

Review and Analysis of Ballard Business Improvement Area Proposal

City of Seattle Office of Economic Development (OED)

August 30, 2016

Highlights

- Support - Ballard Blocks requested to be added to the BIA after the petitions were disseminated. It has been included in this analysis but it can't technically be added to the number of signatures. Total signatures received are therefore 60%. If Ballard Blocks were added, signatures would be 62.8%
- Budget - The total BIA budget with Ballard Blocks is \$399,102. The Ballard Partnership will have additional budget of \$360,000.
- Services - are standard and similar to other recent BIAs, with the inclusion of mental health outreach services.
- Ratepayers - The assessment is on all eligible properties and the ratepayers are therefore property owners, including commercial and residential properties.
- Assessment - Properties are assessed partially on lot square feet and partially on total assessed value. Assessment ceilings are given residential properties and for smaller buildings with FAR greater than .5. Fully or partially tax exempt properties pay 25% of the standard assessment for the nontaxable portion. Maritime and industrial properties were intentionally kept out of the boundaries. Vacant properties are assessed.
- Benefit Analysis - Based on this analysis, the assessment methodology appears to charge ratepayers assessments that are commensurate with the varying benefits they will receive.
- Outreach – Stakeholders representing a range of interests in the business district have been participating for several years in the planning process that led to this proposal. The only opposition to this proposal that proponents have received is from a condominium that believes the boundaries unfairly include them while excluding other residential properties like theirs. They have also heard comments from businesses believing that the City should provide the services.
- Boundaries – The boundaries are intended to focus on the core neighborhood business district with Market Street and Ballard Avenue as two primary corridors. Some transitional areas such as Leary Way were carved out of an initial version based on preliminary feedback from outreach done. The proposed boundaries represent most of the core business district.
- Program Manager – The Ballard Chamber of Commerce will change its name and add the management of BIA funds to its existing operations. Until recently, the intended new name was the Ballard Partnership for Smart Growth. This may change to the Ballard Alliance instead. This report will continue to use the name “the Ballard Partnership” as the intended Program Manager since that is the name that has been used in the community until now.

Budget

The Ballard Partnership will combine the traditional work of the Ballard Chamber with the new services of the BIA. The BIA proposed in the petition will raise approximately \$373,600 as shown on the following page in Figure 1a. This will be the largest revenue source for the Ballard Partnership, and combined the total organizational budget will be \$733,600. With the inclusion of Ballard Blocks, shown in Figure 1b, the total would be \$399,102. The remaining figures include Ballard Blocks.

Fig. 1a Ballard Partnership Total Budget

Revenues	BIA Budget	Ballard Partnership Budget	Total
BIA Revenues	\$373,600		\$373,600
Seafood Fest: Fees, Sponsorships and Sales		\$280,000	280,000
Grants		50,000	50,000
Voluntary Membership and Contributions		30,000	30,000
Total Revenues		\$360,000	\$733,600
Expenses	BIA Budget	Ballard Partnership Budget	Total
Clean Environment	\$100,125 27%	\$16,415	\$116,540
Public Safety/Public Health Enhancement	75,094 20%	64,096	139,190
Business Development & Retention	65,006 17%	34,674	99,680
Marketing & Promotions	65,006 17%	28,174	93,180
Advocacy, Urban Design & Transportation	43,711 12%	20,050	63,761
Management*	24,658 7%	27,841	52,499
Seafood Fest	0 0%	20,250	20,250
Programs & Networking	0 0%	148,500	148,500
Total Expenses	\$373,600 100%	\$360,000	\$733,600

*Personnel and overhead costs are included in each program element.

Fig. 1b Ballard Partnership Total Budget with Ballard Blocks

Revenues	BIA Budget	Ballard Partnership Budget	Total
BIA Revenues	\$399,102		\$399,102
Seafood Fest: Fees, Sponsorships and Sales		\$280,000	280,000
Grants		50,000	50,000
Voluntary Membership and Contributions		30,000	30,000
Total Revenues		\$360,000	\$759,102
Expenses	BIA Budget	Ballard Partnership Budget	Total
Clean Environment	\$106,960 27%	\$16,415	\$123,375
Public Safety/Public Health Enhancement	80,220 20%	64,096	144,316
Business Development & Retention	69,443 17%	34,674	104,117
Marketing & Promotions	69,443 17%	28,174	97,617
Advocacy, Urban Design & Transportation	46,695 12%	20,050	66,745
Management*	26,341 7%	27,841	54,182
Seafood Fest	0 0%	20,250	20,250
Programs & Networking	0 0%	148,500	148,500
Total Expenses	\$399,102 100%	\$360,000	\$759,102

*Personnel and overhead costs are included in each program element.

It is important to note from the above table that the Ballard Partnership intends to allocate its own funds to each line item in the BIA budget, as well continue to fund Chamber events and Seafood Fest. These privately generated funds could be used to cover costs that are not eligible uses of BIA funds.

Services

A summarized description of BIA services is shown below. More detail is included in the Business Plan.

Clean Environment includes:

- Sidewalk sweeping (2x/week); removal and composting of leaves in late fall; and graffiti removal on specified property.
- Work closely with appropriate City of Seattle departments to site, construct and maintain a permanent public restroom facility within the Ballard core.
- Active engagement and coordination with City of Seattle Parks Department to ensure that parks within the service area are well-maintained and provide appropriate public services, especially Ballard Commons Park, Bergen Place Park and Marvin's Garden Park.

OED Notes on Clean Environment:

A public restroom was strongly desired by the community and they received grant funds to help cover the cost of purchase and installation. However, the City's new policies require that the community cover ongoing maintenance and operations. Since the BIA was not in place yet, the Ballard Partnership decided not to move forward with the "loo" at this time. If they move forward in the future, they will adhere to City policies.

Ballard, like downtown, is interested in activating its parks in partnership with the Parks Department and will begin exploring this opportunity when the BIA is passed.

Public Safety/Public Health Enhancement

- Work with the SPD, SDOT, and other departments to ensure that Ballard can maximize the public safety services available from the City to reduce police response time.
- Partner with a medical/social services entity (e.g. Swedish Ballard) to create a program or social services contract position that can help create a safe environment through assistance with critical social services issues in Ballard including, homelessness, drug/alcohol abuse and mental health issues.
- Identify and create new partnerships with the City of Seattle and other appropriate public service agencies to address homelessness and the needs of homeless people.
- Develop a public safety and health committee that includes broad business and neighborhood representation to set a Ballard-specific agenda related to public safety and advocate with the City of Seattle and its relevant departments.
- Explore creating a Community Ambassador program for Ballard. These programs can provide important information and services to residents, businesses and visitors.

OED Notes on Public Safety

Ballard is planning to contract for homeless outreach services to help connect local homeless individuals to services. Existing outreach and mental health services in the north end of Seattle are limited.

A large portion of the Ballard Partnership budget (outside of the BIA budget) is also dedicated to this category of services.

Business Development and Retention

- Creation of a retail recruitment program: focus efforts on attracting commercial businesses to Ballard's central core to help ensure a balance of uses during all times of the day. An increase of professional workers in Ballard's core will add vibrancy to the neighborhood and enhance existing retailers, restaurants and other businesses.
- Actively engage local small businesses and residents in supporting neighborhood economic growth;

- Provide ongoing support for critical advocacy issues specific to the maritime and industrial business sector
- Support growing sectors through marketing and promotions campaigns.

Marketing and Promotions

- Creation of a Ballard website and digital tools that highlights area businesses, restaurants, nightlife and tourist attractions, and community events as well as feature residential housing and commercial real estate opportunities.
- Create a “Summer Nights in Ballard” event program that brings free live entertainment, festival style dining, and other family friendly community wide events and activities (large and small) to area parks on a weekly basis throughout the summer.
- Provide marketing data and messaging information that can be used in ongoing or targeted promotional campaigns. Ongoing media relations outreach and communications to promote Ballard
- Leverage the efforts of existing organizations and events, including the Nordic Heritage Museum, and the Ballard Farmers Market and collaborate with the Scandinavian community to preserve, enhance, market and promote Ballard’s Nordic heritage.
- Create a mobile-focused online “Parketing” widget that will direct visitors to available on and off-street parking opportunities and assist with identification of alternative transportation routes/services.
- Promote restaurant and retail marketing campaigns and/or events that will drive shoppers and visitors to Ballard and create an environment where residents have greater access to and are more connected with Ballard retailers and restaurants.
- Create and develop a holiday promotional campaign that highlights Ballard as a premier destination to shop and dine during the holiday season, including the implementation of a holiday lighting program.

Advocacy, Urban Design and Transportation

- Partnership leaders will develop close working relationships with Ballard business, commercial, and residential property owners, become well versed in their needs and challenges, and speak for this constituency in collaboration with other organizations at the City Council, government boards and commissions, with the media, and other appropriate venues.
- Continue working with OPCD on completion of an Urban Design Framework for Ballard which includes: improvement of the public realm; use of Design Review and Design Guidelines to shape new development and significant renovations; preservation and enhancement of the character of Ballard Avenue and Market Street, especially as related to height, bulk, scale and light.
- Advocate for the implementation of new design guidelines in the Ballard core that encourage adherence to identified design attributes, which includes Scandinavian design elements.
- Advocate for transportation improvements affecting Ballard, including: expansion of city and regional transit options; freight mobility, pedestrian master plan, bike master plan; on and off-street parking resources; aging and insufficient infrastructure improvements; and infrastructure improvements for all modes of transportation, such as: bike racks, pedestrian crossings, delivery access, lighting, and family friendly assets.
- Advocate for critically needed human services to be delivered (and potentially sited) in Ballard that will improve the quality of life for residents and are available in other parts of the city. Example services include: Emergency service patrol for detox; and mental health services.

OED Notes on Advocacy

Part of the Ballard Partnership budget (outside of the BIA budget) is also dedicated to this category.

Management

- The Ballard Partnership will retain a small staff team to provide program administration and customer service, develop and implement service programs; and manage finances and contract services.

Assessment Methodology

A “Standard Assessment” formula is used as a base calculation to which the other ceilings and exemptions are compared. It includes a portion collected based on lot square footage (LSF), combined with a portion based on total appraised value (TAV) as recorded by King County Department of Assessments.

Standard Assessment = $(\$0.12 \times \text{LSF}) + (\$0.52 \times \text{TAV})$

Total Appraised Value (land value plus improvement value) is used to represent the different levels of benefit that are associated with the different land uses and economic activities throughout the district (i.e., office vs. residential vs. retail). Lot square footage is used because some services, primarily cleaning and safety, occur on the street level and relate to the size of the territory that is being served.

While the formula is considered the “Standard Assessment” it only applies to 83 out of 198 parcels and 45 of the 124 total ratepayers. The Standard Assessment applies primarily to commercial properties that have a Floor Area Ratio (FAR) of .5 or less. Floor Area Ratio = Building Square Feet / Lot Square Feet. These include parking lots, small buildings on larger lots, vacant commercial lots, etc. In these cases, it is used as an assessment floor, ensuring that appraised value and lot square footage of the properties generates an assessment. Examples include: Chase Bank, Ballard Dental Arts, both of which are one-story buildings with parking lots; and a parking lot owned by the Limback Lumber Company.

The other properties receiving the Standard Assessment are those for which the Building Square Footage ceiling would result in a higher assessment than the Standard (see more about Building Square Footage ceiling below). These are commercial and mixed-use properties with multiple stories (have FAR above .5) but have lower total appraised values than other properties. A few examples of these properties include: the Leif Erikson Hall, the Oddfellows Hall and Majestic Bay Theater.

Ceilings & Exemptions

The Standard assessment and each of the ceilings are applied to a property as applicable and the lowest of all is the final assessment. Mixed use condo properties are split into the residential and commercial portions and examined separately to determine the assessment.

Building Square Footage Ceiling –Properties with an FAR that is .5 or more qualify for this ceiling, which limits the assessment to \$0.20 per building square foot. This ceiling was developed for smaller buildings that mostly cover their lots but have a relatively high appraised value such as historic and older buildings. Although the properties are valuable, the building size limits the actual impact the activities in these buildings have on the district and therefore the services required. In these cases, the lot square feet and appraised value calculation would distort their actual impact. This also includes the commercial condos of some mixed use buildings. Examples include: The Ballard Square building on Market St. that holds the BECU, many buildings on Ballard Avenue, and the commercial condo space in the Hjarta Condominium.

Residential Ceiling - Residential properties pay the lesser of other ceilings or \$90 per unit. While residents and residential properties will receive most of the benefits provided through the BIA, the ceiling

is used to account for a point of diminishing returns at which the benefits lessen for larger, multi-family residential buildings.

In some cases, singular buildings are built across multiple parcels under the same ownership. Where this occurs, the adjacent lots are assessed together as one property and the ceiling is applied to all respective parcels.

The residential unit ceiling applies for larger, valuable residential and mixed use properties such as the new AMLI Mark 24 building at Market and 24th and the Urbana Apartments at Market and 15th, as well as some smaller mixed use buildings and hotels when this calculation provides the lowest assessment.

Tax Exempt Property Ceiling- Tax exempt properties are defined as those properties with a difference between Total Appraised Value (TAV) and Total Taxable Value (TTV). Properties that are fully or partially tax exempt are charged 25% of the standard rate on the tax exempt portion. The reasoning for this reduced percentage is that the properties that qualify for tax exemption do not generally benefit from many of the proposed BIA services, including business and economic development and marketing and promotions. However, they will benefit from clean and safety services provided by the BIA. If the property were converted to for-profit use, the property would no longer be subject to this reduced assessment rate.

Benefits Analysis: Ratepayer Classifications, Assessments and Benefits

Many properties qualify for multiple ceilings. To determine the final assessment, each of the different ceilings is applied to any property that qualifies for it and the lowest of all resulting assessments is used. The end result is that similar properties are benefitting from different ceilings and exemptions. For example, of two identical historic buildings on Ballard Ave, one may be receiving the BSF ceiling, and the other receiving the Tax Exempt ceiling. The resulting assessment amount that each pays is often very similar: the difference between the assessments under each option is minimal but the lowest one is used. Figure 2 on the following page demonstrates that there are a variety of property types that fall under each of the assessment categories: not all residential properties are using the Residential Unit Ceiling, etc.

To determine if properties are receiving benefits commensurate with their assessments, total assessment amounts are compared by property type. Figure 3 on page 8 below summarizes the total size and value of parcels by property type. Several of the separate property types have similar benefits and are combined as “Neighborhood Businesses.” “Parking” is included in this group because its usage directly ties to the dominant business activity in the district.

Neighborhood Businesses constitute the largest portion of the total assessment, 52%, as well as the highest percentage of lot square feet (LSF) and second highest total appraised value (TAV). Multifamily Residential properties are paying the next highest portion of the assessment and likewise have the next highest portion of LSF and TAV. This correlation between assessment proportion, LSF and TAV seems to apply in all cases. While the percentages across these factors are not exactly the same, they are generally in proportion and in order by property type.

Fig 2. Ballard BIA by Assessment and Property Type

	Parcels	Rate-payers	Lot Square Footage	Total	Total	Total Assessment	Sum of FAR
				Appraised	Taxable		
				Value	Value		
Standard Assessment	75	44	759,621	\$168,335,240	\$168,335,240	\$171,953	73.4
MF Residential	11	4	69,314	\$18,253,500	\$18,253,500	\$12,142	15.1
Office & Banks	9	8	121,882	\$27,791,900	\$27,791,900	\$29,078	6.47
Comm Groups	2	2	14,750	\$2,270,700	\$2,270,700	\$2,951	3.14
Retail	25	19	262,241	\$75,398,540	\$75,398,540	\$70,676	38.6
Medical	3	2	52,800	\$13,450,700	\$13,450,700	\$13,330	3.8
Industrial	5	1	98,209	\$7,318,100	\$7,318,100	\$15,590	2.96
Parking	10	2	77,322	\$11,398,000	\$11,398,000	\$14,138	-
Restaurant/Lounge	2	2	13,500	\$3,940,100	\$3,940,100	\$3,669	3.27
Vacant	8	4	49,603	\$8,513,700	\$8,513,700	\$10,379	-
BSF Ceiling	67	47	474,973	\$110,395,557	\$110,305,290	\$83,137	67.3
MF Residential	1	1	4,650	\$1,052,800	\$1,052,800	\$881	0.95
Office & Banks	16	10	123,647	\$33,143,857	\$33,131,268	\$23,612	20.4
Retail	38	26	299,656	\$65,411,200	\$65,411,200	\$51,060	35.1
Medical	3	3	14,615	\$2,307,300	\$2,307,300	\$1,832	2.12
Hotel/Motel	1	0	2,500	\$1,750,700	\$1,750,700	\$900	1.8
Industrial	2	2	9,700	\$1,729,700	\$1,652,022	\$1,264	1.3
Restaurant/Lounge	6	5	20,205	\$5,000,000	\$5,000,000	\$3,587	5.67
Residential Unit Ceiling	37	25	373,145	\$308,256,903	\$305,595,841	\$97,740	80.2
MF Residential	36	25	362,683	\$296,484,803	\$293,823,741	\$95,130	77.5
Hotel/Motel	1	0	10,462	\$11,772,100	\$11,772,100	\$2,610	2.64
Partially Tax Exempt	9	6	204,522	\$150,509,500	\$23,474,608	\$37,397	15.7
MF Residential	1	1	63,600	\$73,311,000	\$15,746,200	\$18,809	4.02
Retail	2	1	12,500	\$2,315,000	562,904	\$1,169	1
Medical	3	2	113,597	\$71,525,800	\$5,586,500	\$15,490	7.81
Parking	1	0	10,000	\$1,500,000	\$210,000	\$703	-
Restaurant/Lounge	2	2	4,825	\$1,857,700	\$1,369,004	\$1,226	2.85
Fully Tax Exempt	9	4	134,012	\$37,340,900	\$	\$8,875	9.87
MF Residential	1	1	9,000	\$9,513,000	\$	\$1,507	3.95
Comm Groups	4	1	50,000	\$6,003,900	\$	\$2,281	1.3
Medical	2	1	20,012	\$2,531,100	\$	\$929	1.14
Parking	2	1	55,000	\$19,292,900	\$	\$4,158	3.48
Exempt	1	0	108,746	\$8,155,900	\$8,155,900	\$	-
Vacant (Industrial)	1	0	108,746	\$8,155,900	\$8,155,900	\$	-
Grand Total	198	124	2,055,019	\$782,994,000	\$615,866,879	\$399,102	246

Notes on Figure 2:

- 1) If the Ratepayers column has a 0, this indicates the particular property is one of multiple that are grouped under a single ratepayer portfolio. This ensures the total number of ratepayers shown is accurate.
- 2) One hotel was incorrectly given the Residential Unit Ceiling. The City could decide to fix this error but it would result in the assessment on this property doubling.

Fig 3. Ballard BIA by Property Type

Property Type	Parcels	Rate-payers	Lot Square Footage	Total Appraised Value	Total Assessment	Sum of FAR	% LSF	% TAV	% Assessment
Neighborhood Business									
Retail	65	46	574,397	\$143,124,740	\$122,905	68.13	30%	18%	31%
Office & Banks	25	18	245,529	\$60,935,757	\$52,690	26.85	13%	8%	13%
Restaurant/Lounge	10	9	38,530	\$10,797,800	\$8,482	11.79	2%	1%	2%
Hotel/Motel	2	0	12,962	\$13,522,800	\$3,510	4.44	1%	2%	1%
Parking	13	2	142,322	\$32,190,900	\$18,999	3.48	7%	4%	5%
Total Neighb. Business	115	75	1,013,740	\$ 260,571,997	\$206,586	114.69	52%	34%	52%
MF Residential	50	32	509,247	\$398,615,103	\$128,469	101.55	26%	51%	32%
Medical	11	7	201,024	\$89,814,900	\$31,582	14.87	10%	12%	8%
Industrial	7	3	107,909	\$9,047,800	\$16,855	4.26	6%	1%	4%
Community Groups	6	3	64,750	\$8,274,600	\$5,231	4.44	3%	1%	1%
Vacant	8	4	49,603	\$8,513,700	\$10,379	-	3%	1%	3%
Grand Total	197	124	1,946,273	\$ 774,838,100	\$399,102	239.81	100%	100%	100%
Non Assessable - Removed									
Vacant (Industrial)	1	0	108,746	\$ 8,155,900	\$ -	-	5%	1%	

To further evaluate if each property type is paying a fair assessment for the benefits they will receive, the cost of services is allocated across property types that will benefit from them and compared to the total assessment collected by each. Benefits are estimated based on the following assumptions:

- Clean Environment, Public Safety and Urban Design:** These services are related to the physical spaces and numbers of people using the district: how large the street frontage is to clean, how many people are coming and going, etc. Therefore, the Standard Assessment formula components are used to create a factor to allocate costs. The calculation is further explained below.
- Business Development & Retention and Marketing and Promotion** these are allocated 75% to Neighborhood Businesses, 10% to Residential, and 5% each to Medical, Industrial and Vacant commercial properties. This is based on an assumption that: local businesses will benefit the most from these services; residents will receive slightly more benefit because attracting and keeping a strong mix of businesses creates an amenity for residents who have chosen to live in an urban setting; medical and industrial business receive benefits for their employees and clients and vacant commercial properties receive benefit for future development potential. Community properties will likely not benefit.
- Management costs** are allocated based on each property type's share of the other costs.

Factor to Allocate Costs: In the Standard Assessment, Lot Square Feet is given a value of \$.12 per LSF. This value is based on estimated cleaning and service costs provided at the street level – sidewalk cleaning, litter removal, safety work that addresses street-level comfort, etc.

Properties also have an impact/benefit potential based on their total size and value, which relates to the activity generated at the street-level as well as the number of people - residents, employees or customers/clients - that are benefitting from the services. Total Appraised Value is used to estimate this impact. In the Standard Assessment TAV is given the value of \$.52 per \$1000 of TAV.

Most of the ceilings are applied to regulate the effect that Appraised Value has on the assessment calculation. New residential properties have the highest values but are not receiving full benefits and can therefore benefit from the Building Square Footage (BSF) ceiling or the Residential Unit ceiling. The Appraised Values of similar Neighborhood Business properties can also vary unexpectedly and BSF or Tax Exempt ceilings apply. In general, value, combined with lot size, can serve as an estimator for the impact a property has on the district and the cost of serving it.

These two components of the assessment formula can be viewed as being a share of the whole formula: Lot Square Feet is given a weight of \$.12 per unit and TAV is given a weight of \$.52 per unit. Because the units are not the same in each case, these weights are simply being used to create an allocation factor for purposes of estimation.

The relative weight given to LSF as a factor in the calculation, as measured by dollars per selected unit, can be estimated as $.12 / (.52 + .12)$ or 19%. The relative weight given to TAV would therefore be $.52 / (.52 + .12)$ or 81%. Given that Ballard is a relatively dense, urban district, it seems reasonable to assume that 19% of costs are driven by LSF and 81% of costs are driven by TAV, as a measure of impact, seems reasonable in general.

Figure 4 on the following page attempts to determine if the assessments generated by applying the Standard Assessment and applicable ceilings results in commensurate benefits received by different types of properties. The BIA budget is allocated to each property type based on an estimate of its potential benefit.

Industrial Properties

The Ballard BIA is intended to focus on the neighborhood business district corridors and not include the manufacturing and maritime industrial properties. The one vacant industrial property has been exempted from assessment for this reason. However, a few properties classified as industrial are included in the boundary and assessed. The largest property is the site purchased for the Nordic Heritage Museum, currently under property name "Fen Pro." This property will be under construction in the next year and eventually be classified as a tax exempt, once the Appraised and Taxable Values are verified and updated in the Assessors database. The next largest is Lieb Marine Services, which has a small office just inside of the 54th Street southern boundary line. The final two assessable properties classified as Industrial are located on Ballard Avenue and don't appear to be industrial uses. The properties that are included as Industrial all appear to have uses more in keeping with the neighborhood business corridor.

The one vacant industrial property classified as exempt is within the Ballard Blocks satellite boundary.

Fig. 5 Industrial Properties						
Column1	PIN or Portfolio	Address	Lot Square Footage	Total Appraised Value	Total Assessment	Sum of FA
Standard Assessment			98,209	\$ 7,318,100	\$ 15,590	2.96
FEN PRO	NORDIC HERITAGE MUSEUM FOUN	2603, 2609, 2637 NW MARKET ST, 5440 28th Ave NW	89,109	\$ 6,134,100	\$ 13,883	2.69
LIEB MARINE SERVICES	MARKET STREET HOLDINGS LLC	2406 NW 54TH ST	9,100	\$ 1,184,000	\$ 1,708	0.28
BSF Ceiling			9,700	\$ 1,729,700	\$ 1,264	1.30
RETAIL STORE	2767702505	5335 BALLARD AVE NW	4,700	\$ 774,800	\$ 566	0.60
RETEL STORE	2767703030	5332 BALLARD AVE NW	5,000	\$ 954,900	\$ 698	0.70
Total			107,909	\$ 9,047,800	\$ 16,855	4.26
Exempt						
Vacant (Industrial)	2768303245	1401 NW 46TH ST	108,746	\$ 8,155,900	\$ -	-

Vacant Properties

Fig. 6 Vacant Commercial Properties						
Row Labels		# of Rate-payers	Lot Square Footage	Total Appraised Value	Total Assessment	
Vacant Land with Tripod Coffee	5401 17TH AVE NW	\$ 1	\$ 1,240	\$ 155,000	\$ 229	
Vacant Land - used as parking	5415 BALLARD AVE NW	\$ 1	\$ 4,650	\$ 720,700	\$ 933	
Vacant land with food truck	5417 BALLARD AVE NW	\$ 1	\$ 2,325	\$ 360,300	\$ 466	
PRYDE JOHNSON BALLARD 56TH		\$ -	\$ 17,988	\$ 3,237,800	\$ 3,842	
20TH AVENUE BALLARD LIMITED						
Former SFR House		\$ -	\$ 2,500	\$ 401,000	\$ 509	
former DENTAL/MEDICAL OFFICE		\$ -	\$ 7,500	\$ 1,201,000	\$ 1,525	
Former LAW OFFICES		\$ -	\$ 3,400	\$ 836,900	\$ 843	
VIK Condominiums under constr	1760 NW 56TH ST	\$ 1	\$ 10,000	\$ 1,601,000	\$ 2,033	
Total		\$ 4	\$ 49,603	\$ 8,513,700	\$ 10,379	

Vacant commercial properties are assessed at the Standard Rate. Several of these properties are being used as parking for adjacent buildings or temporary uses such as food trucks or coffee carts. Since these uses are in keeping with neighborhood business activities, it is reasonable that they would be included in the assessment. Another property is currently under construction for a mixed use development. While it is classified as vacant for now, it will eventually be updated into a Multifamily Residential property type and is reasonable to include it in the BIA.

Properties with Full Tax Exemption: There are 9 properties that are fully tax exempt, owned by 4 ratepayers. These properties, along with two Swedish properties that are partially tax exempt, are listed in Figure 7 below. Swedish is the largest ratepayer in the Fully Tax Exempt category, owning 3 parcels with full tax exemption and 2 parcels with a partial tax exemption. Swedish will continue to provide its own cleaning and security services to its properties in addition to services provided by the BIA, so will not receive a full benefit from these services. Given that it is a major employment and service center in the district, it will also benefit from the transportation advocacy work of the BIA.

St. Luke's Episcopal Church is the second-largest fully tax-exempt ratepayer and will not benefit from most BIA services, such as economic development and marketing, and its services are primarily one day a week (Sundays). NeighborCare Health and Diocese of Olympia are small properties also receiving limited benefits.

Fig 7. Ballard BIA Properties with Full Tax Exemption

Owner: Property Name	Address	TAV	TTV	TAV-TTV	# Units	Standard Assessmt	Tax Exempt Ceiling
NeighborCare Health: MIXED USE	1753 NW 56TH ST	\$ 9,513,000		\$9,513,000	48	\$ 6,027	\$ 1,507
Diocese of Olympia: church	2031 NW 58TH ST	\$ 1,501,000		\$1,501,000	0	\$ 2,581	\$ 645
ST LUKE'S EPISCOPAL CHURCH	2046 NW 57TH ST	\$ 600,800		\$ 600,800	0	\$ 912	\$ 228
	5710 22ND AVE NW	\$ 1,687,200		\$ 1,687,200	0	\$ 2,077	\$ 519
	5710 22ND AVE NW	\$ 2,214,900		\$ 2,214,900	0	\$ 3,552	\$ 888
	PARKING LOT	\$ 575,000		\$ 575,000	0	\$ 899	\$ 225
Total St. Luke's							\$ 4,012
Swedish Hospital							
CANCER INSTITUTE/ RADIATION TREATMENT CEN	5225 TALLMAN AVE NW	\$ 1,677,800		\$ 1,677,800	0	\$ 2,422	\$ 605
BALLARD GARAGE	5315 TALLMAN AVE NW	\$18,717,900		\$18,717,900	0	\$ 15,733	\$ 3,933
MEDICAL OFFICE BUILDING (Vacant)	5223 TALLMAN AVE NW	\$ 853,300		\$ 853,300	0	\$ 1,296	\$ 324
MEDICAL CENTER BALLARD *(Partial Tax Exempt)	5315 TALLMAN AVE NW	\$ 1,500,000	\$210,000	\$ 1,290,000	0	\$ 1,980	\$ 703
SWEDISH MEDICAL CENTER BALLARD *(Partial Tax Exempt)	5409 BARNES AVE NW	\$ 8,177,800	\$963,600	\$47,214,200	0	\$ 35,684	\$ 9,456
Total Swedish							\$ 15,022
TAV = Total Appraised Value, TTV = Total Taxable Value							

Properties with Partial Tax Exemption: For properties with a partial tax exemption, the portion of their properties that is exempt receives the ceiling and the remainder is charged the Standard Assessment. There are 7 properties with a partial exemption: 2 privately-owned medical office buildings, 4 historic properties on Ballard Ave and the Ballard Park Apartments, a new mixed-use development that is likely receiving the Multifamily Tax Exemption (MFTE) for affordable units in new construction.

The medical office buildings are similar and near to the Swedish properties, as part of a medical services sub area. As such, it seems reasonable that they are receiving a similar benefit as the rest of Swedish. Likewise, the buildings on Ballard Avenue are similar to properties receiving the Building Square Footage Ceiling. The difference between one ceiling and another is minimal. The Ballard Park Apartments is receiving a significant benefit by virtue of using the MFTE. This program allows private developers to receive a property tax exemption on the full value of their building if 20-25% of their units are kept affordable to low or moderate income renters. This building is receiving an excess benefit in relation to its assessment because of the data and calculation methods used. However, this is the best data available and simplest calculation method. City policies to encourage affordable housing are creating one anomaly within this BIA, and will likely do the same in other BIAs.

Fig 8. Ballard BIA Properties with Partial Tax Exemption								
Property Name	Address	TAV-data	TTV-data	TAV-TTV	# Units	Standard Assessmt	Tax Exempt Ceiling	
MEDICAL OFFICE BUILDING	5350 TALLMAN AVE NW	\$ 1,400,000	\$ 277,200	\$1,122,800	0	\$ 1,928	\$ 768	
MEDICAL OFFICE BUILDING		\$21,948,000	\$ 4,345,700	\$17,602,300	0	\$ 13,213	\$ 5,265	
Ballard Park Apartments	2233 NW 58TH ST	\$73,311,000	\$15,746,200	\$57,564,800	267	\$ 45,754	\$18,809	
PORTALIS WINE SHOP & WINE BAR	5205 BALLARD AVE NW	\$ 640,200	\$ 392,884	\$ 247,316	0	\$ 633	\$ 450	
RESTAURANT	5307 BALLARD AVE NW	\$ 1,395,100	\$ 343,842	\$1,051,258	0	\$ 1,625	\$ 707	
RESTAURANT	5449 BALLARD AVE NW	\$ 1,217,500	\$ 976,120	\$ 241,380	0	\$ 912	\$ 776	
RESTAURANT/RETAIL STORE	5315 BALLARD AVE NW	\$ 919,900	\$ 219,062	\$ 700,838	0	\$ 1,078	\$ 462	

Outreach and Support

Ballard BIA proponents have been working since 2014 on a BIA. The first iteration of a petition with a larger boundary was disseminated in September 2014. Initial response was not strong enough, so the proponents incorporated feedback and revised the proposal. The second phase of signature gathering began in 2015 and has resulted in signed petitions representing 60.0% of the assessment. If Ballard Blocks is included, they would have 62.8%; but technically, since Ballard Blocks was not part of the petition, it cannot be counted in the percentage.

Ballard provided a summary of outreach conducted which listed many meetings held. The list did not provide explicit details by type of ratepayer but included meetings with particular condominiums, community councils, which typically consist of residents and business organizations that typically consist of business and property owners. There were many individual visits and contacts with potential ratepayers conducted by members of the BIA group that are necessary in gathering petitions, but those are not described in detail.

The opposition Ballard encountered included: a few commercial property owners expressing that the City of Seattle ought to be providing the proposed services with the taxes that are already collected by the

City, and one residential condominium HOA board expressing that not all condominiums in Central Ballard are located within the BIA boundary but may receive some benefit from the BIA.

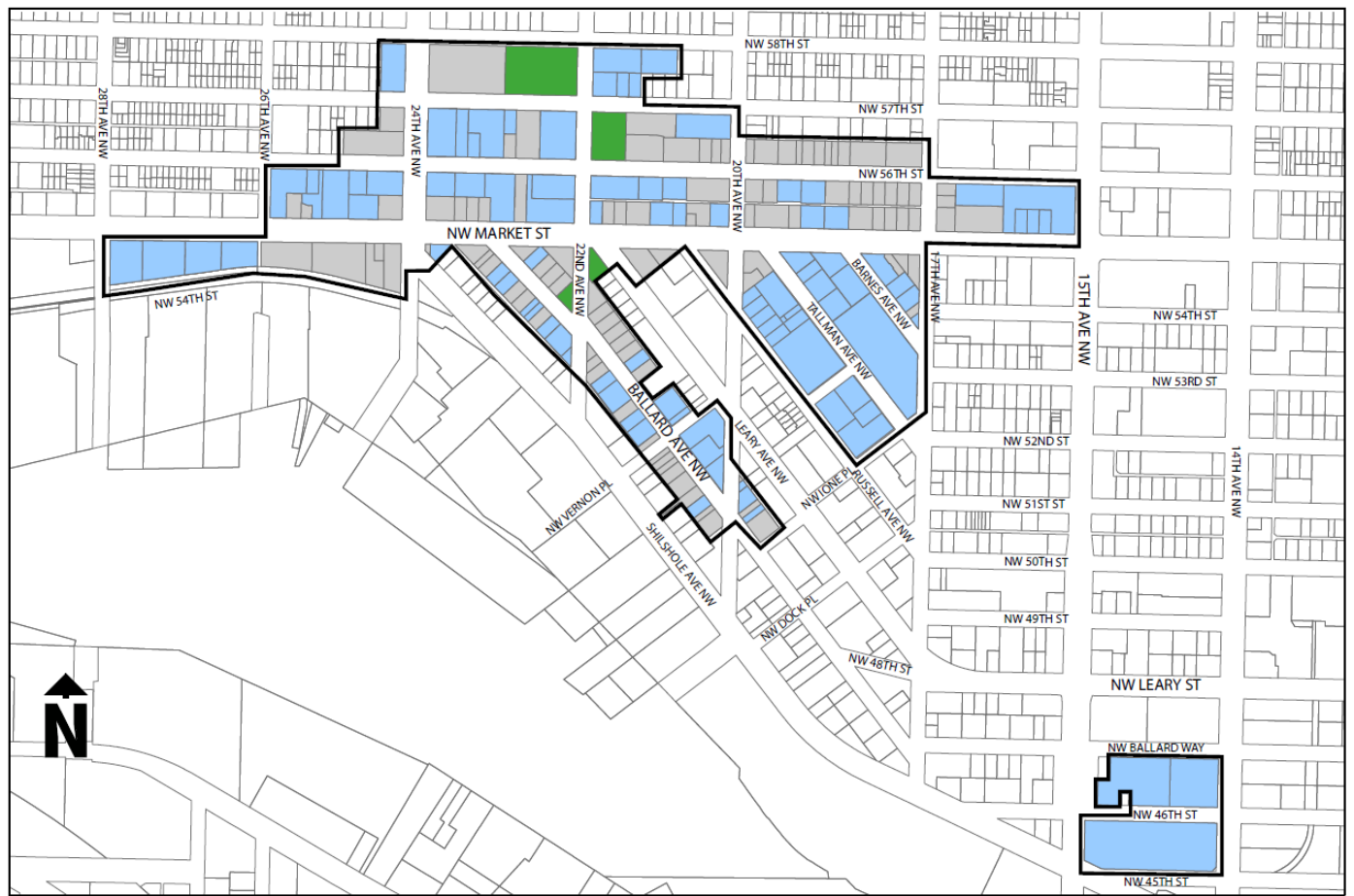
Ballard stayed abreast of the City's new BIA policies in an attempt to meet them, even though its efforts predated the adoption of the policies.

Number of total signed petitions: 97, number of unsigned petitions: 101.

Number of signed residential petitions: 31, number of unsigned residential petitions: 18

Signed petitions are distributed geographically throughout the district as shown in the following map.

Ballard BIA Support



BDS
PLANNING & URBAN DESIGN

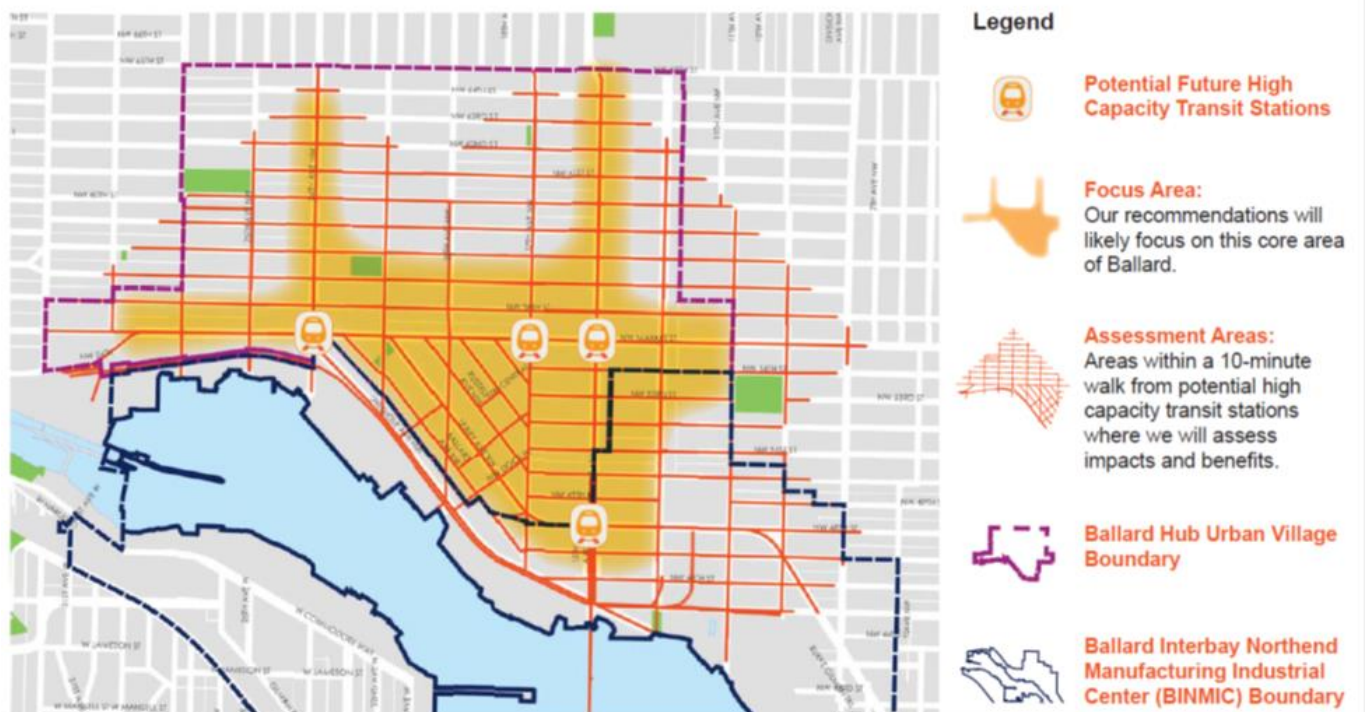
Ballard BIA Area Parks & Government Petitions of Support

Boundaries

The Ballard business district is an eclectic mix of local retail, unique restaurants, bars and nightlife, and residents in apartments and condominiums, combined with a hospital, car dealerships, industrial and maritime businesses, and warehouses converted to breweries. The residential population of Ballard has been growing through urban infill development within the core as well as on the outskirts of it. Along with the new residents, Ballard hopes to maintain its maritime and industrial businesses, while attracting new office development. Ballard’s rapid growth, change and broad mix of businesses complicate the task of creating a boundary that represents the best area for neighborhood economic development through a BIA.

The Ballard Partnership for Smart Growth has been working with the Department of Planning and Development (now the Office of Planning and Community Development) over the past few years to review and update the zoning and design framework in place. A lot of work has been done as part of this process to analyze the geography, uses, character, and economics. The area chosen for this process by the City is shown in gold below. The Ballard Partnership has also completed a separate market analysis to evaluate the potential for office development, which has provided additional insight into Ballard’s economics. Throughout this work, the core of Ballard has been identified as extending along Market Street from 28th to 15th and south along Ballard Avenue to 47th. The edges begin to transition into either primarily residential areas to the northwest, commercial areas not tied as strongly to Ballard to the north along 15th, or more industrial areas to the southeast along 14th.

Ballard Urban Design Framework Focus Area Map



Ballard’s first effort to create a BIA aligned more closely with this primary core of the gold colored area, excluding the two north-reaching bands along 24th and 15th. While this core area is the more natural focus for neighborhood economic development, early efforts faced difficulties reaching property owners and

gaining enough interest. The boundaries were redrawn to stay focused nearer to the core and keep a BIA proposal alive. In doing so, they attempted to keep neighbors who wanted the BIA inside the boundary.

When shrinking the boundaries, they decided to exclude Leary Way because of difficulties reaching some property owners, a car dealership and industrial properties that are dissimilar from the rest of the core. This was an unfortunate choice because Leary Way has been redeveloping over time into more mixed-use properties with retail and residential uses, particularly on the northern end. The southern end is still a blend of light industrial, with some retail and service businesses mixed in. While the exclusion of Leary Way might be necessary to pass the BIA now, this decision should be re-evaluated when and if Ballard renews after the initial 7-year period. Leary Way is likely to see spillover benefits from the BIA and is a natural part of the Ballard core.

On the western side of Market Street, the property to be developed into the Nordic Heritage Museum was kept in the boundary because the museum supported the BIA and would be an important draw to the district, when it opens in 2018. The properties across Market Street were not included because the properties are more industrial. On the eastern side, between 17th and 15th Aves, only the block to the north of Market Street is included. Properties on the south side of Market Street were excluded because of difficulties reaching some property owners during outreach. This choice to include residential buildings on one side of Market Street but not the other side has been questioned by condo owners within the Hjarta building, which is within the boundary. The inclusion of Ballard Blocks is also unusual, given its geographic isolation from the rest of the core. Yet it is a significant extension of the retail that serves Ballard and will benefit from the BIA's work. (Under the new City BIA policies, non-contiguous properties are allowed in determining BIA boundaries).

Overall, the current boundary is passable as the primary core of the district, even with the exclusion of Leary Way. Properties outside of the boundaries will not receive cleaning or other direct services but they could receive spill-over benefits from other efforts, as is always the case in BIAs. Ultimately, creating BIAs is very time consuming and difficult to achieve. Gathering 60% support in petitions takes a significant amount of volunteer time and effort and when done well, is the next logical stage after years of organizing and action planning as Ballard has done. Given the enormous effort required, it is reasonable that boundary choices are made in order to have the best chance of success for a BIA.

When and if the BIA is renewed after the initial 7-year period, it could naturally grow into more of the commercial areas around the edges and possibly fill in the gaps to Ballard Blocks. If the BIA is successful in providing its services and benefits, it's conceivable that more property owners will want to be involved and included. The BIA will need to show its value during its seven year life or else it will not be able to garner enough support for its renewal.