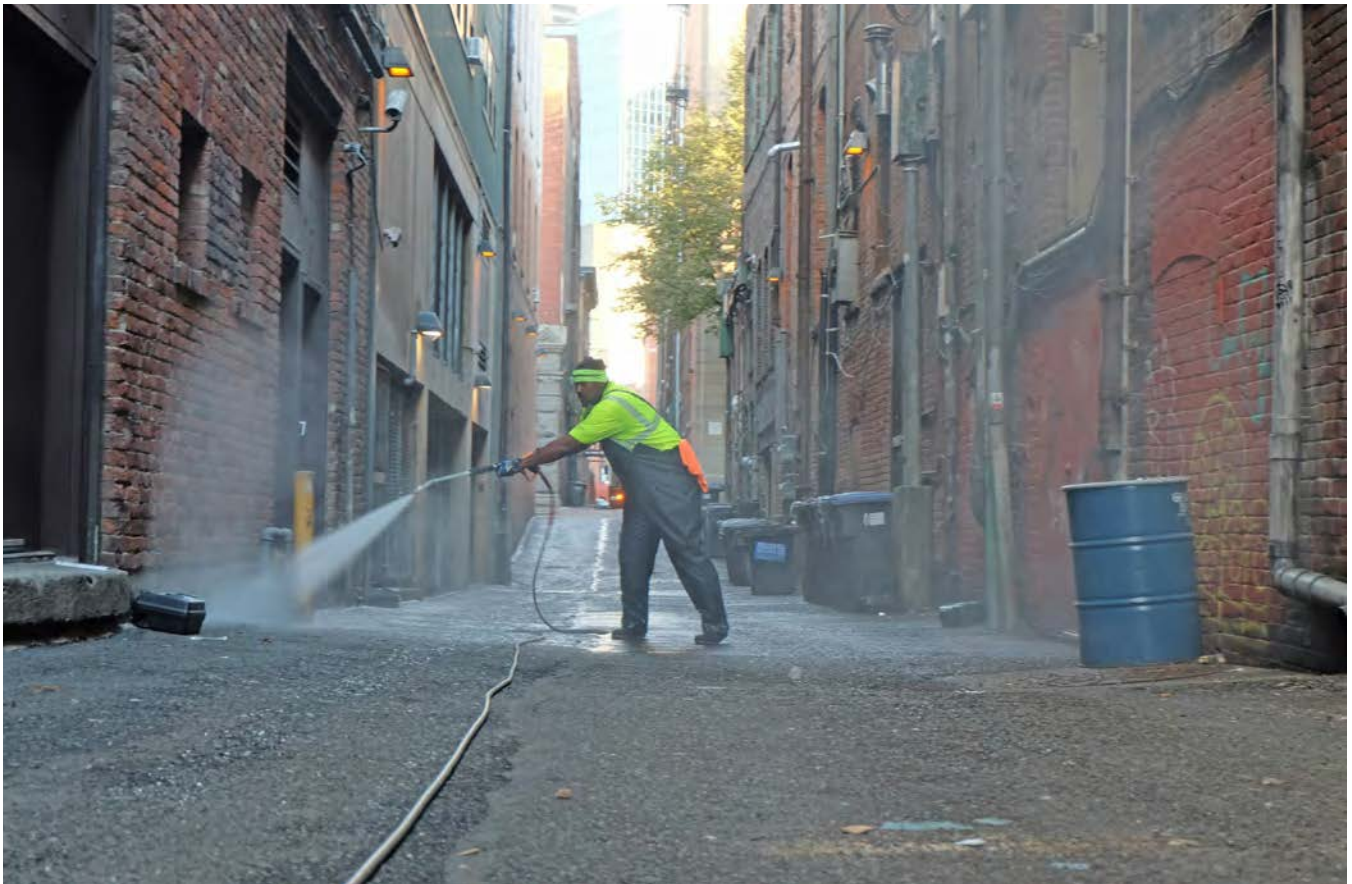
In 1999 the Downtown community came together under the leadership of the Downtown Seattle Association to form the Metropolitan Improvement District. The MID is a business-improvement area in downtown Seattle spanning 285-square blocks in six downtown neighborhoods. With support and funding from commercial and residential property owners within the MID boundaries, DSA provides an array of services to ensure a clean, safe and welcoming downtown for all. The downtown MID ratepayers and community members came together in 2013 to request the City to renew the MID and it is up for renewal again in 2023. As required by the City MID ordinance, a diverse advisory board of 35 property owners recommends an annual budget, program manager and work plan and provides ongoing input and oversight of MID programs. In addition to making sure downtown is clean, safe, a great place live, work and do business, the MID offers

stability and employment, healthcare and housing support to justice-involved individuals and those experiencing homelessness.

The following plan reviews:

- The reimagining process that determined the MID’s post-pandemic services
- The MID renewal process and outreach conducted with MID ratepayers and downtown stakeholders
- The proposed services
- Budget considerations for 2023-24 and beyond
- Review of current MID assessment formula structure
- MID renewal goals
- Proposed changes to the assessment formula

Credit: @adam_noble86



MID-funded Services

MID-funded downtown ambassadors work seven days a week, 362 days a year, providing:

- Cleaning, including graffiti and biohazard removal
- Safety, outreach and hospitality services
- Maintenance of public infrastructure
- Park/public space event management and operations

In addition, MID funding supports:

- Marketing and promotion of downtown
- Public realm art installations and beautification
- Numerous family-friendly events
- Advocacy, research and economic development
- Transportation and commuting services
- Employment opportunities for individuals experiencing homelessness and/or are justice involved



Reimagining the MID for the Future

2022 MID OPERATIONAL CHANGES

Increased investment in private security staffing to address ratepayer and staff safety concerns

Expanded use of mobile cleaning equipment to increase speed of service delivery

\$3.00/hour increase in ambassador wages to respond to competitive labor environment and improve ambassador retention

Expanded duties of community safety and hospitality teams for enhanced coverage

MID operational changes implemented in 2022, based on stakeholder feedback.

In early 2022, to address both immediate post-pandemic conditions and the evolving needs of downtown Seattle into the next decade, the DSA and MID staff, along with members of the MID Ratepayer Advisory Board, began work on reimagining MID operations. Internally, an all-staff survey was conducted, and focus groups were comprised of operations leadership and ambassadors. All worked together on blue-sky planning, as well as concrete operational enhancements to be piloted immediately.



MID Accomplishments

The MID maintains an extensive record of services performed in order to demonstrate benefits to ratepayers, and to manage resources and employee productivity. Between July 2013 and June 2022, MID ambassadors accomplishments included:



8,664,909

gallons of trash removed



102,571

incidents of human/animal waste cleaned up /disposed of



97,315

syringes collected



339,229

graffiti tags removed



71,156

welfare checks for unsheltered individuals conducted



770,806

visitors and tourists assisted with directions



MID Renewal Process and Community Outreach

In March 2022, the MID Ratepayer Advisory Board established the MID Renewal Committee to inform and oversee the MID renewal process. This group of property owners and representatives was tasked with reviewing service needs, budget and rates as well as proposed assessment formula changes and potential boundary adjustments. The Renewal Committee was also instrumental in providing feedback on improving communication with ratepayers. Additionally, a MID Assessment Equity Work Group comprised of individuals representing commercial, residential and hotel properties was formed to review the MID's current assessment formula and impacts of proposed assessment changes across various property types.

To support extensive stakeholder outreach and renewal process management, DSA hired BDS Planning & Urban Design (BDS) and Kate Joncas, Director of Urban Strategy and Development with MIG.

MID STAKEHOLDER OUTREACH

MID stakeholder outreach began in January 2022 with the “reimagining” efforts and review of current MID services, continued throughout summer 2022 and is ongoing. Outreach efforts have included:

- Formation of the MID Renewal Committee and holding regular meetings and reviews
- Focus groups with the largest MID ratepayers
- Employee engagement, including facilitated team meetings, focus groups and a survey
- 1:1 interviews with select MID ratepayers across property types
- Focus group with CEOs and operations directors representing large downtown organizations across the U.S.
- Mailers to all MID ratepayers with notice of a scheduled public meeting, as well as information about where to learn more about the MID renewal process
- Online MID Renewal Fact Sheet and FAQ created and posted on the MID and DSA websites
- Virtual public meeting conducted on July 14, 2022
- Posting of information to the website KnowYourMID.org and ability to submit comments
- Online survey of MID ratepayers regarding service satisfaction and program direction
- Presentations to MID Condo Board association presidents and members
- New quarterly MID Dispatch newsletter developed and sent via email in September 2022 to more than 3,000 MID stakeholders
- Regular updates at MID Ratepayer Advisory Board meetings
- Meetings with City of Seattle leadership focused on current services and renewal
- A second public meeting held in-person on November 17, 2022
- Feedback from these events and stakeholder outreach confirms the following:
 - Strong support and appreciation for MID services (especially during the pandemic)
 - Ongoing concerns about safety and security in downtown Seattle
 - Concerns about the homelessness crisis and its impact on downtown
 - Desire for additional cleaning services
 - Desire for the city to commit to providing a higher level of core services downtown



MID 2023-2033 Business Plan Goals

The reimagined enhancements to the MID’s core services form the basis for current operations and establish the foundation of the proposed 2023-2033 MID Business Plan. The accumulated feedback from stakeholder outreach meetings, along with ongoing conversations with ratepayers throughout the summer of 2022, provided clear messages that the MID must: remain focused on the core services of cleaning and safety; continue activation of public spaces throughout the MID to bring positive activities to public spaces; and be diligent in advocacy efforts to reestablish a strong partnership with the city and other public sector partners for the provision of basic services downtown.

KEY ELEMENTS OF THE 2023-2033 BUSINESS PLAN

- Sustained investment in private security patrols and SPD emphasis patrols
- Increase in cleaning services through expanded staffing and scheduling
- Competitive wages and benefits for our ambassador teams
- Enhanced advocacy/ratepayer customer service resources to focus on the city’s basic service responsibilities and engagement with ratepayers
- Activation and programming of additional public spaces with private/city investment

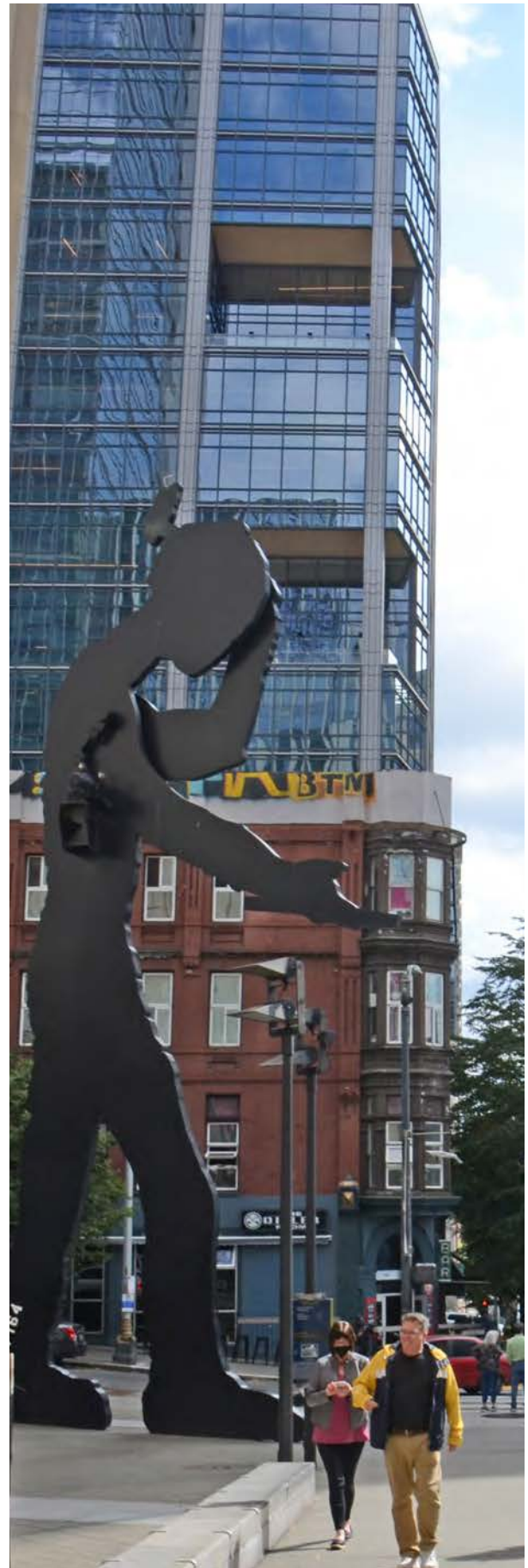
Impacts of Existing MID Assessment Mechanism: 2013-2023

Since the MID was last renewed in 2013, downtown Seattle has experienced significant growth. More than 100,000 people now live downtown – an increase of more than 50%. Over that time, employment and tourism have also grown significantly. Construction of new buildings has increased downtown square footage within the MID by 42%. Property values have also grown by more than 200%. During this period, MID assessments as a percentage of total property value in the district have decreased from .06% to .03%.

Under the current MID ordinance, each property is evaluated based on multiple criteria and then billed based on the lowest of the applicable calculated assessments. The formula was developed to include “ceilings,” which set a maximum assessment level across various property types. In 2013, nearly 65% of properties were assessed at the base levels, allowing for growth in annual assessments based on property value increases, plus an inflation factor of up to 3%. This provided appropriate funding for services that are responsive to changing conditions and growth in downtown.

However, with the record increase in property values over the past decade, more than two thirds of properties have reached “maximum ceilings” under the current formula. This limits funding additional services and programming to meet the needs of our growing downtown. In fact, the combination of ceiling limits and the current 3% inflation cap means that growth of assessment funding now falls behind the actual MID expense increases for wages, supplies and services. In a high-inflationary environment this puts significant downward pressure on MID funding, driving a reduction in services.

The ceilings have also played a significant role in altering assessment equity across property types. With current ceilings in effect, assessments of office properties have increased at a much faster rate than hotel and residential properties relative to respective increases in value.





MID Renewal Goals

The MID Renewal Committee and Assessment Equity Work Group developed the following goals for MID renewal:

- **Funding sufficient to deliver the service levels ratepayers have requested in the proposed MID Business Plan for 2023-2033.** In 2022-2033, MID ratepayers invested \$15.5M toward MID services. Sustaining current cleaning and safety/security service levels, providing extended cleaning services and increasing ambassador wages in the new MID Business Plan will require an assessment budget of approximately \$18M in year one.
- **Improved ratepayer equity across property types.** Over the past decade, assessments paid by office properties in the MID have grown more than assessments on residential and hotel properties. Going forward, adjustments to the assessment calculations by property type are needed to increase the relative assessments on residential and hotel properties to align with the assessments on office properties.
- **Closer linkage to actual CPI-U changes, as we face high inflation.** Based on the 2013 ordinance’s cap of 3% annual increases even if CPI-U is higher than 3%, MID assessment increases have sometimes trailed inflation. MID assessments need to track closer to true inflation to avoid a shortfall in service delivery in future years.
- **More predictable budgeting for ratepayers** through a single mid-term TAV (total appraised value) adjustment. Having a formula that will allow ratepayers and staff to more accurately plan for future years’ expenses was also key. The current MID business plan has provided for three updates to the property values used to determine assessment amounts, which in many cases has led to significant and unexpected increases for ratepayers because of the significant increases to property values in downtown over the previous decade.

Analysis of Assessment Options

To meet these objectives and fulfill the four goals set out by the Committee (generate sufficient revenue to invest in the proposed Services Plan while rebalancing equity across property types and avoiding extraordinary increases for any single property type), several assessment scenarios were analyzed. These ranged from removal of all ceilings to assessment calculations based on a single property value millage across all property types to a single square footage rate across all property types. After careful consideration, the following changes were recommended by the Assessment Equity Work Group and Renewal Committee.

Proposed Term

The renewed MID BIA will have a term of 10 years (2023-2033).



Boundaries and Proposed Adjustments

Proposed Metropolitan Improvement District – Service Area

The renewed Metropolitan Improvement District will cover the area generally between Elliott Bay and Interstate-5, and between Denny Way and the sports stadiums to the south. The MID Renewal Committee recommends an adjustment of the MID. The area (noted by a dashed border) is congruent with Pioneer Square Historic District.



Figure 1 map of entire current MID plus southern expansion

New MID Boundary 2023-2033

If the boundary modification is adopted, Figure 2 shows the MID's new boundary for 2023-2033.

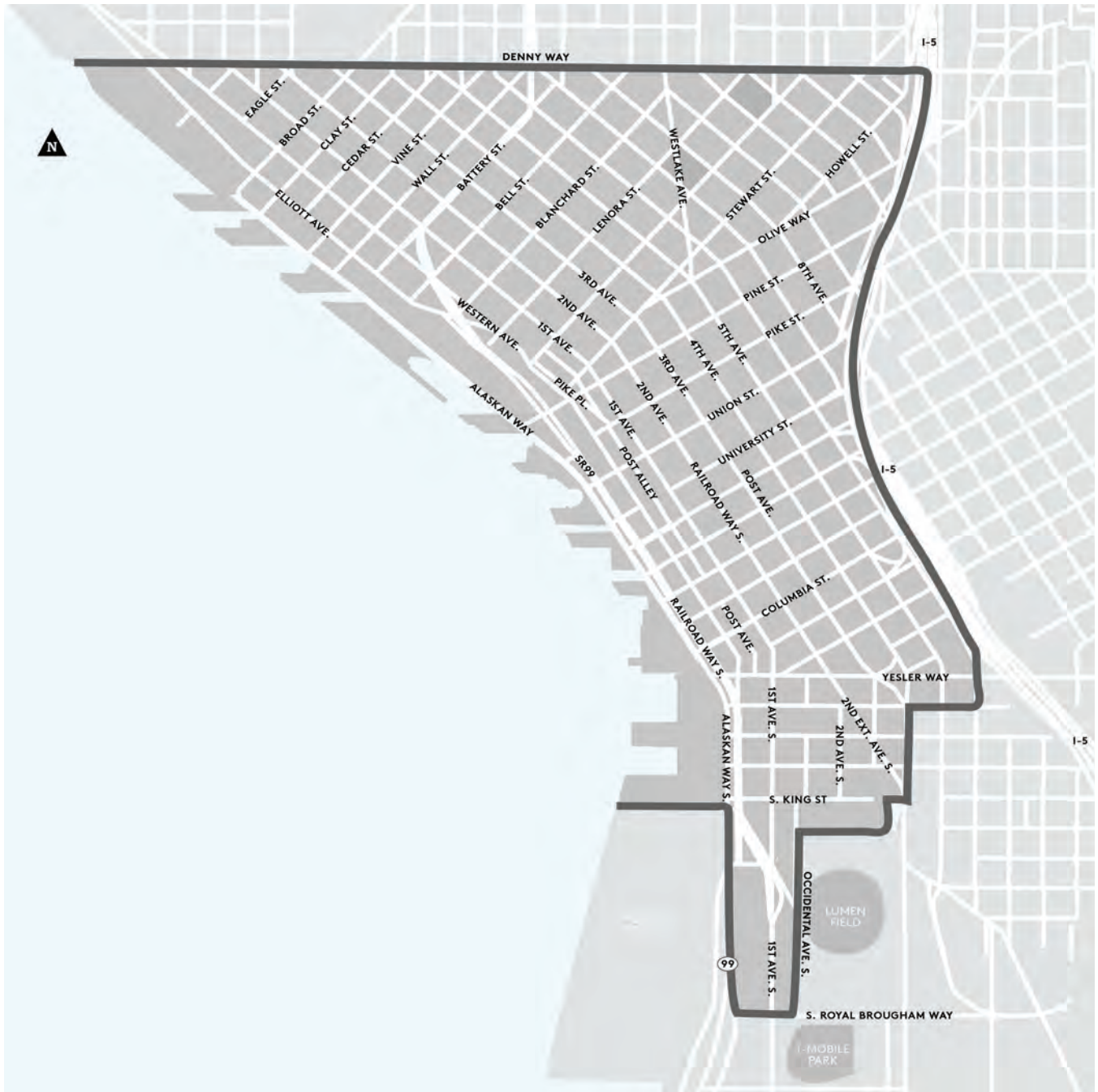


Figure 2 map new MID boundary for 2023-2033

MID Governance

MID Ratepayer Advisory Board

The MID has a Ratepayer Advisory Board that recommends an annual budget, work plan and Program Manager to the City of Seattle. The board provides guidance and oversight of general operations and programs. The Ratepayer Advisory Board is representative of the diverse range of property owners and includes representation from each MID neighborhood and ratepayer type. Appointees may represent more than one category, but the final board composition must represent the full geography of the MID and various ratepayer types and sizes.

MID RATEPAYER ADVISORY BOARD CATEGORIES

Neighborhoods

West Edge, Retail Core, Pioneer Square, Waterfront, Denny Triangle and Belltown

Ratepayer size

Small, medium and large ratepayers

Residential

Both condominium and apartment

Voluntary

Property owners that are not assessed but voluntarily contribute to the MID

Ratepayer type

Office, retail, parking and hotel

The Ratepayer Board has five committees that meet regularly: Finance, Clean and Safe, Communications and Marketing, Board Development and Executive.

2022-2023 RATEPAYER ADVISORY BOARD MEMBERS

Andy Bench
Wright Runstad & Company

Lisa Nitze
Nitze-Stagen

Allison Shephard
Holland Partner Group

Rebecca Uusitalo
Urban Renaissance Group

Dan Temkin
Block 41

Michael Pagana
Ethan Stowell Restaurants

Cary Clark
Argosy Cruises

Steven Van Til
Vulcan

Brandon Gardiner
Brickman / Pioneer Square

Lori Richards
Avison Young

Jeff Blunk
Nordstrom

Ross Peyton
Unimark Construction

Ben Grace
Amazon

Erik Lausund
Seattle Children's Research Institute

Tim Kuniholm
Seattle Aquarium

Amy Baker
Equity Office / DT Resident

Simone Loban
Ratepayer tenant / DT Resident

Janice Blair
Resident - Waterfront Landing

Mark Astor
Martin Smith, Inc

Aaron Blankers
Washington Holdings

Dan Feeney
Hines

Ed Leigh
Equity Residential

Collin Madden
GEM Real Estate

Allison Delong
Tishman Speyer

Valerie Heide Mudra
Resident - Belltown

Marshall Johnson
CWD Group

Reza Marashi
Kilroy

Michael Walzl
Hotel 1000

Jeff Draeger
Seattle Art Museum

Lars Pedersen
Hotel Åndra

Jennie Dorsett
Hudson Pacific Properties

Sabrina Villanueva
Clise Properties

Steve Emory
Madison Marquette

Gina Grappone
Recovery Café

Laura Jean Humiston
Resident - Pioneer Square



Assessment Formula and Methodology

Assessments in First Year

- Continue basic assessment formula, with adjustments to rates and ceilings across property types
- Increase the base assessment formula's lot footage rate to \$0.45, but maintain the value rate at \$0.37
- Raise Building Square Footage Ceiling factor to \$0.24
- Increase Hotel Room Ceiling to \$125 per room; with a two-year phase in of \$112 in Year 1 and \$125 in Year 2
- Raise Residential Unit Ceiling to \$195 per unit, with a two-year phase in of \$175 in Year 1 and \$195 in Year 2
- Eliminate the TAV Ceiling
- Adjust Surface Parking Ceiling factor to \$0.81 per \$1000/TAV
- Maintain nonprofit formula at 25% of base assessment (for properties owned by a nonprofit entity and in charitable use)

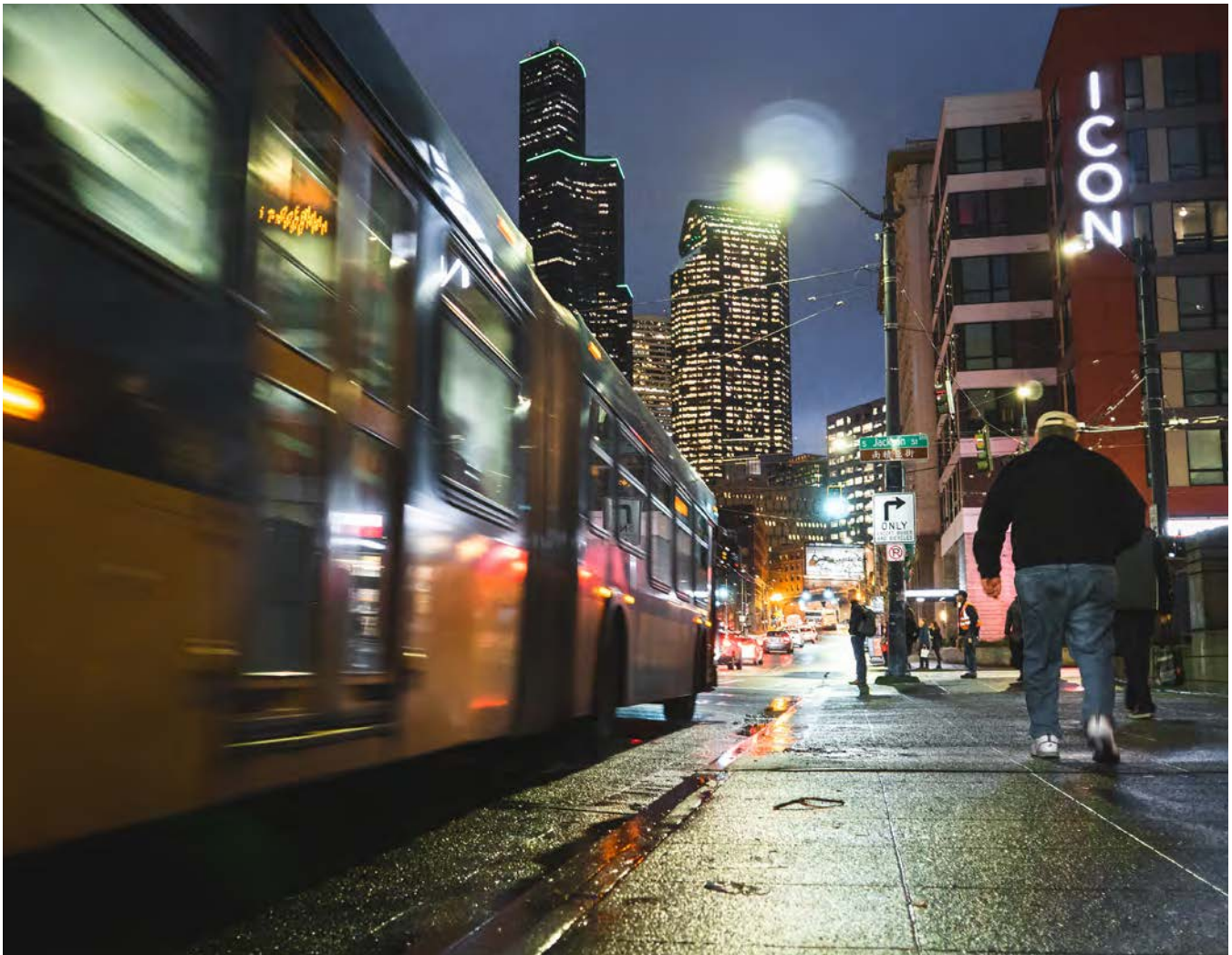
Annual Updates

- Apply CPI-U increase annually (at least 2.5%, but not more than 5%) to:
 - Value portion of the prior year's base-assessment calculation
 - Lot square footage rate, as well as ceilings for Building Square Footage, Residential Units, Hotel Rooms and Surface Parking
- Year 1-5 will be based on 2022 King County valuation data
 - Property valuations will be updated in Year 5 based on King County Assessor data, for calculation of Years 6-10 assessments
- Capture assessment on new development each year

Assessment Formula and Ceiling Factors

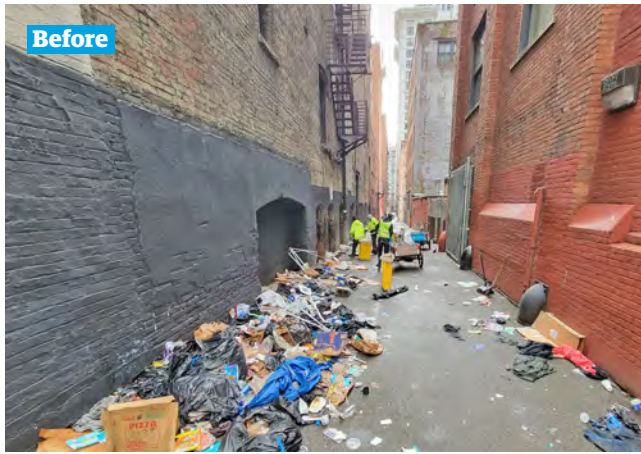
Formula	Rationale	Rate	Notes
Assessment / \$1,000 TAV	Reflects differential benefit associated with different land uses, investment value of property within land uses, and economic activity.	\$0.37	Value rate will remain the same
Assessment / Land Sq. Ft.	Reflects common level of service to all benefiting properties.	\$0.45	Increase of \$0.06 per lot square foot from 2022/23 value

Ceilings	Rationale & Calculation	Factor	Notes
Building Square Footage Ceiling	Limits assessments on small buildings due to limited rent-producing potential. (If FAR > 0.5, then Factor * Building New Square Feet) Floor Area Ratio (FAR): Net Building Square Footage / Land Square Footage	\$0.24	A \$0.03 per building square foot from 22/23 value
Hotel Room Ceiling	Limits assessments on hotels – value received relates to per room occupancy & revenue potential. (Factor * Number of Rooms).	\$125.00	Phased in over two years - Year 1 rate ceiling will be \$112 per room, and Year 2 rate ceiling will be \$125
Residential Unit Ceiling	Limits assessments on residential units – value received relates to per unit occupancy. (Factor * Number of Units)	\$195.00	Phased in over two years - Year 1 rate ceiling will be \$175 per unit, and Year 2 rate ceiling will be \$195
Surface Parking TAV Ceiling	Limits assessments on surface parking to compensate for limited benefits. (Factor * King County Total Appraised Value / \$1,000)	\$0.81	Per \$1,000 Total Appraised Value
Nonprofit Reduced Rate	Limits assessments on properties owned by nonprofits and in charitable use	25%	Of Basic Formula



Technical Changes to Current MID Ordinance

- **Multifamily Tax Exemption treatment.** Clarification of assessment of properties participating in Multifamily Tax Exemption (MFTE) program to align with City of Seattle policy.
- **Assessment of mixed-use properties.** Residential and hotel room ceilings will not apply to a mixed-use property unless the section use square footage designated with a hotel or residential section use code comprises at least 75% of the property's total net building square footage.
- **Assessing New Benefit Areas.** "New Benefit Area" 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 significant expansion of an existing building as recorded by the King County Assessor's Office.
 - Property values for a New Benefit Area will be updated annually until designated as 100% complete by the Assessor's Office.
- **University of Washington-owned properties.** UW-owned properties within the MID (which have previously received special assessment consideration) will be assessed using the base assessment formula. Property values for UW properties were not publicly available when the previous business plan and ordinance were developed. King County now publishes values for UW's downtown properties, which allows for properties to be assessed using the proposed MID assessment formula.



MID Budget and Services

MID income is a combination of assessment revenue, along with private and public partnership funding and fees for service. As the program manager appointed by the City, the Downtown Seattle Association develops an annual work plan based on the recommendations and priorities of the Ratepayer Advisory Board. The work plan and supporting budget are submitted each year for approval by a majority of ratepayers attending the MID annual meeting. The work plan aligns with priorities established in the Ordinance, including: Clean Services; Safety Outreach and Hospitality, including Law Enforcement; Marketing and Communications Services; Business Development and Market Research Services; Transit, Bike and Parking Services; and Management.

Income and Expenses (in thousands)

Projected Income for the 23/24 fiscal year

Assessments	\$18,060
Partner Funding	320
Sponsorship	226
Fee for Service Public	551
Fee for Service Private	149
Projected Income	\$19,306

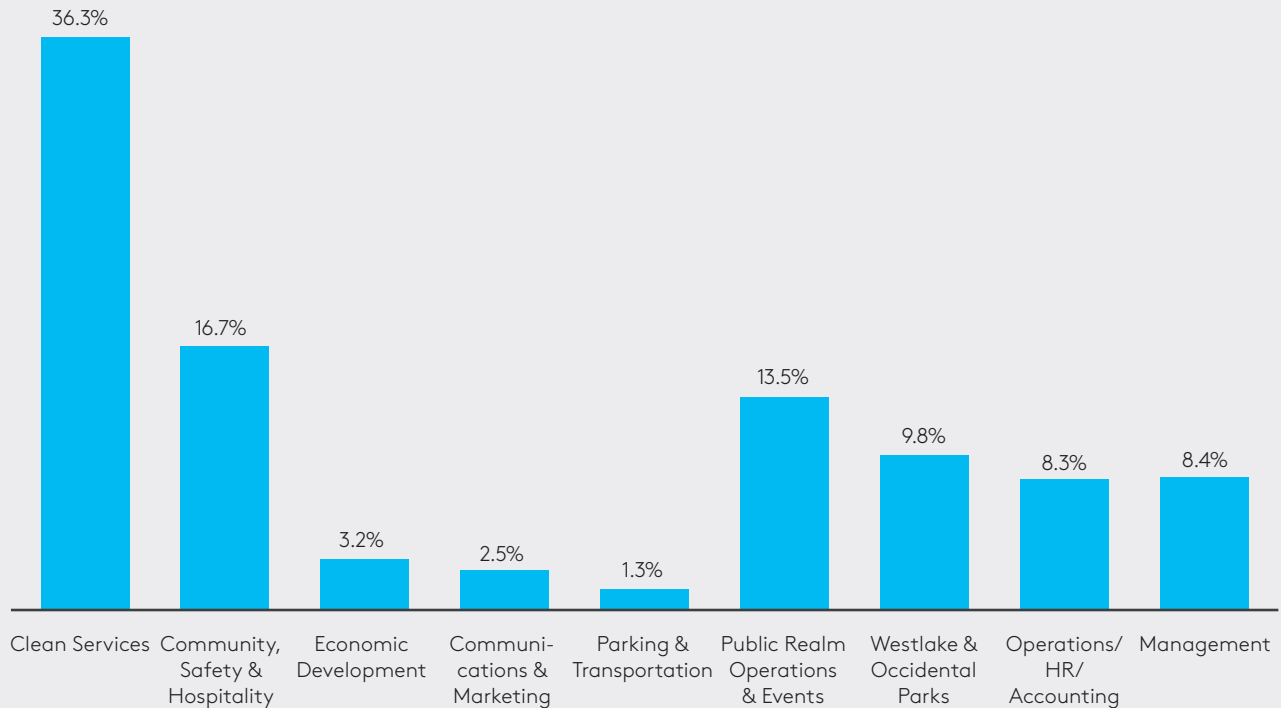
Projected Expenses

Wages & Benefits	\$11,909
Professional Service	2,200
General & Administrative	1,135
Program Expenses	6,192
Total Expenses	\$21,436

Funded from reserve (2,130)

*see budget considerations on following pages

2023-24 EXPENSE ALLOCATION BY PROGRAM



Budget Considerations 2023-2024 and Future Years

The MID is audited by an outside firm on an annual basis and is in a healthy financial position. Assessment fund reserves of approximately \$5 million accumulated during the 20-21 and 21-22 fiscal years as a result of the global pandemic impacts, including:

- Mandatory shut-downs of operations
- Pandemic-related service restrictions and reductions
- Furloughs/enhanced unemployment benefits; and
- Federal pandemic wage and benefit credits

This accumulated reserve has enabled the MID to invest beyond available “current year assessment funding” toward services focused on downtown’s recovery. Specifically, in 2022, the MID Advisory Board approved raising ambassador starting wages to \$20/hour; increasing security and cleaning services; and implementing downtown recovery activations,

events, beautification and marketing. With depletion of those accumulated reserves, increases in future year assessments will be required to sustain service levels currently in place as well as to fund proposed service enhancements in a high-inflation environment and competitive labor market.

For the proposed 23-24 fiscal year, these costs include:

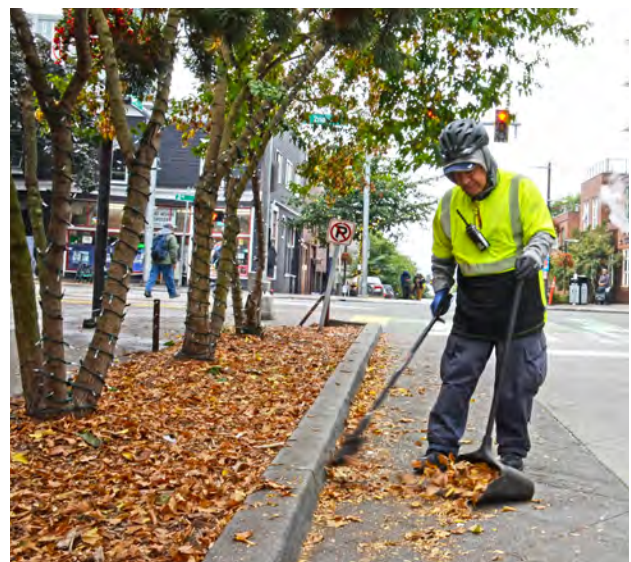
Sustained private security and SPD emphasis patrols	\$2.0m
Increased Clean team staffing/services by 10%	\$500k
Additional Advocacy efforts relative to city services	\$130k
Increase in ambassador wages	\$175k

Clean Services

The Clean Team is responsible for keeping the sidewalks, curbs and other areas of the downtown physical environment clean and free of litter, trash, graffiti and other forms of debris, clutter and obstructions. The team uses specialized cleaning equipment, including trucks, trikes and all-terrain litter vacuums to take care of the most challenging needs. Services are provided from 6:30 a.m.-9 p.m., 362 days a year.

Services

- Sweep and remove debris from sidewalks and curb lines
- Collect trash and litter
- Remove graffiti tags and stickers from public fixtures (light poles, mailboxes, parking signs and bike racks)
- Dispose of illegal dumps, large items and debris left by encampments in the right-of-way
- Schedule and execute regular pressure washing of alleys and sidewalks
- Provide pressure washings and graffiti removal from private property at ratepayer request
- Remove human/animal waste in public right-of-way
- Clean up and dispose of syringes
- Supervise 2,000+ hours of annual court-ordered community service
- Provide additional focused cleaning in high-transit and high-pedestrian traffic areas
- Support annual and seasonal cleanup of trash and debris in the water along the shoreline
- Contract with partner vendors to augment specialty services as needed (pressure washing, leaf clean-up, etc.)
- Maintain and continuously improve upon an electronic reporting system and dashboard to facilitate reporting, follow up and management
- Maintain mechanized cleaning machines/vehicles to increase efficiency and impact, including:
 - (40) Electric-Assisted Trikes
 - (5) Ford Trucks
 - (3) Green Machines
 - (2) All-Terrain Litter Vacuums (ATLV)



Community Safety and Hospitality Services

The Community Safety & Hospitality Team assists visitors, residents, workers and those in need. Team members perform a range of services intended to keep downtown Seattle safe, welcoming and livable. Duties include: providing directions and safety escorts, supporting local ordinances while working closely with security and law enforcement, working with social services agencies, providing welfare checks and supporting parks and public spaces. Services are provided from 7:30 a.m.- 9 p.m., 362 days a year.

Services

- Provide concierge service and uniformed presence in key locations to support visitors, businesses and residents, including in DSA/MID-managed parks and public spaces
- Offer customer service, wayfinding and transit information
- Provide safety escorts through the MID's SafeWalk service
- Assist in enrolling downtown businesses and properties in the West Precinct Conditions of Entry program
- Address civil ordinance violations, including Conditions of Entry (trespass) and sitting and lying in the public right of way when it impedes pedestrian access or building entryways
- Address physical items of public disorder, including overturned scooters, discarded signs and large debris, and work with the Clean Team to resolve these in a timely manner
- Provide welfare checks and relationship-building with people who are unsheltered in downtown
- Administer Narcan to individuals in need
- Engage with service agencies (KCRHA, REACH, DESC) to assist in connecting people to case management and available services
- Conduct regular visits with street level businesses, and downtown property and security personnel
- Partner with the West Precinct and the SPD Crime Prevention Coordinator to provide community education and support in the areas of crime prevention, public safety, and personal safety resources
- Conduct data collection to support public realm, public safety, and human welfare efforts
- Fund and oversee contracts with SPD and private security to provide uniformed presence in the right-of-way, support for ratepayers, observe and report criminal activity, address civility issues and support MID ambassadors when working in higher-risk areas



Parks and Public Space Management

The Public Realm Team is responsible for developing and implementing consistent, family-friendly programming in DSA/MID-managed urban parks (Occidental Square and Westlake Park) through an agreement with the City of Seattle. The team also provides ambassador staffing in parks and public spaces throughout the MID ensuring that they are clean, safe and welcoming for all. Ambassador staff provide information to visitors, support activations, events and vendors, and care for park amenities while staffing public spaces. Public Realm Ambassadors are stewards of quality of life in the public realm. Services are provided from 7:30 a.m.- 9 p.m., 362 days a year.

Services

- Provide information on the location of businesses and attractions
- Assist transit riders on bus schedules
- Track events occurring in Seattle and provide information to pedestrians
- Set-up/break-down park amenities (tables, chairs, games, etc.)
- Work with City of Seattle Park Rangers, SPD and security officers to report illegal behavior
- Observe and track condition of various public amenities throughout the public realm (newspaper boxes, light poles, public art, etc.) and share information to stakeholders for repairs/replacement
- Support consistent activation and programming in Westlake Park and Occidental Square, including:
 - Live music
 - Food trucks
 - Beautification efforts (planting, lighting, murals)
 - Art installations
 - Entertainment (concerts, performers, sports, etc.)
 - Community organization partnerships
 - Permitted events
- Plan and execute large-scale seasonal special events, including:
 - Downtown Seattle Tree Lighting Celebration
 - Holiday programming from late November into January, including multiple family-friendly events with entertainment, performers, incentives and more
 - Annual summer concert series in parks and various other locations bringing 30+ free live concerts to downtown



Communications and Marketing

Promote and market downtown to local and regional residents and visitors and position downtown as a vibrant, safe, clean and family-friendly destination. This includes ongoing promotion of yearlong MID-funded public events and activations and seasonal holiday and summer campaigns focused on creating a welcoming, vibrant urban experience and bringing locals into downtown. Efforts also involve communicating directly with MID ratepayers on the impacts of their investments, with the general public about the services MID-funding supports, branding MID ambassador equipment and supporting ambassador recruitment efforts with communication materials.

Downtown Marketing

- Promote downtown Seattle to local and regional visitors using a variety of communications channels, including social media, earned media/PR, digital and print communication and paid media as budget allows
- Maintain and promote a website designed to communicate events and activities throughout downtown post-pandemic. (Love,SeaTown)
- Maintain a robust online directory of what is open downtown post-pandemic (DSA/MID website)
- Promote yearlong and seasonal park and public space events and activations, including Downtown Summer Sounds and Holidays in Downtown/Tree Lighting
- Promote MID-funded services through DSA/MID website(s), videos, social and other digital and print collateral.
- Maintain and promote two websites designed to communicate what is open and available downtown post-pandemic.
- Promote MID-funded services through DSA/MID website(s), videos and other digital and print collateral.
- Support the ongoing marketing of downtown small businesses, retail and restaurants, attractions and arts and cultural organizations.
- Create signage, print materials and giveaways for events as needed

MID Ratepayer Engagement

- Create and send quarterly MID ratepayer email newsletter
- Produce informational insert on MID services mailed with twice-yearly assessments and posted online
- Host DSA/MID Annual Meeting with a report on MID investments and milestones
- Hold MID Annual Ratepayer Meeting
- Maintain DowntownSeattle.org/MID and KnowYourMID.org
- Post regular MID-related content on Facebook, Instagram and LinkedIn
- Send periodic emails to MID ratepayers about possible disruptions in downtown due to protests, marches, construction and other events
- Conduct business check-ins conducted by ambassadors with collateral explaining MID services

Ambassador Recruitment Support

- Create informational materials on working for the MID for use at recruiting events
- Post open jobs on DSA/MID website

Advocacy and Economic Development

Provide vision, leadership and influence on a range of issues impacting downtown, including public safety, chronic homelessness, transportation and overall health and recovery of downtown. Efforts focus on making downtown Seattle attractive and accessible to property and business owners, workers, residents and visitors. The team works closely with city and county leaders, neighborhood organizations and government agencies to ensure issues important to ratepayers get heard.

Economic Competitiveness and Research

- Advocate for transit and other transportation alternatives, providing services and housing options to those in crisis on our streets and investing in safe, inviting public spaces
- Research ballot initiatives and campaigns and provide insight into their impacts on the downtown experience and how they will address ratepayer priorities
- Collaborate with city and county government leaders on downtown economic development issues and initiatives
- Identify and facilitate opportunities for ratepayers to make their voices heard on issues of importance to downtown businesses, residents, visitors and workers
- Be a partner, thought-leader and advocate for strengthening downtown as a center for jobs, innovation and investment.
- Collect data to track downtown's recovery and economic health across a variety of metrics and provide analysis for our members, potential investors, policy-makers and the media
- Partner with the City of Seattle's Office of Economic Development on business-recruitment strategies
- Respond to requests, provide information and work with potential businesses and investors to recruit them to downtown Seattle

Policy Expertise

Increase the amount of policy analysis and research in areas that advance MID priorities and strategic initiatives (i.e. Third Avenue Vision report, future downtown light-rail expansion, downtown public safety initiatives). Continue to strengthen our reputation amongst policymakers and ratepayers as the go-to source for information on policies impacting downtown.

Convener and Advocate

- Provide access and opportunities for ratepayers and members to engage directly with city and regional leaders to amplify their voices in order to move the needle on a variety of issues affecting the downtown experience
- Find opportunities to convene downtown residents, workers, businesses and property owners to discuss issues and projects affecting downtown and ensure those perspectives are heard and considered at policy-maker tables
- Maintain relationships with city and regional governmental agencies. Help ensure ratepayer concerns and issues are directed and elevated to the appropriate point of contact within the relevant city or county agency for resolution

Commute Seattle

Increase access to transportation options to make downtown easy to reach for visitors, commuters and residents across the region.

Services

- Consult with ratepayers on world-class commute facilities and commuter benefits
 - Advise on parking policy and parking management strategies
 - Support with City of Seattle Transportation Management Plan regulations
 - Provide analysis of commuter trends for individual properties
 - Provide 1:1 Commute Consultations for tenants' employees
 - Offer guidance on transportation changes and their impacts
 - Conduct planning to meet sustainability goals
- Continue to provide discount transit pass sales and commute program consulting for property owners and tenants including:
- Transit pass product consultations to advise tenant investments in commuter benefits
 - One-stop-shop for commuter transportation; web site, newsletter, social media
 - Tenant engagement seminars to educate tenants about transportation options and issues
 - Transportation events and briefings for tenants and employees
 - Quarterly best-practices transportation workshops for tenants
 - Research: bi-annual commuter mode split trend study & reports
 - Assistance in designing bike facilities to attract tenants
 - E-Bike facilities consultations and best-practices for property owners and tenants
 - Bike encouragement events (i.e Biking 101)
 - Bike inventory updates and bike map outreach resources



Management Services

The Downtown Seattle Association (DSA) is the founder and program manager for the MID. The DSA has managed the MID Program since 1999 and is committed to excellent customer service to ratepayers. DSA provides management services for the MID under an annual contract with the City of Seattle.

Services include:

- Provide high-quality program administration and excellent customer services
- Develop and effectively implement services
- Provide sound financial and contract management
- Provide staff assistance and guidance to the MID Ratepayer Advisory Board to carry out the programs and activities financed through the MID assessments
- Provide the Board with organizational assistance, including setting meeting times, locations, and agendas; notifying all ratepayers of all Board meetings, keeping minutes; and following through on recommended activities
- Develop and carry out the Board-approved work plan, including specific products or activities, timelines and budget for each major element
- Schedule, organize and execute an annual meeting of all ratepayers
- Set program benchmarks based on Ratepayer Advisory Board priorities and keep ratepayers informed of progress

Develop and effectively implement service programs

- Actively seek and acquire national best practices and keep ratepayers informed of new and successful strategies
- Hire, train and manage high-quality staff to implement the MID programs
- Establish contacts throughout the country with other BIAs, call on their expertise in designing and benchmarking MID programs
- Identify and develop partnerships, grants and other resource-leveraging opportunities

Provide financial and contract management services

- Staff the MID Finance Committee and provide timely and accurate financial reporting
- Negotiate and execute subcontracts for work according to the approved budget. Through strict contract management ensure that these services are provided in a high-quality, cost effective and accountable manner
- Submit to the City, after approval of the Board, an annual work plan, proposed budget, and a statement of assessment rates requested for financing subsequent program years

Provide clear and consistent data tracking and reporting

- Develop regular reports on MID services provided
- Provide timely, accurate data to improve MID service delivery
- Maintain MID service program dashboards, highlighting progress against critical priorities and informing service plans and timely modifications grounded in data and analysis
- Conduct research projects

Support Public/Private Partnerships

The MID is proud to partner with many downtown public agencies and nonprofits to provide services including:

- City of Seattle: SDOT and SPU
- Uplift NW
- Belltown United
- Alliance for Pioneer Square
- Market to MOHAI
- DESC
- Union Gospel Mission
- LEAD
- King County Drug Diversion Court
- South Seattle College



To create a healthy, vibrant downtown for all

1809 7th Ave. Suite 900
Seattle, WA 98101

DowntownSeattle.org/mid

KnowYourMID.org



Legislation Text

File #: Res 32090, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION of intention to establish a new Metropolitan Improvement District (MID) and fix a date and place for a hearing thereon.

WHEREAS, the owners of commercial properties, multifamily residential, and mixed-use properties that are subject to nearly 66 percent 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 Clerk File 322591; and

WHEREAS, the City Council has reviewed the petition and letters of support, and determined it is in the best interests of the City to proceed, as permitted by chapter 35.87A RCW, under the resolution method of creating a Business Improvement Area instead of the petition method, and

WHEREAS, the City Council introduced Resolution 32089 on March 28, 2023, initiating the Metropolitan Improvement District (MID); and

WHEREAS, the City Council wishes to declare its intent to establish a Metropolitan Improvement District (MID), 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 THAT:

Section 1. The City Council of The City of Seattle declares its intention to establish a new Metropolitan Improvement District (MID) in accordance with chapter 35.87A RCW.

Section 2. The MID shall be within the following boundaries as shown on the map attached to this resolution as Exhibit A and described in this section. 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.

The Metropolitan Improvement District Area:

- From the corner of Elliott Avenue and Denny Way, proceed west to Elliott Bay [excluding Myrtle Edwards Park]; then proceed
- South along the waterfront to Alaskan Way and Broad Street; then proceed
- South along Alaskan Way, including the piers and/or properties abutting the west side of Alaskan Way, to South Dearborn St; then proceed
- East to 1st Ave South; then proceed
- South to South Royal Brougham Way, including properties abutting the west side of 1st Ave South to Alaskan Way South; then proceed
- East to Occidental Avenue South; then proceed
- North on Occidental Avenue South to South King Street; then proceed
- East on South King Street, including properties abutting the south side of South King Street to 4th Avenue South; then proceed
- North on 4th Avenue South to South Washington Street; then proceed
- East on South Washington Street to 6th Avenue South; then proceed
- North along 6th Avenue South and 6th Avenue to Jefferson Street; then proceed
- North along Interstate-5 to Denny Way [excluding Freeway Park]; then proceed
- West along Denny Way and West Denny Way to Elliott Avenue.

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 within the Business Improvement Area:

- A. Cleaning and Maintenance Services;
- B. Community Safety, Hospitality, and Outreach Services;

- C. Public Events and Beautification of Public Spaces;
- D. Economic Development, Advocacy and other Planning Services;
- E. Promotion, Marketing and Communication Services;
- F. Transportation and Parking Support; and
- G. Program Management.

All such activities are supplemental to programs and services provided by the City and are not intended to displace any services regularly provided by municipal government. The total projected cost of MID programs that will be paid for with the proposed MID's assessments in the fiscal year of 2023-2024 is estimated to be approximately \$18.3 million. This will also be the approximate amount in subsequent years as adjusted by various factors including, but not limited to, inflation and other impacts to the total level of assessment due to factors discussed in the assessment formula.

Section 4. There shall be an advisory board whose membership is comprised of ratepayers representative of the entire geography and variety of sizes in the Metropolitan Improvement District. The composition of the Board shall be representative of the varying sizes and types of property owners, residents, and business tenants, within the geographic area of the Metropolitan Improvement District and may include public agencies.

Section 5. Levy of special assessments. To finance the programs authorized in Section 3 of this resolution, a ten-year special assessment shall be levied upon and collected from the owners of commercial property, multifamily residential property (buildings containing four or more residential units), and mixed-use property (multifamily residential and commercial) located within the boundaries of the Metropolitan Improvement District (MID) described in Section 2 of this resolution. Initial assessment calculations will be based on property information from the King County Assessor's Office for Value Year 2021/Tax Year 2022. The MID shall annually update records based on data and information from King County and the City. Ratepayers shall be assessed by the City in ten annual installments to be billed semi-annually beginning in the year of the

authorization (2023), by applying the following assessment rates to each ratepayer:

A. Base Year Assessment = $(\$0.45 \times \text{Land Square Footage}) + (\$0.37 \times (\text{Total Taxable Value (Land + Improvements)} / \$1,000))$. Records for the assessment calculation are based on information provided by the King County Assessor's Office. This calculation is called the "Base Formula." Modifications or limitations to these assessments are described below.

B. Building Square Footage Ceiling. 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 $(\$0.24 \times \text{Net Building Square Footage})$. This rate is called the "Building Square Footage Ceiling."

C. For the following special classifications of Ratepayers (using King County Assessor's Present Use Code) and where more than 75 percent of a property's total net building square footage is designated a hotel, parking or residential section use code, a Special Assessment Ceiling Rate as set forth below shall be applied to the Base Year Assessment to determine the rate most reflective of benefit for that particular class of Ratepayer:

1. Hotel Room Ceiling. The hotel room ceiling shall be \$112 in the first assessment year; \$125 in the second assessment year and adjusted by an inflationary factor as set forth in Section 5(G)(3) of this resolution in the second through tenth assessment years.

2. Residential Unit Ceiling. The residential unit ceiling shall be \$175 in the first assessment year; \$195 in the second assessment year and also adjusted by an inflationary factor as set forth in Section 5(G)(3) of this resolution in the second through tenth assessment years.

3. Surface Parking Ceiling: $(\$0.81 \times (\text{Total Appraised Value} / \$1,000))$.

D. If the Total Appraised Value and Total Taxable Value in the King County Assessor's records are not equal, then using the King County Assessor's notations about "Tax Value Reason" (TVR), nonprofit rates or other special criteria may apply under the following rules:

1. If TVR is "OP" (Operating Property), then use Appraised Value.

2. If TVR is “HP” (Historic Property), then use Taxable Value.

3. If TVR is “NP” (Nonprofit Org.), and the property is in nonprofit use, then use Taxable Value and calculate the MID Assessment as 25 percent of the Base Formula. Twenty-five percent of the Base Formula is called the Nonprofit Rate.

4. If TVR is “EX” or “MX” (Exempt from Taxes), then review the property in detail, and:

a. If the property is owned and operated by a governmental organization, and in governmental use, then it is exempt from mandatory MID assessment.

b. If the property is owned and operated by a nonprofit organization in nonprofit use, the MID Assessment is calculated using Taxable Value and the Nonprofit Rate.

c. If the property is operated by a for-profit organization, the MID Assessment is calculated using Appraised Value.

5. If TVR is blank, then use Taxable Value.

E. When more than one Assessment Ceiling Rate applies to a single parcel, Ratepayers shall pay the lesser of the applicable Assessment Ceilings.

F. Properties owned by governmental entities and public utilities will not be assessed except as provided in Section 5(D) of this resolution.

G. To maintain the current level of services and increase benefits provided by MID, annual assessment rate increases shall be applied consistent with this subsection.

1. Assessments in the second through fifth years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the first assessment year. In the sixth assessment year (2028-2029), 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.

2. Assessments in the sixth, seventh, eighth, ninth, and tenth assessment years, as adjusted pursuant to this subsection, shall be based upon the same property values as in the sixth assessment year.

3. After the first assessment year, the Land Square Footage rate, and the ceilings for 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-Bellevue (“CPI”) but no less than 2.5 percent and no greater than 5 percent.

4. After the first assessment year, the value portion of the prior year’s base assessment calculation 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-Bellevue (“CPI”) but no less than 2.5 percent and no greater than 5 percent.

5. Notwithstanding the provisions of this subsection, the following shall apply:

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

b. The Base Formula rate for the Land Square Footage portion of the calculation will not exceed $\$0.45 \times$ the cumulative Inflationary Factor.

c. The Building Square Footage Ceiling will not exceed $\$0.21 \times$ the cumulative Inflationary Factor.

d. The Hotel Room Ceiling will not exceed $\$125.00 \times$ the cumulative Inflationary Factor.

e. The Residential Unit Ceiling will not exceed $\$195.00 \times$ the cumulative Inflationary Factor.

f. The Surface Parking Ceiling will not exceed $\$0.81 \times$ the cumulative Inflationary Factor.

H. New benefit areas shall be added to the assessment roll on an annual basis, as follows. 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. A new benefit area shall be added to the MID assessment roll following its inclusion in the King County Assessor assessment roll during the preceding year. The new benefit area shall be

assessed according to the Base Formula factors and Assessment ceiling rates in effect during the assessment year. A new benefit area will continue to have its value updated to the most current year value until it is designated as 100 percent complete and no new dollars are added by the King County Assessor's Office. The formula for a new benefit area will be calculated using the new King County Assessor's values in the Base Formula multiplied by the annual CPI Factor in effect. New Business Improvement Area (BIA) assessments will be billed at the next regularly scheduled billing period established by the Director of Treasury Services.

I. Multifamily Tax Exemption (MFTE). If a property is owned by a for-profit entity and qualifies for the MFTE from the City, the Base Year Assessment will be calculated using the Total Appraised Value upon 100 percent completion of the building and/or authorization of MFTE.

J. 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 BIA Advisory Board and shall not occur more than one time per year.

Section 6. A hearing shall be held on this matter before the Economic Development, Technology, and City Light Committee in the City Council Chamber, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington 98104 on April 12, 2023, at 9:30 a.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/>, 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 _____, 2023, and signed by
me in open session in authentication of its adoption this _____ day of _____, 2023.

President _____ of the City Council

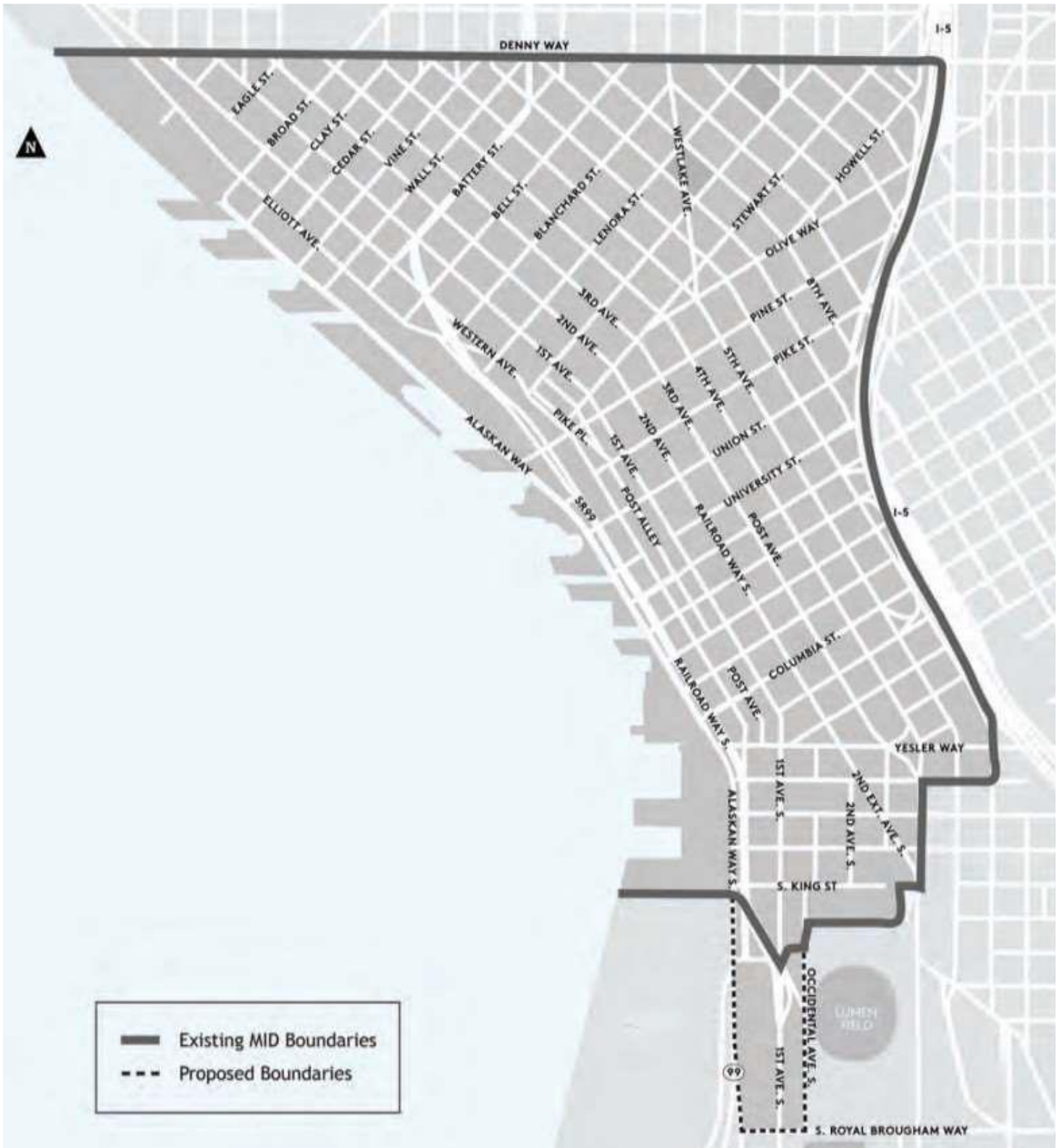
Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

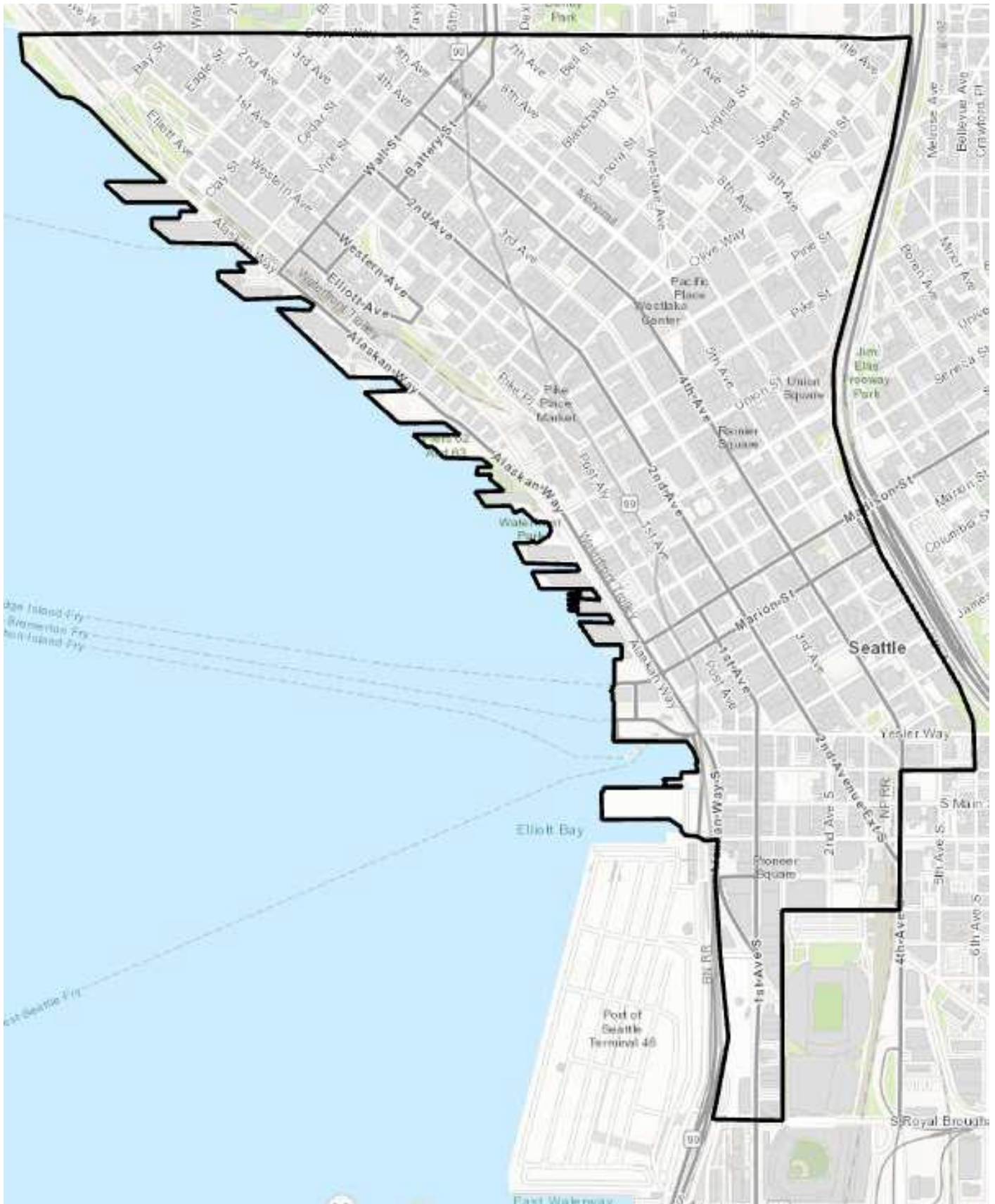
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Attachments:
Attachment A - Proposed MID Boundaries

Attachment A – Proposed MID Boundaries
V1



Attachment A – Proposed MID Boundaries
V1



SUMMARY and FISCAL NOTE 1

Department:	Dept. Contact:	CBO Contact:
Office of Economic Development	Phillip Sit	Nick Tucker

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title:

A RESOLUTION of intention to establish a new Metropolitan Improvement District (MID) and fix a date and place for a hearing thereon.

Summary and background of the Legislation:

This resolution declares the intention to establish a new Metropolitan Improvement District 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 dates and place for the initiative. After the public hearing, the council may introduce a Council Bill to create the Metropolitan Improvement District with a special assessment to be levied upon the owners of commercial properties, multi-family residential properties (four or more units), and mixed-use properties (multi-family residential and commercial) within its boundaries.

- A. Cleaning and Maintenance Services;
- B. Community Safety, Hospitality, and Outreach Services;
- C. Public Events and Beautification of Public Spaces;
- D. Economic Development, Advocacy and other Planning Services;
- E. Promotion, Marketing and Communication Services;
- F. Transportation and Parking Support; and
- G. Program Management.

The petitioning effort resulted in a show of financial support by ratepayers who would pay at least 60% of the total special assessment revenues. Assessments will commence as of July 1st, 2023, or the effective date of this ordinance, whichever is later. The Metropolitan Improvement District will be overseen by a Ratepayers Advisory Board, which would be broadly representative of the proposed ratepayers and stakeholders from the district.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No.

Are there financial costs or other impacts of *not* implementing the legislation?

If the Metropolitan Improvement District (MID) legislation is not implemented, it would potentially eliminate \$18 million in annual enhanced programs and services in the downtown service area. This resolution is a required step to implement the package of MID legislation.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Treasury Services in the Office of City Finance administers the assessments for the BIAs. OED has worked in close coordination with Treasury on this legislation package. Treasury will collect the BIA assessments from its ratepayers. Treasury holds the funds solely for the purpose of reimbursing the Program Manager for administering staffing, projects, and other costs associated with the BIA.

b. Is a public hearing required for this legislation?

A public hearing is required for the MID renewal and will be held on [REDACTED] as required by RCW 35.87A.140.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes. This resolution was published to give notice of the public hearing for the proposed Council Bill.

d. Does this legislation affect a piece of property?

Please see Attachment A to the Resolution: Proposed MID Boundaries

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The Metropolitan Improvement District is not expected to have adverse disproportionate impacts on vulnerable and historically disadvantaged communities in the district. OED will complete a RET on the outreach process on the MID renewal.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)?**

Summary Attachment A, the MID Business Plan, expands on the goals of the MID.

Summary Attachments:

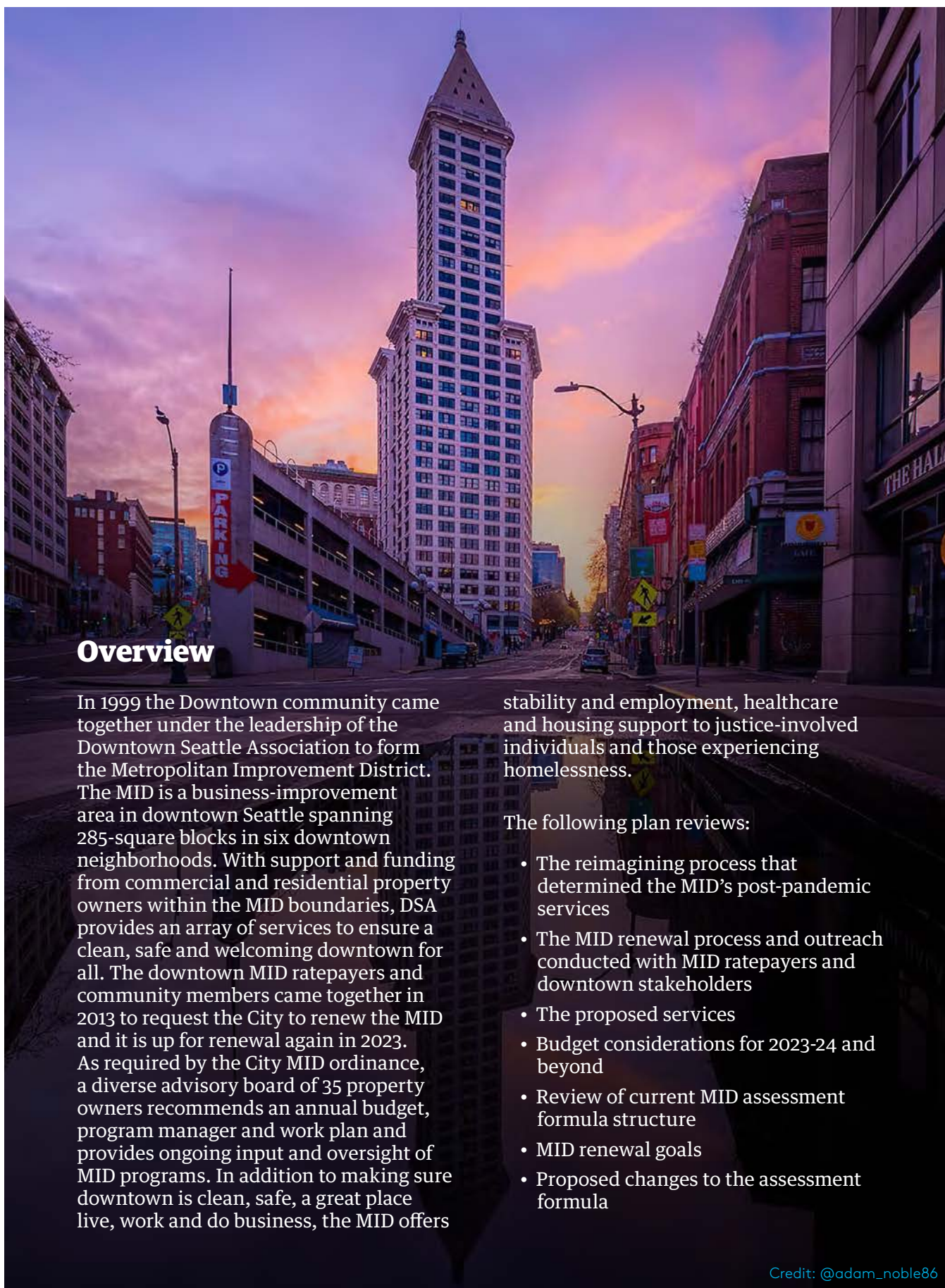
Summary Attachment A - MID 2023-2033 Business Plan

MID 2023-2033 BUSINESS PLAN



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Overview

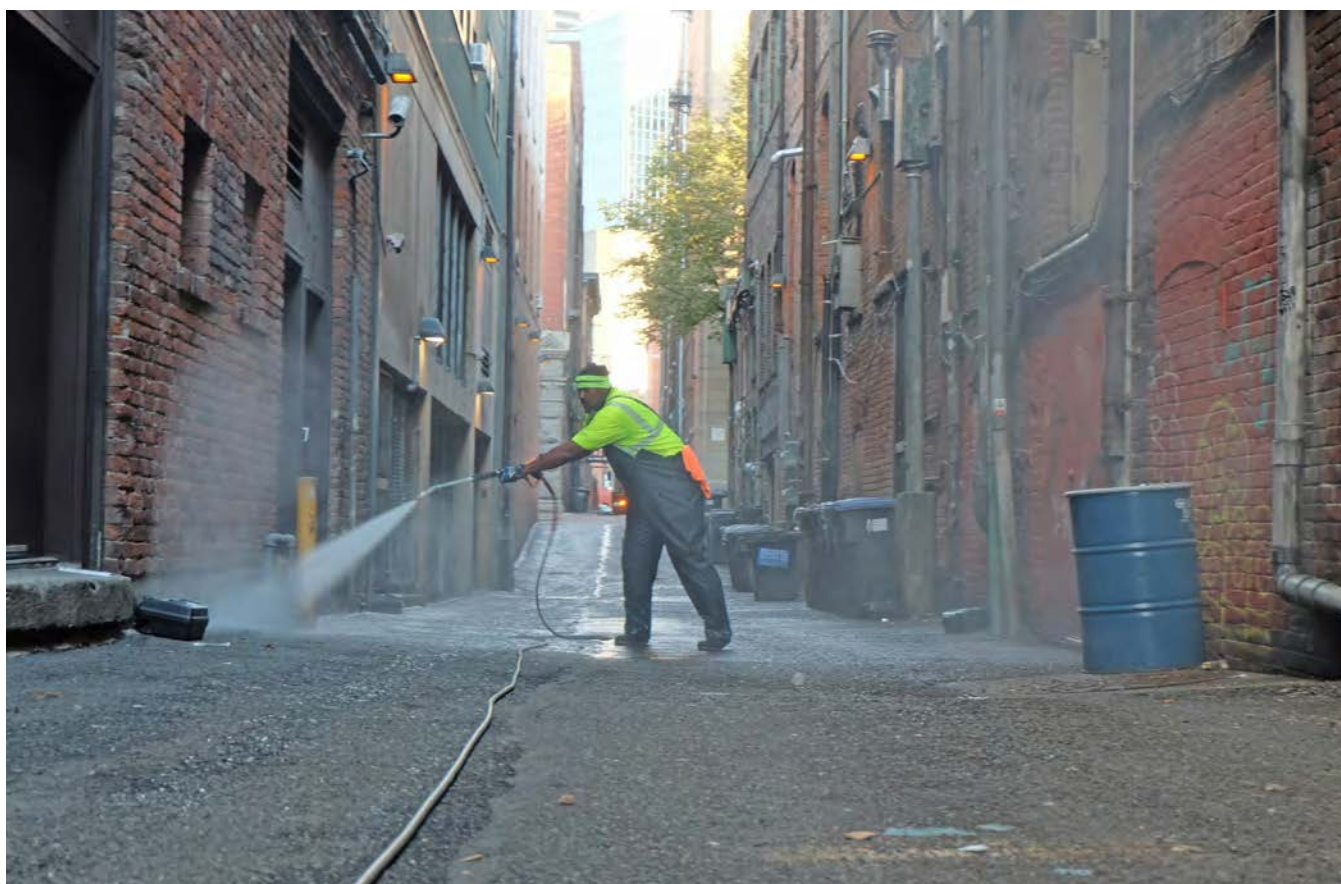
In 1999 the Downtown community came together under the leadership of the Downtown Seattle Association to form the Metropolitan Improvement District. The MID is a business-improvement area in downtown Seattle spanning 285-square blocks in six downtown neighborhoods. With support and funding from commercial and residential property owners within the MID boundaries, DSA provides an array of services to ensure a clean, safe and welcoming downtown for all. The downtown MID ratepayers and community members came together in 2013 to request the City to renew the MID and it is up for renewal again in 2023. As required by the City MID ordinance, a diverse advisory board of 35 property owners recommends an annual budget, program manager and work plan and provides ongoing input and oversight of MID programs. In addition to making sure downtown is clean, safe, a great place live, work and do business, the MID offers

stability and employment, healthcare and housing support to justice-involved individuals and those experiencing homelessness.

The following plan reviews:

- The reimagining process that determined the MID's post-pandemic services
- The MID renewal process and outreach conducted with MID ratepayers and downtown stakeholders
- The proposed services
- Budget considerations for 2023-24 and beyond
- Review of current MID assessment formula structure
- MID renewal goals
- Proposed changes to the assessment formula

Credit: @adam_noble86



MID-funded Services

MID-funded downtown ambassadors work seven days a week, 362 days a year, providing:

- Cleaning, including graffiti and biohazard removal
- Safety, outreach and hospitality services
- Maintenance of public infrastructure
- Park/public space event management and operations

In addition, MID funding supports:

- Marketing and promotion of downtown
- Public realm art installations and beautification
- Numerous family-friendly events
- Advocacy, research and economic development
- Transportation and commuting services
- Employment opportunities for individuals experiencing homelessness and/or are justice involved



Reimagining the MID for the Future

2022 MID OPERATIONAL CHANGES

Increased investment in private security staffing to address ratepayer and staff safety concerns

Expanded use of mobile cleaning equipment to increase speed of service delivery

\$3.00/hour increase in ambassador wages to respond to competitive labor environment and improve ambassador retention

Expanded duties of community safety and hospitality teams for enhanced coverage

MID operational changes implemented in 2022, based on stakeholder feedback.

In early 2022, to address both immediate post-pandemic conditions and the evolving needs of downtown Seattle into the next decade, the DSA and MID staff, along with members of the MID Ratepayer Advisory Board, began work on reimagining MID operations. Internally, an all-staff survey was conducted, and focus groups were comprised of operations leadership and ambassadors. All worked together on blue-sky planning, as well as concrete operational enhancements to be piloted immediately.



MID Accomplishments

The MID maintains an extensive record of services performed in order to demonstrate benefits to ratepayers, and to manage resources and employee productivity. Between July 2013 and June 2022, MID ambassadors accomplishments included:



8,664,909

gallons of trash removed



102,571

incidents of human/animal waste cleaned up /disposed of



97,315

syringes collected



339,229

graffiti tags removed



71,156

welfare checks for unsheltered individuals conducted



770,806

visitors and tourists assisted with directions



MID Renewal Process and Community Outreach

In March 2022, the MID Ratepayer Advisory Board established the MID Renewal Committee to inform and oversee the MID renewal process. This group of property owners and representatives was tasked with reviewing service needs, budget and rates as well as proposed assessment formula changes and potential boundary adjustments. The Renewal Committee was also instrumental in providing feedback on improving communication with ratepayers. Additionally, a MID Assessment Equity Work Group comprised of individuals representing commercial, residential and hotel properties was formed to review the MID's current assessment formula and impacts of proposed assessment changes across various property types.

To support extensive stakeholder outreach and renewal process management, DSA hired BDS Planning & Urban Design (BDS) and Kate Joncas, Director of Urban Strategy and Development with MIG.

MID STAKEHOLDER OUTREACH

MID stakeholder outreach began in January 2022 with the “reimagining” efforts and review of current MID services, continued throughout summer 2022 and is ongoing. Outreach efforts have included:

- Formation of the MID Renewal Committee and holding regular meetings and reviews
- Focus groups with the largest MID ratepayers
- Employee engagement, including facilitated team meetings, focus groups and a survey
- 1:1 interviews with select MID ratepayers across property types
- Focus group with CEOs and operations directors representing large downtown organizations across the U.S.
- Mailers to all MID ratepayers with notice of a scheduled public meeting, as well as information about where to learn more about the MID renewal process
- Online MID Renewal Fact Sheet and FAQ created and posted on the MID and DSA websites
- Virtual public meeting conducted on July 14, 2022
- Posting of information to the website KnowYourMID.org and ability to submit comments
- Online survey of MID ratepayers regarding service satisfaction and program direction
- Presentations to MID Condo Board association presidents and members
- New quarterly MID Dispatch newsletter developed and sent via email in September 2022 to more than 3,000 MID stakeholders
- Regular updates at MID Ratepayer Advisory Board meetings
- Meetings with City of Seattle leadership focused on current services and renewal
- A second public meeting held in-person on November 17, 2022
- Feedback from these events and stakeholder outreach confirms the following:
 - Strong support and appreciation for MID services (especially during the pandemic)
 - Ongoing concerns about safety and security in downtown Seattle
 - Concerns about the homelessness crisis and its impact on downtown
 - Desire for additional cleaning services
 - Desire for the city to commit to providing a higher level of core services downtown



MID 2023-2033 Business Plan Goals

The reimagined enhancements to the MID’s core services form the basis for current operations and establish the foundation of the proposed 2023-2033 MID Business Plan. The accumulated feedback from stakeholder outreach meetings, along with ongoing conversations with ratepayers throughout the summer of 2022, provided clear messages that the MID must: remain focused on the core services of cleaning and safety; continue activation of public spaces throughout the MID to bring positive activities to public spaces; and be diligent in advocacy efforts to reestablish a strong partnership with the city and other public sector partners for the provision of basic services downtown.

KEY ELEMENTS OF THE 2023-2033 BUSINESS PLAN

- Sustained investment in private security patrols and SPD emphasis patrols
- Increase in cleaning services through expanded staffing and scheduling
- Competitive wages and benefits for our ambassador teams
- Enhanced advocacy/ratepayer customer service resources to focus on the city’s basic service responsibilities and engagement with ratepayers
- Activation and programming of additional public spaces with private/city investment

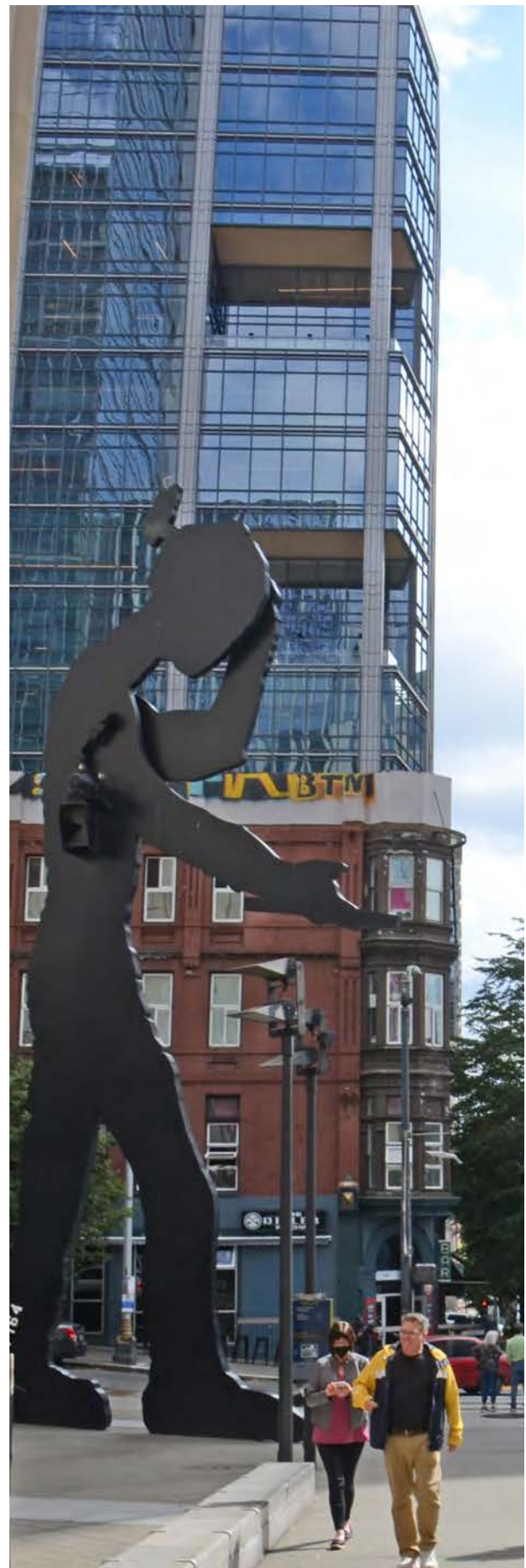
Impacts of Existing MID Assessment Mechanism: 2013-2023

Since the MID was last renewed in 2013, downtown Seattle has experienced significant growth. More than 100,000 people now live downtown – an increase of more than 50%. Over that time, employment and tourism have also grown significantly. Construction of new buildings has increased downtown square footage within the MID by 42%. Property values have also grown by more than 200%. During this period, MID assessments as a percentage of total property value in the district have decreased from .06% to .03%.

Under the current MID ordinance, each property is evaluated based on multiple criteria and then billed based on the lowest of the applicable calculated assessments. The formula was developed to include “ceilings,” which set a maximum assessment level across various property types. In 2013, nearly 65% of properties were assessed at the base levels, allowing for growth in annual assessments based on property value increases, plus an inflation factor of up to 3%. This provided appropriate funding for services that are responsive to changing conditions and growth in downtown.

However, with the record increase in property values over the past decade, more than two thirds of properties have reached “maximum ceilings” under the current formula. This limits funding additional services and programming to meet the needs of our growing downtown. In fact, the combination of ceiling limits and the current 3% inflation cap means that growth of assessment funding now falls behind the actual MID expense increases for wages, supplies and services. In a high-inflationary environment this puts significant downward pressure on MID funding, driving a reduction in services.

The ceilings have also played a significant role in altering assessment equity across property types. With current ceilings in effect, assessments of office properties have increased at a much faster rate than hotel and residential properties relative to respective increases in value.





MID Renewal Goals

The MID Renewal Committee and Assessment Equity Work Group developed the following goals for MID renewal:

- **Funding sufficient to deliver the service levels ratepayers have requested in the proposed MID Business Plan for 2023-2033.** In 2022-2033, MID ratepayers invested \$15.5M toward MID services. Sustaining current cleaning and safety/security service levels, providing extended cleaning services and increasing ambassador wages in the new MID Business Plan will require an assessment budget of approximately \$18M in year one.
- **Improved ratepayer equity across property types.** Over the past decade, assessments paid by office properties in the MID have grown more than assessments on residential and hotel properties. Going forward, adjustments to the assessment calculations by property type are needed to increase the relative assessments on residential and hotel properties to align with the assessments on office properties.
- **Closer linkage to actual CPI-U changes, as we face high inflation.** Based on the 2013 ordinance's cap of 3% annual increases even if CPI-U is higher than 3%, MID assessment increases have sometimes trailed inflation. MID assessments need to track closer to true inflation to avoid a shortfall in service delivery in future years.
- **More predictable budgeting for ratepayers** through a single mid-term TAV (total appraised value) adjustment. Having a formula that will allow ratepayers and staff to more accurately plan for future years' expenses was also key. The current MID business plan has provided for three updates to the property values used to determine assessment amounts, which in many cases has led to significant and unexpected increases for ratepayers because of the significant increases to property values in downtown over the previous decade.

Analysis of Assessment Options

To meet these objectives and fulfill the four goals set out by the Committee (generate sufficient revenue to invest in the proposed Services Plan while rebalancing equity across property types and avoiding extraordinary increases for any single property type), several assessment scenarios were analyzed. These ranged from removal of all ceilings to assessment calculations based on a single property value millage across all property types to a single square footage rate across all property types. After careful consideration, the following changes were recommended by the Assessment Equity Work Group and Renewal Committee.

Proposed Term

The renewed MID BIA will have a term of 10 years (2023-2033).



Boundaries and Proposed Adjustments

Proposed Metropolitan Improvement District – Service Area

The renewed Metropolitan Improvement District will cover the area generally between Elliott Bay and Interstate-5, and between Denny Way and the sports stadiums to the south. The MID Renewal Committee recommends an adjustment of the MID. The area (noted by a dashed border) is congruent with Pioneer Square Historic District.



Figure 1 map of entire current MID plus southern expansion

New MID Boundary 2023-2033

If the boundary modification is adopted, Figure 2 shows the MID's new boundary for 2023-2033.

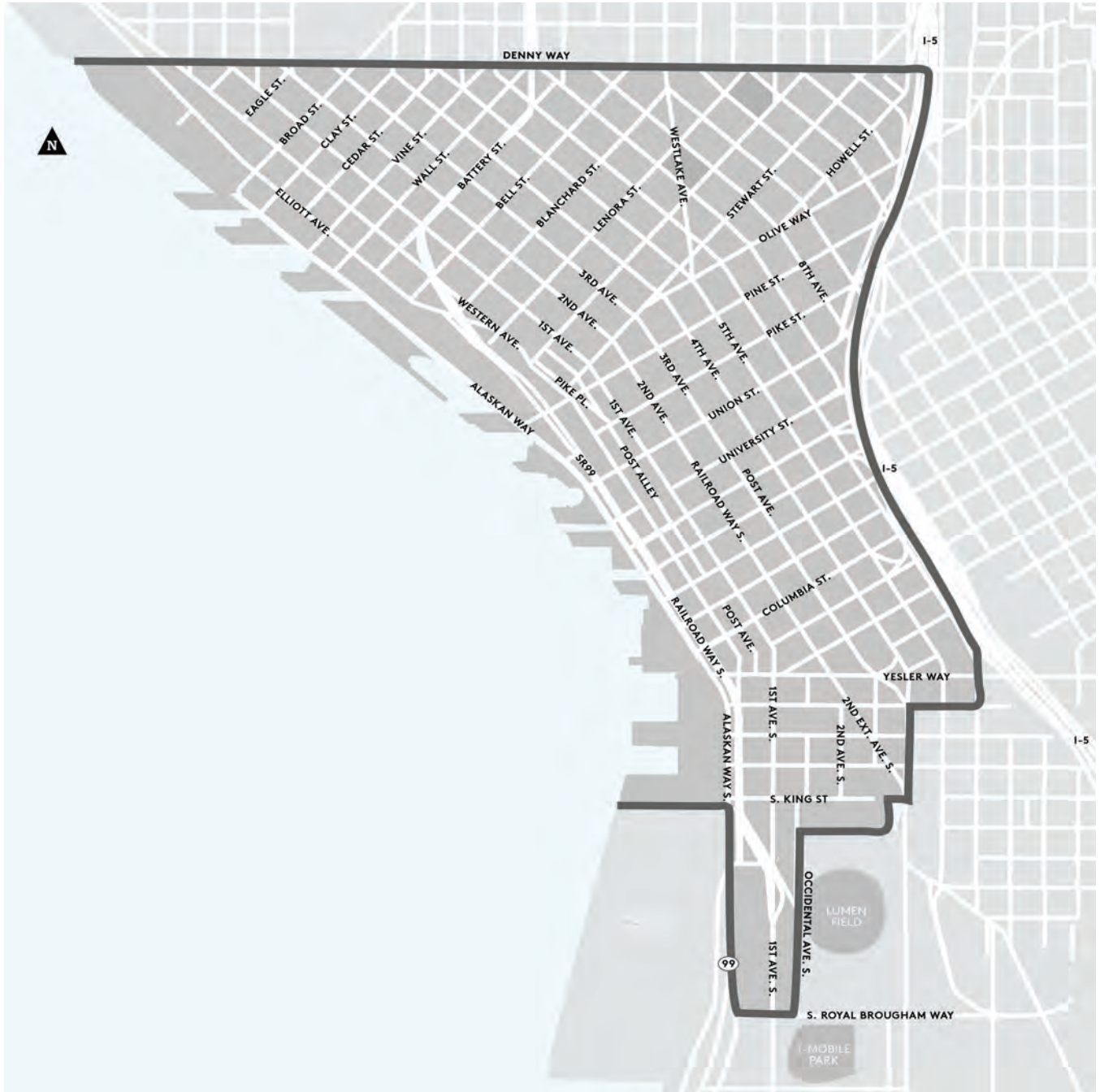


Figure 2 map new MID boundary for 2023-2033

MID Governance

MID Ratepayer Advisory Board

The MID has a Ratepayer Advisory Board that recommends an annual budget, work plan and Program Manager to the City of Seattle. The board provides guidance and oversight of general operations and programs. The Ratepayer Advisory Board is representative of the diverse range of property owners and includes representation from each MID neighborhood and ratepayer type. Appointees may represent more than one category, but the final board composition must represent the full geography of the MID and various ratepayer types and sizes.

MID RATEPAYER ADVISORY BOARD CATEGORIES

Neighborhoods

West Edge, Retail Core, Pioneer Square, Waterfront, Denny Triangle and Belltown

Ratepayer size

Small, medium and large ratepayers

Residential

Both condominium and apartment

Voluntary

Property owners that are not assessed but voluntarily contribute to the MID

Ratepayer type

Office, retail, parking and hotel

The Ratepayer Board has five committees that meet regularly: Finance, Clean and Safe, Communications and Marketing, Board Development and Executive.

2022-2023 RATEPAYER ADVISORY BOARD MEMBERS

Andy Bench
Wright Runstad & Company

Lisa Nitze
Nitze-Stagen

Allison Shephard
Holland Partner Group

Rebecca Uusitalo
Urban Renaissance Group

Dan Temkin
Block 41

Michael Pagana
Ethan Stowell Restaurants

Cary Clark
Argosy Cruises

Steven Van Til
Vulcan

Brandon Gardiner
Brickman / Pioneer Square

Lori Richards
Avison Young

Jeff Blunk
Nordstrom

Ross Peyton
Unimark Construction

Ben Grace
Amazon

Erik Lausund
Seattle Children's Research Institute

Tim Kuniholm
Seattle Aquarium

Amy Baker
Equity Office / DT Resident

Simone Loban
Ratepayer tenant / DT Resident

Janice Blair
Resident - Waterfront Landing

Mark Astor
Martin Smith, Inc

Aaron Blankers
Washington Holdings

Dan Feeney
Hines

Ed Leigh
Equity Residential

Collin Madden
GEM Real Estate

Allison Delong
Tishman Speyer

Valerie Heide Mudra
Resident - Belltown

Marshall Johnson
CWD Group

Reza Marashi
Kilroy

Michael Walzl
Hotel 1000

Jeff Draeger
Seattle Art Museum

Lars Pedersen
Hotel Åndra

Jennie Dorsett
Hudson Pacific Properties

Sabrina Villanueva
Clise Properties

Steve Emory
Madison Marquette

Gina Grappone
Recovery Café

Laura Jean Humiston
Resident - Pioneer Square



Assessment Formula and Methodology

Assessments in First Year

- Continue basic assessment formula, with adjustments to rates and ceilings across property types
- Increase the base assessment formula's lot footage rate to \$0.45, but maintain the value rate at \$0.37
- Raise Building Square Footage Ceiling factor to \$0.24
- Increase Hotel Room Ceiling to \$125 per room; with a two-year phase in of \$112 in Year 1 and \$125 in Year 2
- Raise Residential Unit Ceiling to \$195 per unit, with a two-year phase in of \$175 in Year 1 and \$195 in Year 2
- Eliminate the TAV Ceiling
- Adjust Surface Parking Ceiling factor to \$0.81 per \$1000/TAV
- Maintain nonprofit formula at 25% of base assessment (for properties owned by a nonprofit entity and in charitable use)

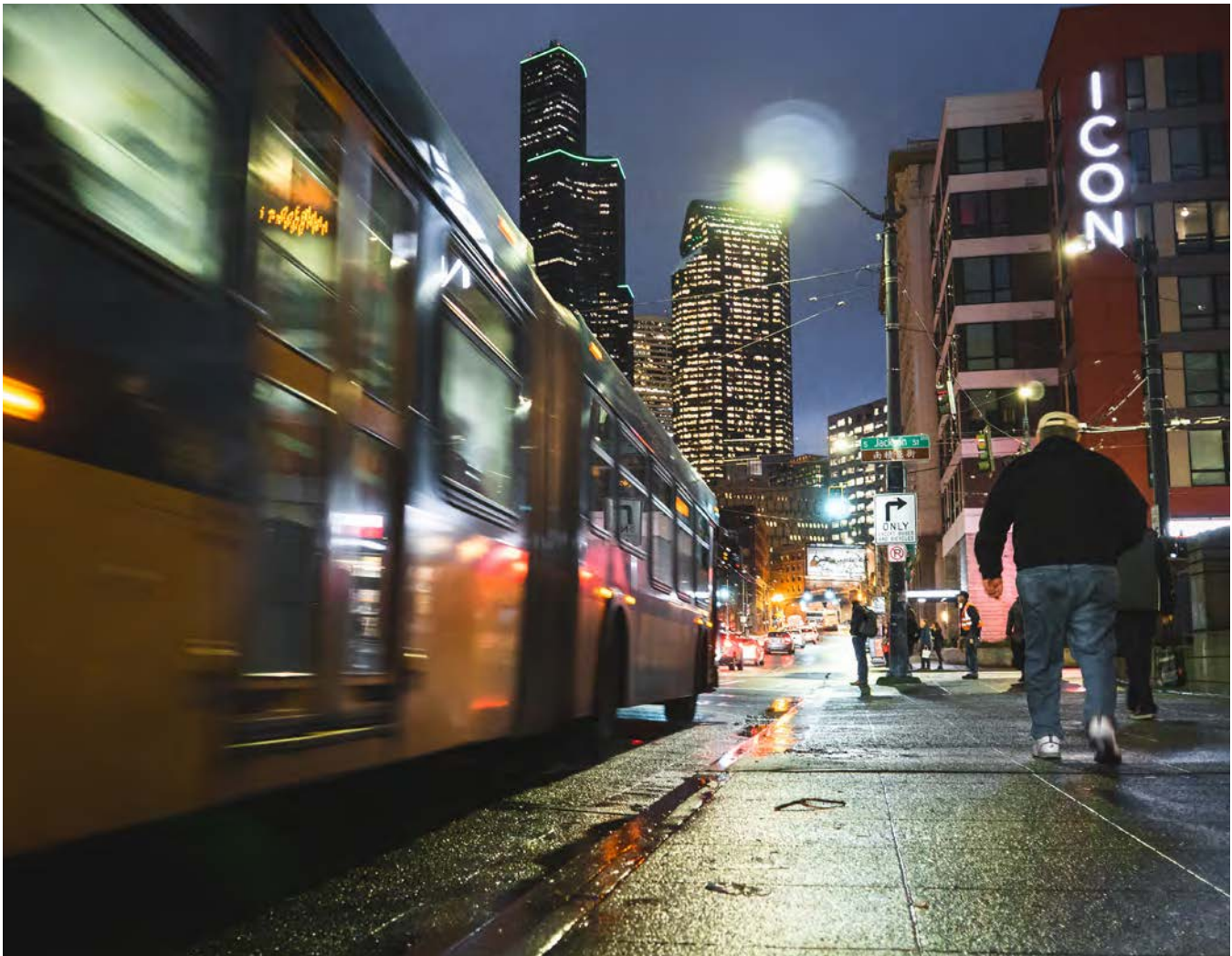
Annual Updates

- Apply CPI-U increase annually (at least 2.5%, but not more than 5%) to:
 - Value portion of the prior year's base-assessment calculation
 - Lot square footage rate, as well as ceilings for Building Square Footage, Residential Units, Hotel Rooms and Surface Parking
- Year 1-5 will be based on 2022 King County valuation data
 - Property valuations will be updated in Year 5 based on King County Assessor data, for calculation of Years 6-10 assessments
- Capture assessment on new development each year

Assessment Formula and Ceiling Factors

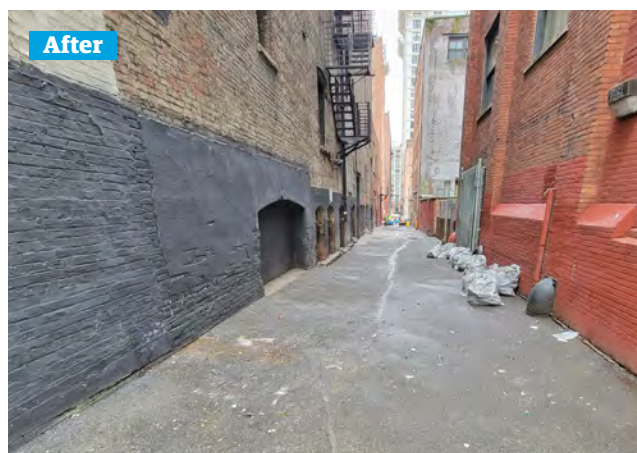
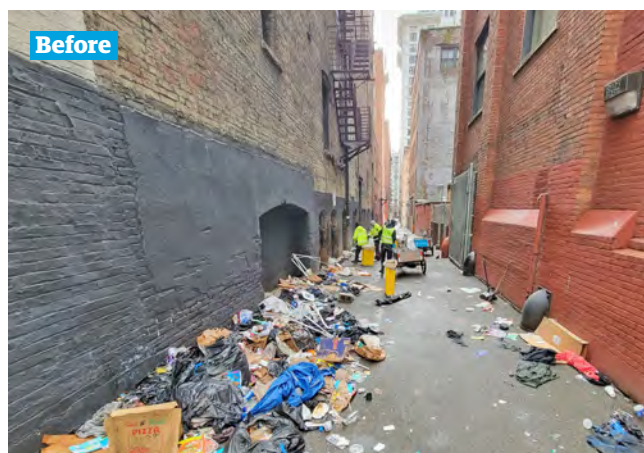
Formula	Rationale	Rate	Notes
Assessment / \$1,000 TAV	Reflects differential benefit associated with different land uses, investment value of property within land uses, and economic activity.	\$0.37	Value rate will remain the same
Assessment / Land Sq. Ft.	Reflects common level of service to all benefiting properties.	\$0.45	Increase of \$0.06 per lot square foot from 2022/23 value

Ceilings	Rationale & Calculation	Factor	Notes
Building Square Footage Ceiling	Limits assessments on small buildings due to limited rent-producing potential. (If FAR > 0.5, then Factor * Building New Square Feet) Floor Area Ratio (FAR): Net Building Square Footage / Land Square Footage	\$0.24	A \$0.03 per building square foot from 22/23 value
Hotel Room Ceiling	Limits assessments on hotels – value received relates to per room occupancy & revenue potential. (Factor * Number of Rooms).	\$125.00	Phased in over two years - Year 1 rate ceiling will be \$112 per room, and Year 2 rate ceiling will be \$125
Residential Unit Ceiling	Limits assessments on residential units – value received relates to per unit occupancy. (Factor * Number of Units)	\$195.00	Phased in over two years - Year 1 rate ceiling will be \$175 per unit, and Year 2 rate ceiling will be \$195
Surface Parking TAV Ceiling	Limits assessments on surface parking to compensate for limited benefits. (Factor * King County Total Appraised Value / \$1,000)	\$0.81	Per \$1,000 Total Appraised Value
Nonprofit Reduced Rate	Limits assessments on properties owned by nonprofits and in charitable use	25%	Of Basic Formula



Technical Changes to Current MID Ordinance

- **Multifamily Tax Exemption treatment.** Clarification of assessment of properties participating in Multifamily Tax Exemption (MFTE) program to align with City of Seattle policy.
- **Assessment of mixed-use properties.** Residential and hotel room ceilings will not apply to a mixed-use property unless the section use square footage designated with a hotel or residential section use code comprises at least 75% of the property's total net building square footage.
- **Assessing New Benefit Areas.** "New Benefit Area" 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 significant expansion of an existing building as recorded by the King County Assessor's Office.
 - Property values for a New Benefit Area will be updated annually until designated as 100% complete by the Assessor's Office.
- **University of Washington-owned properties.** UW-owned properties within the MID (which have previously received special assessment consideration) will be assessed using the base assessment formula. Property values for UW properties were not publicly available when the previous business plan and ordinance were developed. King County now publishes values for UW's downtown properties, which allows for properties to be assessed using the proposed MID assessment formula.



MID Budget and Services

MID income is a combination of assessment revenue, along with private and public partnership funding and fees for service. As the program manager appointed by the City, the Downtown Seattle Association develops an annual work plan based on the recommendations and priorities of the Ratepayer Advisory Board. The work plan and supporting budget are submitted each year for approval by a majority of ratepayers attending the MID annual meeting. The work plan aligns with priorities established in the Ordinance, including: Clean Services; Safety Outreach and Hospitality, including Law Enforcement; Marketing and Communications Services; Business Development and Market Research Services; Transit, Bike and Parking Services; and Management.

Income and Expenses (in thousands)

Projected Income for the 23/24 fiscal year

Assessments	\$18,060
Partner Funding	320
Sponsorship	226
Fee for Service Public	551
Fee for Service Private	149
Projected Income	\$19,306

Projected Expenses

Wages & Benefits	\$11,909
Professional Service	2,200
General & Administrative	1,135
Program Expenses	6,192
Total Expenses	\$21,436

Funded from reserve (2,130)

*see budget considerations on following pages

2023-24 EXPENSE ALLOCATION BY PROGRAM



Budget Considerations 2023-2024 and Future Years

The MID is audited by an outside firm on an annual basis and is in a healthy financial position. Assessment fund reserves of approximately \$5 million accumulated during the 20-21 and 21-22 fiscal years as a result of the global pandemic impacts, including:

- Mandatory shut-downs of operations
- Pandemic-related service restrictions and reductions
- Furloughs/enhanced unemployment benefits; and
- Federal pandemic wage and benefit credits

This accumulated reserve has enabled the MID to invest beyond available “current year assessment funding” toward services focused on downtown’s recovery. Specifically, in 2022, the MID Advisory Board approved raising ambassador starting wages to \$20/hour; increasing security and cleaning services; and implementing downtown recovery activations,

events, beautification and marketing. With depletion of those accumulated reserves, increases in future year assessments will be required to sustain service levels currently in place as well as to fund proposed service enhancements in a high-inflation environment and competitive labor market.

For the proposed 23-24 fiscal year, these costs include:

Sustained private security and SPD emphasis patrols	\$2.0m
Increased Clean team staffing/services by 10%	\$500k
Additional Advocacy efforts relative to city services	\$130k
Increase in ambassador wages	\$175k

Clean Services

The Clean Team is responsible for keeping the sidewalks, curbs and other areas of the downtown physical environment clean and free of litter, trash, graffiti and other forms of debris, clutter and obstructions. The team uses specialized cleaning equipment, including trucks, trikes and all-terrain litter vacuums to take care of the most challenging needs. Services are provided from 6:30 a.m.-9 p.m., 362 days a year.

Services

- Sweep and remove debris from sidewalks and curb lines
- Collect trash and litter
- Remove graffiti tags and stickers from public fixtures (light poles, mailboxes, parking signs and bike racks)
- Dispose of illegal dumps, large items and debris left by encampments in the right-of-way
- Schedule and execute regular pressure washing of alleys and sidewalks
- Provide pressure washings and graffiti removal from private property at ratepayer request
- Remove human/animal waste in public right-of-way
- Clean up and dispose of syringes
- Supervise 2,000+ hours of annual court-ordered community service
- Provide additional focused cleaning in high-transit and high-pedestrian traffic areas
- Support annual and seasonal cleanup of trash and debris in the water along the shoreline
- Contract with partner vendors to augment specialty services as needed (pressure washing, leaf clean-up, etc.)
- Maintain and continuously improve upon an electronic reporting system and dashboard to facilitate reporting, follow up and management
- Maintain mechanized cleaning machines/vehicles to increase efficiency and impact, including:
 - (40) Electric-Assisted Trikes
 - (5) Ford Trucks
 - (3) Green Machines
 - (2) All-Terrain Litter Vacuums (ATLV)



Community Safety and Hospitality Services

The Community Safety & Hospitality Team assists visitors, residents, workers and those in need. Team members perform a range of services intended to keep downtown Seattle safe, welcoming and livable. Duties include: providing directions and safety escorts, supporting local ordinances while working closely with security and law enforcement, working with social services agencies, providing welfare checks and supporting parks and public spaces. Services are provided from 7:30 a.m.- 9 p.m., 362 days a year.

Services

- Provide concierge service and uniformed presence in key locations to support visitors, businesses and residents, including in DSA/MID-managed parks and public spaces
- Offer customer service, wayfinding and transit information
- Provide safety escorts through the MID's SafeWalk service
- Assist in enrolling downtown businesses and properties in the West Precinct Conditions of Entry program
- Address civil ordinance violations, including Conditions of Entry (trespass) and sitting and lying in the public right of way when it impedes pedestrian access or building entryways
- Address physical items of public disorder, including overturned scooters, discarded signs and large debris, and work with the Clean Team to resolve these in a timely manner
- Provide welfare checks and relationship-building with people who are unsheltered in downtown
- Administer Narcan to individuals in need
- Engage with service agencies (KCRHA, REACH, DESC) to assist in connecting people to case management and available services
- Conduct regular visits with street level businesses, and downtown property and security personnel
- Partner with the West Precinct and the SPD Crime Prevention Coordinator to provide community education and support in the areas of crime prevention, public safety, and personal safety resources
- Conduct data collection to support public realm, public safety, and human welfare efforts
- Fund and oversee contracts with SPD and private security to provide uniformed presence in the right-of-way, support for ratepayers, observe and report criminal activity, address civility issues and support MID ambassadors when working in higher-risk areas



Parks and Public Space Management

The Public Realm Team is responsible for developing and implementing consistent, family-friendly programming in DSA/MID-managed urban parks (Occidental Square and Westlake Park) through an agreement with the City of Seattle. The team also provides ambassador staffing in parks and public spaces throughout the MID ensuring that they are clean, safe and welcoming for all. Ambassador staff provide information to visitors, support activations, events and vendors, and care for park amenities while staffing public spaces. Public Realm Ambassadors are stewards of quality of life in the public realm. Services are provided from 7:30 a.m.- 9 p.m., 362 days a year.

Services

- Provide information on the location of businesses and attractions
- Assist transit riders on bus schedules
- Track events occurring in Seattle and provide information to pedestrians
- Set-up/break-down park amenities (tables, chairs, games, etc.)
- Work with City of Seattle Park Rangers, SPD and security officers to report illegal behavior
- Observe and track condition of various public amenities throughout the public realm (newspaper boxes, light poles, public art, etc.) and share information to stakeholders for repairs/replacement
- Support consistent activation and programming in Westlake Park and Occidental Square, including:
 - Live music
 - Food trucks
 - Beautification efforts (planting, lighting, murals)
 - Art installations
 - Entertainment (concerts, performers, sports, etc.)
 - Community organization partnerships
 - Permitted events
- Plan and execute large-scale seasonal special events, including:
 - Downtown Seattle Tree Lighting Celebration
 - Holiday programming from late November into January, including multiple family-friendly events with entertainment, performers, incentives and more
 - Annual summer concert series in parks and various other locations bringing 30+ free live concerts to downtown



Communications and Marketing

Promote and market downtown to local and regional residents and visitors and position downtown as a vibrant, safe, clean and family-friendly destination. This includes ongoing promotion of yearlong MID-funded public events and activations and seasonal holiday and summer campaigns focused on creating a welcoming, vibrant urban experience and bringing locals into downtown. Efforts also involve communicating directly with MID ratepayers on the impacts of their investments, with the general public about the services MID-funding supports, branding MID ambassador equipment and supporting ambassador recruitment efforts with communication materials.

Downtown Marketing

- Promote downtown Seattle to local and regional visitors using a variety of communications channels, including social media, earned media/PR, digital and print communication and paid media as budget allows
- Maintain and promote a website designed to communicate events and activities throughout downtown post-pandemic. (Love,SeaTown)
- Maintain a robust online directory of what is open downtown post-pandemic (DSA/MID website)
- Promote yearlong and seasonal park and public space events and activations, including Downtown Summer Sounds and Holidays in Downtown/Tree Lighting
- Promote MID-funded services through DSA/MID website(s), videos, social and other digital and print collateral.
- Maintain and promote two websites designed to communicate what is open and available downtown post-pandemic.
- Promote MID-funded services through DSA/MID website(s), videos and other digital and print collateral.
- Support the ongoing marketing of downtown small businesses, retail and restaurants, attractions and arts and cultural organizations.
- Create signage, print materials and giveaways for events as needed

MID Ratepayer Engagement

- Create and send quarterly MID ratepayer email newsletter
- Produce informational insert on MID services mailed with twice-yearly assessments and posted online
- Host DSA/MID Annual Meeting with a report on MID investments and milestones
- Hold MID Annual Ratepayer Meeting
- Maintain DowntownSeattle.org/MID and KnowYourMID.org
- Post regular MID-related content on Facebook, Instagram and LinkedIn
- Send periodic emails to MID ratepayers about possible disruptions in downtown due to protests, marches, construction and other events
- Conduct business check-ins conducted by ambassadors with collateral explaining MID services

Ambassador Recruitment Support

- Create informational materials on working for the MID for use at recruiting events
- Post open jobs on DSA/MID website

Advocacy and Economic Development

Provide vision, leadership and influence on a range of issues impacting downtown, including public safety, chronic homelessness, transportation and overall health and recovery of downtown. Efforts focus on making downtown Seattle attractive and accessible to property and business owners, workers, residents and visitors. The team works closely with city and county leaders, neighborhood organizations and government agencies to ensure issues important to ratepayers get heard.

Economic Competitiveness and Research

- Advocate for transit and other transportation alternatives, providing services and housing options to those in crisis on our streets and investing in safe, inviting public spaces
- Research ballot initiatives and campaigns and provide insight into their impacts on the downtown experience and how they will address ratepayer priorities
- Collaborate with city and county government leaders on downtown economic development issues and initiatives
- Identify and facilitate opportunities for ratepayers to make their voices heard on issues of importance to downtown businesses, residents, visitors and workers
- Be a partner, thought-leader and advocate for strengthening downtown as a center for jobs, innovation and investment.
- Collect data to track downtown's recovery and economic health across a variety of metrics and provide analysis for our members, potential investors, policy-makers and the media
- Partner with the City of Seattle's Office of Economic Development on business-recruitment strategies
- Respond to requests, provide information and work with potential businesses and investors to recruit them to downtown Seattle

Policy Expertise

Increase the amount of policy analysis and research in areas that advance MID priorities and strategic initiatives (i.e. Third Avenue Vision report, future downtown light-rail expansion, downtown public safety initiatives). Continue to strengthen our reputation amongst policymakers and ratepayers as the go-to source for information on policies impacting downtown.

Convener and Advocate

- Provide access and opportunities for ratepayers and members to engage directly with city and regional leaders to amplify their voices in order to move the needle on a variety of issues affecting the downtown experience
- Find opportunities to convene downtown residents, workers, businesses and property owners to discuss issues and projects affecting downtown and ensure those perspectives are heard and considered at policy-maker tables
- Maintain relationships with city and regional governmental agencies. Help ensure ratepayer concerns and issues are directed and elevated to the appropriate point of contact within the relevant city or county agency for resolution

Commute Seattle

Increase access to transportation options to make downtown easy to reach for visitors, commuters and residents across the region.

Services

- Consult with ratepayers on world-class commute facilities and commuter benefits
 - Advise on parking policy and parking management strategies
 - Support with City of Seattle Transportation Management Plan regulations
 - Provide analysis of commuter trends for individual properties
 - Provide 1:1 Commute Consultations for tenants' employees
 - Offer guidance on transportation changes and their impacts
 - Conduct planning to meet sustainability goals
- Continue to provide discount transit pass sales and commute program consulting for property owners and tenants including:
- Transit pass product consultations to advise tenant investments in commuter benefits
 - One-stop-shop for commuter transportation; web site, newsletter, social media
 - Tenant engagement seminars to educate tenants about transportation options and issues
 - Transportation events and briefings for tenants and employees
 - Quarterly best-practices transportation workshops for tenants
 - Research: bi-annual commuter mode split trend study & reports
 - Assistance in designing bike facilities to attract tenants
 - E-Bike facilities consultations and best-practices for property owners and tenants
 - Bike encouragement events (i.e Biking 101)
 - Bike inventory updates and bike map outreach resources



Management Services

The Downtown Seattle Association (DSA) is the founder and program manager for the MID. The DSA has managed the MID Program since 1999 and is committed to excellent customer service to ratepayers. DSA provides management services for the MID under an annual contract with the City of Seattle.

Services include:

- Provide high-quality program administration and excellent customer services
- Develop and effectively implement services
- Provide sound financial and contract management
- Provide staff assistance and guidance to the MID Ratepayer Advisory Board to carry out the programs and activities financed through the MID assessments
- Provide the Board with organizational assistance, including setting meeting times, locations, and agendas; notifying all ratepayers of all Board meetings, keeping minutes; and following through on recommended activities
- Develop and carry out the Board-approved work plan, including specific products or activities, timelines and budget for each major element
- Schedule, organize and execute an annual meeting of all ratepayers
- Set program benchmarks based on Ratepayer Advisory Board priorities and keep ratepayers informed of progress

Develop and effectively implement service programs

- Actively seek and acquire national best practices and keep ratepayers informed of new and successful strategies
- Hire, train and manage high-quality staff to implement the MID programs
- Establish contacts throughout the country with other BIAs, call on their expertise in designing and benchmarking MID programs
- Identify and develop partnerships, grants and other resource-leveraging opportunities

Provide financial and contract management services

- Staff the MID Finance Committee and provide timely and accurate financial reporting
- Negotiate and execute subcontracts for work according to the approved budget. Through strict contract management ensure that these services are provided in a high-quality, cost effective and accountable manner
- Submit to the City, after approval of the Board, an annual work plan, proposed budget, and a statement of assessment rates requested for financing subsequent program years

Provide clear and consistent data tracking and reporting

- Develop regular reports on MID services provided
- Provide timely, accurate data to improve MID service delivery
- Maintain MID service program dashboards, highlighting progress against critical priorities and informing service plans and timely modifications grounded in data and analysis
- Conduct research projects

Support Public/Private Partnerships

The MID is proud to partner with many downtown public agencies and nonprofits to provide services including:

- City of Seattle: SDOT and SPU
- Uplift NW
- Belltown United
- Alliance for Pioneer Square
- Market to MOHAI
- DESC
- Union Gospel Mission
- LEAD
- King County Drug Diversion Court
- South Seattle College



To create a healthy, vibrant downtown for all

1809 7th Ave. Suite 900
Seattle, WA 98101

DowntownSeattle.org/mid

KnowYourMID.org



Legislation Text

File #: Res 32091, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION of intention to disestablish the 2013 Downtown Business Improvement Area known as the Metropolitan Improvement District and fixing a date and place for a hearing thereon.

WHEREAS, the authorization for assessments under the current Downtown Business Improvement Area

known as the Metropolitan Improvement District (“2013 MID”), which was established in 2013 by

Ordinance 124175, expires on June 30, 2023; and

WHEREAS, the City Council introduced Resolution 32089 on March 28, 2023, initiating a new Downtown

Business Improvement Area; and

WHEREAS, the City Council wishes to declare its intent to disestablish the 2013 MID and to set a public

hearing for the public and affected persons to consider its disestablishment; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section 1. The City Council of The City of Seattle declares its intention to disestablish the current Downtown Business Improvement Area known as the 2013 MID, established by Ordinance 124175, in accordance with Chapter 35.87A RCW.

Section 2. A hearing shall be heard on this matter before the Economic Development, Technology, and City Light Committee in the City Council Chambers, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington 98104 Wednesday, April 12, 2023 at 9:30 a.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 3. The City Clerk is requested to publish this resolution in a newspaper of general circulation in Seattle and mail a complete copy of this resolution to each ratepayer within the area, at least ten days prior to

the hearing.

Adopted by the City Council the _____ day of _____, 2023, and signed by
me in open session in authentication of its adoption this _____ day of _____, 2023.

President _____ of the City Council

Filed by me this _____ day of _____, 2023.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Office of Economic Development	Phillip Sit	Nick Tucker

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title:

A RESOLUTION of intention to disestablish the 2013 Downtown Business Improvement Area known as the Metropolitan Improvement District and fixing a date and place for a hearing thereon.

Summary and Background:

This Resolution initiates the process to disestablish the 2013 Downtown Business Improvement Area known as the Metropolitan Improvement District (MID) under RCW 35.87A. The 2013 MID, which was established by Ordinance 124175 is set to expire on June 30, 2023.

The existing Metropolitan Improvement District was established in 2013 as a Business Improvement District authorized to collect assessments for a ten-year period by Ordinance 124175. The current Metropolitan Improvement District funds the following programs within the Business Improvement Area:

1. Clean Services
2. Safety Outreach and Hospitality, including Law Enforcement
3. Marketing and Communications Services
4. Businesses Development and Market Research Services
5. Transit, Bike and Parking Services
6. Management.

While Ordinance 124175 specified that the MID's assessments would be collected over a ten-year period, it provided no language to officially disestablish the MID after ten years. RCW 35.87A.180 provides that the City may disestablish a business improvement area by ordinance after holding a hearing on the matter, and that the City shall adopt a resolution of intention to disestablish the area at least fifteen days prior to said hearing. The 2013 MID currently generates approximately \$15.5 million annually and the proposed new MID will generate approximately \$18.3 million in its first year.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

N/A

Summary Attachments:

Summary Attachment A - 2013 Metropolitan Improvement District Service Area

2013 Metropolitan Improvement District Service Area

