

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Office of Economic Development	Karl Stickel / 684-8085	Tim Wolfe / 684-0535

### **1. BILL SUMMARY**

**Legislation Title:** A RESOLUTION adopting updated policies regarding the establishment and management of Parking and Business Improvement Areas for The City of Seattle; and superseding Resolution 30389.

**Summary and background of the Legislation:** There are currently nine Business Improvement Areas (BIAs) in Seattle that fund services for improving neighborhood economic and business development through assessments of business and property owners. These BIAs generated \$16.8 million in 2014 and they are projected to generate over \$17 million in 2015. BIAs' direct investments translate into immediate benefits to the city through major tourism campaigns, maintenance of the downtown core, and the many festivals, small business support networks and beautification projects in neighborhood business districts.

Business districts are increasingly using BIAs as an effective tool to support their growth and transformation. In the past couple of years, the City enacted a new BIA in SODO, and passed significant changes to the BIAs in Pioneer Square and Downtown that increased their revenues and boundaries. The new University District BIA legislation recently passed and Chinatown\ID and Ballard are slated to bring BIA petitions to City Council this year. In addition, several other neighborhoods are evaluating the potential for developing new or expanded BIAs.

The expansion of BIAs, combined with an increase in the scrutiny they are undergoing at City Council and in the community, has created a need for better policies to improve the quality of proposals and the smoothness of the authorizing processes. Currently, the City's policies are not detailed enough to provide proper guidance on proposal development or evaluation. The lack of these policies and staffing has caused confusion, ambiguity around formation, and potential liability. City staff from OED, FAS, and Law have collaborated over the past year to develop draft City policies and procedures around BIA formation and operations. City staff also worked with the BIA community to develop policies that provide better clarity and direction. These proposed BIA policy updates:

- Clarify and codify existing practices and interpretations;
- Requires the submittal of additional information from BIA proponents to facilitate the review process;
- Enhance the City's role in evaluating each individual BIA proposal for its reasonableness; and,
- Clarify, modify and expand City Departmental roles and responsibilities.

Key highlights are summarized in the following table:

<b>BIA Policy</b>	<b>Change</b>
Open Meeting Policy	All BIA meetings are subject to the Open Public Meeting Act (OPMA); the change will codify existing requirements.
Increased Outreach	BIA proponents must demonstrate additional outreach and notification about the proposed BIA beyond obtaining signed petitions.
Boundaries	Provides requirements and guidance about drawing boundary lines.
Government Property Exemption	Codifies existing practice. Government properties are exempted from BIA assessments. However, if a government entity located within a BIA boundary is acting as a business it may be assessable.
Assessment	Codifies existing practice to allow for different assessment rates for different ratepayer classifications. BIA proponents will be required to describe more fully the benefits that will be provided to all classification of ratepayers and will continue to follow state law in having multifamily housing be eligible for assessment, supported by the benefits received.
Advocacy / Community Organizing	Codifies existing practices to allow BIA program managers to represent the interests of their ratepayers and stakeholders with regard to city practices and policies that affect the execution of their work.
City Department Support	Formalizes the roles for OED and FAS when managing the BIA process and operations.
Organizational Structure	Codifies the requirements for establishing the Board, developing bylaws, a budget and work plan. The policies also state that no one ratepayer may hold a majority interest (51%) in the voting rights of the Board either through one or more Board members.

## **2. CAPITAL IMPROVEMENT PROGRAM**

This legislation creates, funds, or amends a CIP Project.

## **3. SUMMARY OF FINANCIAL IMPLICATIONS**

This legislation does not have direct financial implications.

#### 4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**  
No. BIAs are established as revenue-neutral programs.
- b) **Is there financial cost or other impacts of not implementing the legislation?**  
None. BIAs are established as revenue-neutral programs.
- c) **Does this legislation affect any departments besides the originating department?**  
Business Improvement Areas are existing programs within OED and FAS. This legislation was drafted in conjunction with FAS and Law. No other departments are affected.
- d) **Is a public hearing required for this legislation?**  
Not applicable.
- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
Not applicable.
- f) **Does this legislation affect a piece of property?**  
Not applicable.
- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**  
These policies would result in better outreach and engagement to communities of color conducted by BIA proponents and business district organizations, as well as allowing the City to maximize the effectiveness of BIAs to invest in a wide variety of business district priorities, resulting in enhancing and maintaining inviting and safe neighborhoods and thriving commercial districts. The policies also include revised departmental responsibilities which will allow for clearer communication with communities of color by the City. BIAs are primarily supported in OED through the Only in Seattle Initiative (OIS), which allocates the majority of its funds to supporting commercial districts serving low and moderate income neighborhoods and businesses.
- h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**  
Business Improvement Areas are existing programs within OED and FAS. This would not be a new initiative or major programmatic expansion.
- i) **Other Issues:**  
None.

**List attachments below:**

Exhibit A - BIA Proposal – Required Materials and Checklist