

# U DISTRICT IMPROVEMENT AREA (BIA) BENEFIT ANALYSIS

OFFICE OF ECONOMIC DEVELOPMENT

PHILLIP SIT, BIA ADVOCATE

## HIGHLIGHTS:

**BUDGET** – The total estimated budget for the proposed U District BIA beginning in the year of authorization (2020) is estimated at **\$1,212,623.44**.

**RATEPAYERS** – The assessment is on all eligible properties and the ratepayers are therefore property owners, including commercial, nonprofits, multi-family residential properties, and the University of Washington.

The New U District BIA is comprised of **311 individual ratepayers** that represents **526 assessable parcels** within the designated boundaries, totaling **527 accounts** (including the University of Washington).

**SUPPORT** – The proposed U District BIA has petition signature from **219 petitions** in support of the U District BIA reauthorization, representing **64.68%** in assessments.

**OPPOSITION** – There are two sources of opposition to the proposed BIA. The first is comprised of three local groups (Save the Ave, U District Community Council, and U District Small Businesses). The second is opposition of inclusion in the BIA by some individual condominium owners – a group that advocated against their inclusion in the last BIA formation and have continued to express their opposition since then.

**BOUNDARIES** – The renewal makes two changes to the existing BIA boundaries and are detailed in the BIA boundary map. The proponents are proposing to reduce the BIA footprint in the northwest corner by removing a section that is almost entirely single-family residential homes and is commonly known as the University Park neighborhood. This adjustment is endorsed by the University Park Community Club. Second, the proponents are moving the southern boundary which currently extends through the UW campus to the shoreline northward to above the campus proper. The UDBIA does not provide any BIA funded services on campus itself and this revision of the boundary clarifies that reality.

**BIA PROGRAMS AND SERVICES** – are standard and similar to other recent BIAs.

**ASSESSMENTS** – Records for the initial assessment calculations are based on data and information from the King County Assessor’s Office and Financial Administration Services. The base assessment rate on each assessable property within the proposed boundaries will be **\$.275 per \$1,000** of the total taxable value and/or total appraised value. There is also a separate assessment charge for three different cleanings zones ranging from **\$0.03 to \$0.16** per lot sq. footage. Non-profits, churches, and other qualified properties will continue to receive an assessment discount due to the nature of their ownership.

**BENEFIT ANALYSIS** – Based on this analysis, the assessment methodology based on Total Taxable Value (TTV) and Total Appraised Value (TAV) will charge ratepayer assessments that are commensurate with the varying benefits provided by the U District BIA.

**OUTREACH** – U District BIA launched a widespread outreach campaign to property and business owners throughout this proposed area starting in March 2019.

**PROGRAM MANAGER** – The Program Manager is recommended by the Ratepayers Advisory Board to the City. The Ratepayers Advisory Board approves an annual budget, work plan, and program manager for use of BIA generated funds in alignment with the BIA ordinance. It is the expectation of OED/FAS that the U District Partnership will continue to serve as the program manager for the BIA generated funds.

**CURRENT U DISTRICT BIA BOARD MEMBERS 2019-2020:**

Name	Classification
Nikole O’Bryan	Property Owner Business Owner
Chris Giles - Board Secretary	Resident
Aaron Hoard - Board Vice Chair Clean & Safe Committee	UW
Kate Barr - Board Treasurer Finance Committee	Business Owner
Lora Gastineau	Resident
Maria Barrientos - Business Partner Economic Development Committee	Property Owner
David Cohanin Urban Vitality Committee	Property Owner
Maureen Ewing - Board Chair Church Survey Task Force	Property Owner Nonprofit
Max Blume	Property Owner
Lincoln Johnson	UW
Michael Polzin	Property Owner
Randy Hodgins	UW
ASUW Rep.	Student
Scott Soules	Property Owner
Mary Kay Gugerty	UW

The current BIA board meets the requirements in the 2015 U District BIA ordinance. The proposed new U District BIA will have new guidelines on community representation on the Ratepayer Advisory Board, which will be reflected in the final ordinance.

## BUSINESS IMPROVEMENT AREA (BIA) OVERVIEW:

Currently, there are **10 BIAs** in Seattle generating a total of **\$26 million dollars** in enhanced programs and services to business districts. The current U District BIA provides **\$984,000** in annual assessments to support professional management, safe and clean, and business district advocacy.

- BIA services are primarily funding by a special assessment on district properties or business
- BIAs are governed by a locally controlled board of directors
- BIAs provide services to supplement, not replace services already provided by the City
- BIAs serve as a critical liaison between City government and neighborhood stakeholders

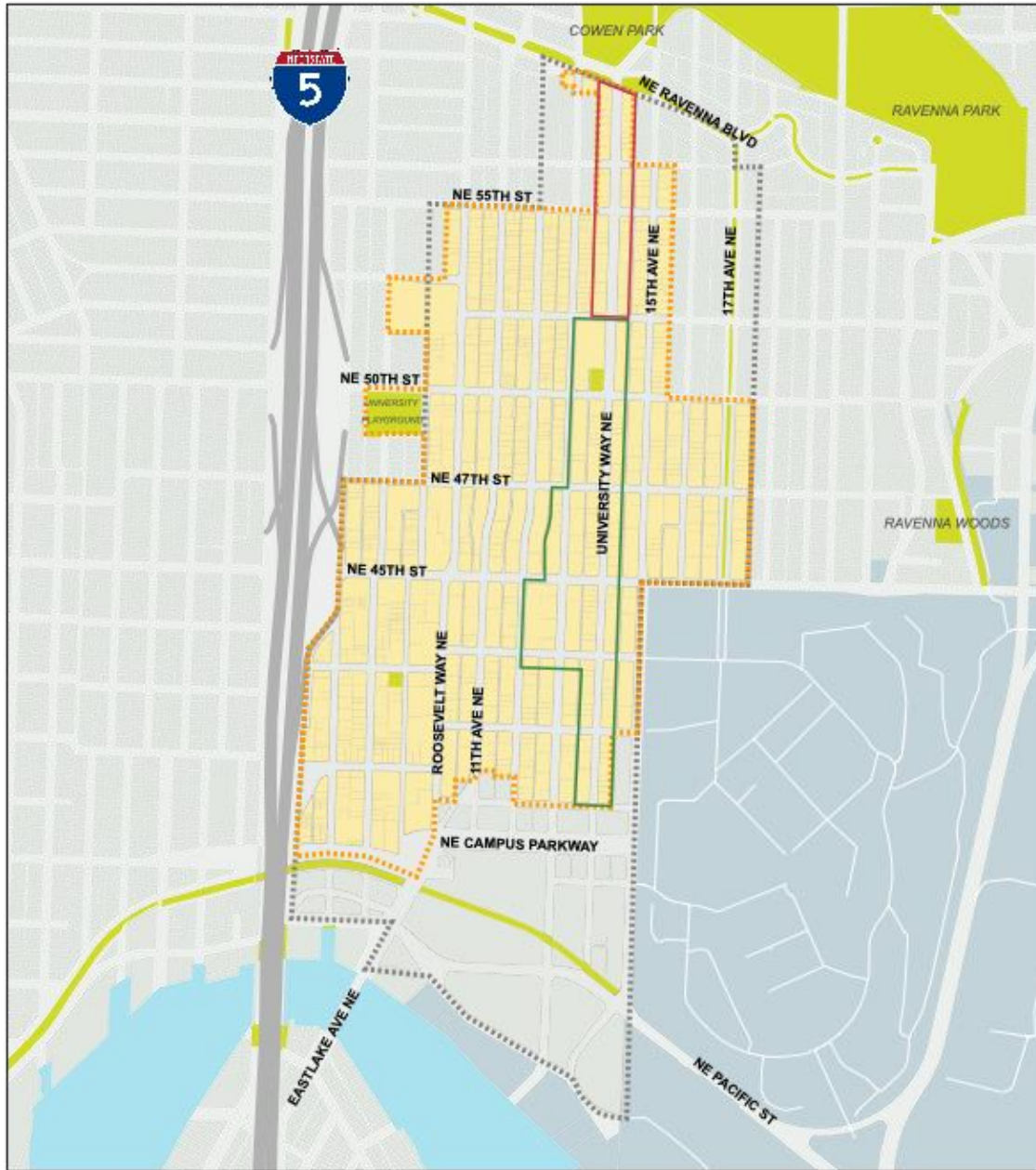
The U District is a vibrant and diverse business district with retail, offices, and commercial businesses. Like many business districts, the U District is grappling with issues related to homelessness, trash, public safety, parking, and transportation. By providing a dedicated source of funding, the U District BIA has been a vital City partner serving as a primary point to advocate for the benefit of stakeholders in the district.

Created under Ordinance 124761 as a five-year BIA in 2015, the current U District BIA is scheduled to sunset on May 1<sup>st</sup> of 2020 and the proposed renewal will require the approval from the City Council and the Mayor's Office. In response to community support and having successfully obtained signatures representing over 60% from potential ratepayers, the U District BIA is proposing a 12-year renewal with expanded programs and services.

This Business Improvement Area (BIA) benefit analysis has been prepared to support the proposed reauthorization and expansion of the U District BIA within the City of Seattle and a requirement of Resolution 31657 – the Citywide BIA Policies.

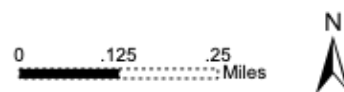
# SECTION A: UDBIA PROPOSED BOUNDARIES

FIG A1:



## Proposed New U District BIA Boundary

- Current BIA Boundary
- Proposed BIA Boundary
- North Cleaning Area
- South Cleaning Area
- University of Washington Campus
- City of Seattle Parks



## SECTION B: UDBIA PETITION SUPPORT

The proposed U District BIA has petition signature from **219 petitions** in support of the U District BIA reauthorization, representing **64.68%** in assessments from four main categories of property owners from the district. As of 3/1/2019, there are no petitions submitted to the City in opposition to the BIA renewal.

FIG B1: OVERALL PETITION SUPPORT FOR UDBIA RENEWAL

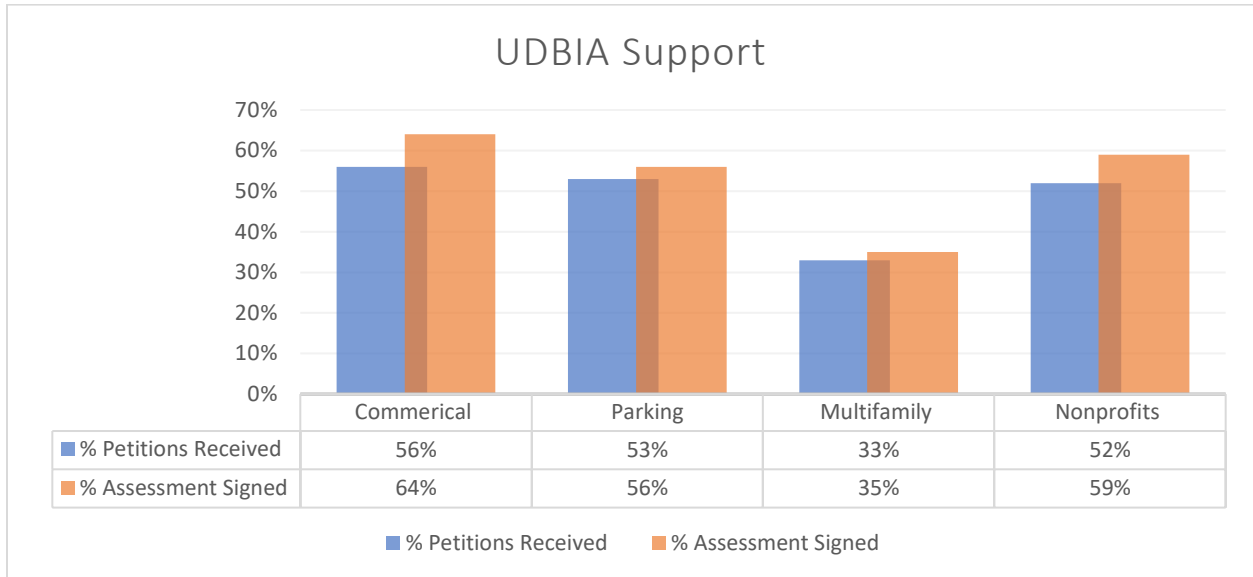


FIG B2: BREAKOUT OF PETITION SUPPORT BY PROPERTY TYPE

Property Type	# of Parcels	# of Parcels Signed	# of Parcels Opposed	Total Assessments	Total Assessments (Signed)	% of Total Assessment (Signed)
Commercial	152	85	0	\$242,580.23	\$156,012.97	64%
Parking	43	22	0	\$31,241.04	\$17,633.06	56%
Multifamily	303	97	0	\$493,524.54	\$174,462.45	35%
Nonprofits	28	14	0	\$22,162.63	\$13,100.33	59%
University of Washington	1	1	0	\$423,115.00	\$423,115.00	100%
Total	527	219	0	\$1,212,623.44	\$784,323.81	

## SECTION C: U District BIA BUDGET

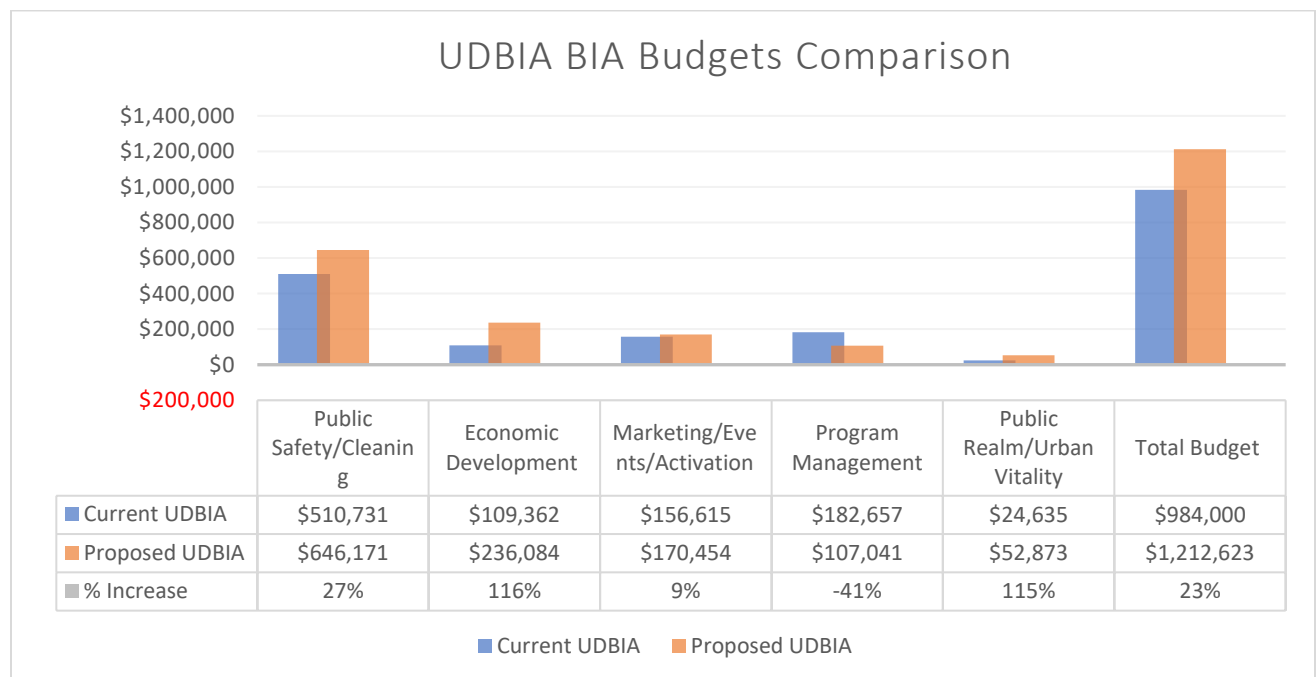
The BIA will generate an estimated total of **\$1,212,623.44** in assessments in the base year of authorization (2020-2021). The New U District BIA will continue to invest and expand programs and services that have benefited the district since 2015. All stakeholders will consistently benefit from economic development and public safety programs throughout the district, a clean environment, improved transportation, and district-specific advocacy efforts. **Section D has a description of the programs and services.**

FIG C1: U DISTRICT BIA BUDGETS

The budget growth of **23.3% or \$228,623.44** is reasonable given the creation of a new district-wide cleaning zone (**\$92,597.76**), separate from the existing North and South cleaning and MFTE adjustments across 13 properties (**\$63,9141.73**). There is also a one-time 10 percent increase to primarily support district wide branding and marketing.

To maintain programs and services over time, there is an **annual Customer Price Index (CPI) inflation factor** associated with the proposed BIA. The U District BIA will also annually update the assessment for properties that undergo development or expansion using data from the King County Assessor’s Office. This **New Benefit** includes updating and identifying assessable parcels and total taxable and appraised value, and recalculating the base assessment and cleaning fee, which is the current assessment process for the existing U District.

FIG C2: U.DISTRICT BIA BUDGETS



**INCREASE IN ECONOMIC DEVELOPMENT:** Rapid growth over the past decade in the U District has created many opportunities and challenges for businesses. With the opening of a new light rail station and 30 plus new buildings under construction or in design review, By taking on the strategic responsibility of providing a positive narrative and image of the U District as a wonderful place to live, work, and play, and attracting new potential customers into the district, we will assist small businesses – including beloved legacy businesses and women and minority-owned businesses -- who can focus on promoting their own unique brands and product offerings.

UDBIA Programs	Description	Budget	Percent of Budget
<b>Public Safety and Cleaning</b>	<b>Total</b>	<b>\$646,171</b>	<b>53.29%</b>
	Staffing	167,958	
	Cleaning Contracts	225,240	
	Beautification Contracts	74,750	
	Ambassador Contract	94,760	
	REACH	43,000	
	Homeless Youth Training	10,000	
	Infrastructure Maintenance	30,463	
<b>Economic Development</b>	<b>Total</b>	<b>\$236,084</b>	<b>19.47%</b>
	Staff	116,528	
	District Branding/Marketing	90,266	
	Business Program Support Materials	29,290	
<b>Public Realm and Urban Vitality</b>	<b>Total</b>	<b>52,873</b>	<b>4.36%</b>
	Staffing	30,000	
	Program	5,000	
	Events/Community Convening	17,873	
<b>Marking, Events, and Activations</b>	<b>Total</b>	<b>\$170,454</b>	<b>14.06%</b>
	Staffing	130,302	
	Program	15,750	
	Other	24,402	
<b>Program Management</b>	<b>Total</b>	<b>\$107,041</b>	<b>8.83%</b>
	Staffing	49,530	
	Accounting/Audit	37,500	
	Office & Admin.	20,011	
<b>Total BIA Assessment</b>	<b>Total</b>	<b>\$1,212,623</b>	<b>100%</b>



## SECTION D: BIA PROGRAMS AND SERVICES

Washington State law outlines a number of purposes for the use of BIA generated funds (see RCW 35.87A.010(1)). The services and activities funded by the New U District BIA annual assessment revenue are in addition those service already provided by the City. A summarized description of BIA services is shown below with highlights of recent success and outcomes.

### U DISTRICT BIA HIGHLIGHTS (2019)

<b>3,368</b>	<b>9,154</b>	<b>2,643</b>
Hours of Cleaning	Bags of Trash Removed	Dumpster Cleanup
<b>2,601</b>	<b>1,771</b>	<b>171</b>
Graffiti Tags Removed	Biohazard Removed	Hours of Pressure Washing
<b>2,400 +</b>	<b>2,150 +</b>	<b>100 +</b>
*Ambassador Business Visits	*Hot Spot Patrols	Crime Prevention Through Environmental Design (CPTED) Review

#### A. CLEANING AND BEAUTIFICATION: \$646,171 (53.29%)

The U District BIA will continue to provide cleaning enhancements beyond the basic services provided by the City of Seattle through a comprehensive program that will enhance the overall vitality of the District. The goal is for property owners and merchants alike to maintain pride in the area by promoting cleanliness and reducing the blight associated with trash and graffiti.

- Maintain professional contract cleaning of North (2x/week) and South (7x/week) Cleaning Areas
- Expand professional cleaning services throughout remaining U District (1x/month).
- Maintain 2-person part-time staff team and provide homeless youth employment training for continuous district wide graffiti removal, trash pickup, biohazard removal, illegal poster removal, etc.
- Install and maintain flower baskets in the spring and fall and install holiday lighting in core commercial areas.
- Maintain current BIA capital improvements like tree pit restorations, planters, etc.
- Continue monthly district wide volunteer cleanups and annual May Clean Up

UDBIA/UDP has formed a partnership with Sanctuary Art Center, a social service provider and training program in the U District. By funding their Work or Opportunity Training (WOOT) program, the UDBIA/UDP seeks to employ homeless or vulnerable young adults. Currently, there are two part-time positions staffed on the Beautification Team as a result of this partnership. Over the past two years, UDBIA/UDP have placed 28 young adults from Sanctuary Arts Center onto our team for temporary and sometimes permanent jobs.

**A1. PUBLIC SAFETY AND OUTREACH:** The U District BIA will continue to provide programs to enhance an environment in which property owners, merchants, residents, and visitors to the district will feel comfortable and secure. The BIA will continue to work with SPD, SDOT, Navigation Team, and other departments to ensure that U District can maximize the public safety services available from the City to reduce police response time.

- Partner with local patrol officers to respond to criminal and civil misbehavior hotspots.
- Deploy Safety Ambassadors district-wide for safety, security and wayfinding and responding to business calls for assistance.
- Expand newly launched U District Business Block Watch.
- Convene monthly meetings of community members, police, mental health service providers to identify and respond to local respond to criminal and civil misbehavior hotspots.
- Partner with other BIAs throughout the City to request better public safety in our neighborhoods.

Crime Prevention Through Environmental Design (CPTED) to increase safety property and business owners in the district.

- CPTED looks at how a building/space is designed and used from a crime prevention standpoint and how designs can be modified to reduce the likelihood of crime. Educating people on how to report suspicious activity and how to prevent crime to themselves and their property are an important part of our work. The U District Clean and Safe Program is certified in CPTED and is accredited with an Advanced CPTED Professional Designation (CPD).

The U District Partnership Connects Members of the Community to Mental Health Resources Through the REACH Program.

- The U District Business Improvement Area (UDBIA) partnered with Evergreen Treatment Services to bring the REACH mental health outreach program to the district. REACH provides a full-time Outreach Care Coordinator dedicated who builds relationships with members of our community who need addiction and mental health services and connects them to services in the community.
- The U District's REACH Outreach Care Coordinator is David Delgado, a mental health professional who works one on one with individuals in our community who need services such as mental health treatment, substance abuse treatment, and housing. Delgado works collaboratively with local service providers, businesses, and UDP staff.
- The REACH Program is an established service of Evergreen Treatment Services. REACH works with individuals experiencing behavioral health conditions to help them achieve stability and improve quality of life. Through outreach, engagement, and ongoing relationships, REACH focuses on reducing harm and supporting the healing of each of their clients. REACH bridges gaps and helps individuals access essential resources such as housing, health care, entitlements and treatment. The REACH program has a proven track record of success in Seattle's Ballard neighborhood

U District REACH Outcomes:

2019	Total Contacts	Unduplicated Clients
March/April	34	21
May	35	19
June	53	13
July	54	25
August	35	19
September	45	25
October	47	19
November	71	45
December	13	5

Resources	YTD
Food	93
Transportation	51
Clothing	30
Shelter	30
Naloxone Kit	29
Medical	18
Overdose Education	15
Long Distance Bus Ticket Home	7
Identification Assistance	10
Medication Assisted Treatment (Methadone/Buprenorphine)	4
Benefits: Financial or Medical	2
Legal Assistance	2
Housing Assistance	1
Mental Health	14
Other	18
Total	324

**B. URBAN VITALITY: \$52,873 (4.36%)**

The U District BIA will continue to leverage influence and investments to advocate on public realm projects and improvements.

- Serve the needs of the U District property and business owners on all “built environment” related matters and activate public spaces.
- Engage private developers and public agencies in project development.
- Convene our community when issues related to the public realm arise and provide their feedback to agencies.

### **C. ECONOMIC DEVELOPMENT: \$236,084 (19.47%)**

- The U District BIA will continue to actively promote businesses so that the BIA most effectively represents the interests and executes the priorities of its ratepayers. The U District BIA plays a central role and spends considerable time organizing district focus meetings, working one-on-one as a problem solver, and speaking to the media and elected officials in representing the U District BIA and its objectives for business district betterment.
- Grow the newly launched U District Business Network.
- Expanded district wide marketing, branding, public relation to increase positive narrative and image of the U District as a wonderful place to live, work, and play, and attracting new potential customers into the district. UDBIA will assist small businesses – including beloved legacy businesses and women and minority-owned businesses -- who can focus on promoting their own unique brands and product offerings.
- Promoting food amenities (including legacy businesses and women/minority owned businesses) and creating a cohesive brand to highlight the U District as a destination and experience.
- Formalize the U District as an “Arts District” given the diversity and vibrancy of the district, as well as its proximity to the University with its broad array of arts and cultural events and programs.
- Collect and communicate essential economic development data and key performance indicators to business and property owners.
- Continue to build business resource library and available resource connection portals.
- Serve as advocate to potential business interests.

### **D. Marketing, Events, and Activations: \$170,454 (14.06%)**

- Plan and produce major events throughout the U District supporting local businesses and residents
- Activate smaller community partner events and activations district wide
- Communicate U District events and activates to community through weekly and monthly newsletters

### **E. BIA MANAGEMENT: \$107,041 (8.83%)**

The U District BIA will retain a staff team (4 FTEs) to provide program administration, customer service, develop and implement service programs; and manage finances and contract services, including:

- Conduct annual meeting of ratepayers to present work plan, budget, and approval of program manager;
- Work in collaboration with FAS/OED on BIA assessment billing and customer service related inquiries;
- Ensure legal, financial and personnel policy documents are up to date and in compliance with applicable laws;
- Provide resources, support, and training to Ratepayer Advisory Board;
- Enhance BIA Program Development with best practices from BIA/BIDs in North America; and determine Ratepayer knowledge and approval of BIA activities and gals as part of a BIA program Evaluation.

## SECTION E: ASSESSMENT METHODOLOGY

The U District assessment formula is **\$0.275/\$1,000** of the Total Taxable Value (TTV) and/or Total Appraised Value for the established base year recorded from the King County Assessor's Office and the Financial Administration Services (FAS) from the City of Seattle.

By utilizing the base property value on record plus annual CPI, UDBIA assessment will remain constant unless a property triggers a **New Benefit Area** due to new development as described by the proposed ordinance, in which case, the base year and property value is reset by the UDBIA and the City of Seattle during the twelve-year duration of the BIA.

TTV/TAV generally correlates to benefit because higher assessed TTV parcels generally reflect a higher level of service from the U District BIA due to large volume of employees and/or customers.

**Cleaning Zones** - All assessable properties will pay into a separate cleaning assessment, a modest new cleaning zone for the general district was established due to ongoing demand for services.

- A. South Cleaning Area First Year Assessment = **(\$0.16 x (Total Lot Square Feet))**. This calculation is called the "South Cleaning Area Formula."
- B. North Cleaning Area First Year Assessment = **(\$0.09 x (Total Lot Square Feet))**. This calculation is called the "North Cleaning Area Formula."
- C. Greater District Cleaning Area (all other properties outside the South and North Cleaning Areas) First Year Assessment = **(\$0.03 x (Total Lot Square Feet))**.

**Multi-Family Tax Exemption** - If a property is owned by a for-profit entity, the Base Year Assessment and Cleaning Area Formula will be calculated using the Total Appraised Value upon 100 percent completion of the building and/or authorization of the MFTE exemption from the Office of Housing.

In the current UDBIA, the base assessment for the 13 MFTE buildings totaled \$23,181.25. The updated MFTE language for the new UDBIA will increase the base assessment to \$87,122.96, creating more alignment and equity with other market rate apartments in the district.

**Non-Profit Rate** – If a property is owned by a nonprofit entity, the Base Year Assessment Cleaning Area Zone will receive the discounted assessment formula. Such properties are eligible for reduced nonprofit rate of **25% for the base assessment**, the reasoning being that properties are receiving fewer overall benefits, primarily in marketing and economic development, in addition to providing a public benefit to the district.

**MFTE TAX EXEMPTED PARCEL EXAMPLE**



Source: Lightbox, 4545 8<sup>th</sup> Ave

[LightBox](#) is a market rate apartment utilizing the MFTE exemption, featuring 162 units. Base assessment for these exempted buildings will be calculated against the Total Appraised Value instead of the discounted Total Taxable Value to ensure equity in assessment and benefit received.

**Total Taxable Value: \$749,000**

Previous Base Assessment: \$2,497.54

**Total Appraised Value: \$52.7 million**

New Base Assessments: \$14,185.15 + Cleaning

Fee of \$128.40 = \$14,313.55

\$88.35 per unit (162)

PARCEL NAME	PROPOSED NEW BASE ASSMT	TOTAL CURRENT 2019 BIA ASSMT
LIGHTBOX	\$14,185.15	\$2,891.97
ROOSEVELT & 50TH APARTMENTS	\$5,547.26	\$2,154.60
MURIEL'S LANDING	\$7,219.85	\$2,517.75
STUDIO 7	\$4,099.86	\$270.14
AUGUSTA APARTMENTS	\$25,783.61	\$8,243.84
GOSSET PLACE APARTMENTS	\$1,102.28	\$33.77
GOSSET PLACE APARTMENTS (ASSOC MINOR 0955)	\$79.51	\$33.77
PREXY	\$5,777.22	\$1,910.60
THE PARSONAGE	\$6,954.52	\$1,742.82
STRADA-APODMENT.COM	\$975.02	\$231.12
IDENTITY APARTMENTS	\$4,828.21	\$1,233.59
IDENTITY APARTMENT	\$5,556.39	\$1,395.24
47 + 7 APARTMENTS	\$1,024.24	\$354.62
UCHA	\$188.43	\$167.32
<b>Total</b>	<b>\$83,321.55</b>	<b>\$23,181.15</b>

## NONPROFITS



Source: U. Heights, 5031 University Way

[U. Heights](#) - a nonprofit school/community center that will continue to receive a nonprofit discount (25 percent of the standard assessment) on their BIA assessment as the parcel is providing a general public benefit to the district.

**Total Appraised Value: \$3,583,300**

New Base Assessments: \$375.05 +

North Cleaning Fee of \$3,185.60 = \$3,560.65



Source: City Church, 4740 17th Ave NE

[City Church](#) - community church that will continue to receive a nonprofit discount (25 percent of the standard assessment) on their BIA assessment as the parcel is providing a general public benefit to the district.

**Total Appraised Value: \$1,411,100**

New Base Assessments: \$108.40

General Cleaning Fee of \$64.80 = \$173.20

## UNIVERSITY OF WASHINGTON



Source: University of Washington

The University of Washington will contribute an assessment of **\$423,115** for all properties owned by the University within the BIA area. In subsequent years, the University of Washington's BIA assessment will be subject to the same CPI Factor as other properties within the BIA.

The amount is based upon the original \$350,000 flat rate contribution in 2015 plus annual inflation, and represents a commensurate assessment based upon the benefit received and an acknowledgment of the impact created by the University.

## SECTION F: BASE ASSESSMENT BENEFITS

### Commercial Buildings

# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Bldg. Sq. Footage	% Bldg. Sq. Footage	Total Appraised Value	% of Total Appraised Value	Base Assessment	% Base Assessment
152	28.9%	1,404,452	29.93%	2,753,268	27.03%	\$422,061,400	22.40%	\$129,824.49	23.84%

The **152 parcels** in this category are primarily comprised of commercial office, retail and service-oriented businesses. Retail and restaurants as designated by the King County Assessor's Office represents **103 parcels or 67.76%** of the total commercial building population, with only three parcels that have seen redevelopment since 2015. The conclusion drawn by the percentage ratio between the percent of TAV and UDBIA assessment is that existing commercial buildings are providing a commensurate assessment with the benefits received from UDBIA services for their business tenants, employees, and customers. New development will pay a commensurate amount as a result of the New Benefit language within the proposed ordinance.

### Multifamily Buildings

# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Bldg. Sq. Footage	% Bldg. Sq. Footage	Total Appraised Value	% of Total Appraised Value	Base Assessment	% Base Assessment
303	57.6%	2,312,500	49.28%	6,666,820	65.44%	\$1,308,261,670	69.42%	\$390,249.51	71.66%

The **303 parcels** in this category are primarily comprised of traditional apartments and condo buildings. Majority of multifamily buildings **252 parcels or 81.85%** are located outside of the North and South Cleaning Zones, which is reflected in the larger percentage of base assessments for services. It should be noted that the ratio between TAV and UDBIA are within 3% of each other.

New multifamily developments are increasing in the district as **36 properties or 11.88%** are new developments and **87%** of new developments are primarily located outside of the North and South Cleaning Zone, providing additional justification for the new U District General Cleaning Zone. With 10 new multifamily housing projects above 240 feet in the pipeline, the conclusion drawn is that multifamily buildings will continue to benefit from UDBIA services for residents (property owners and tenants), business tenants, and in overall higher property valuations.

### Parking Lots

# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Bldg. Sq. Footage	% Bldg. Sq. Footage	Total Appraised Value	% of Total Appraised Value	Base Assessment	% Base Assessment
43	8.17%	375,901	8.01%	104,016	1.02%	\$45,432,800	2.41%	\$13,257,53	2.43%



The **43 parcels** in this category are parking lots located in the district, comprised of independent commercial and associated parking lots to a primary commercial or mixed-use multifamily building. Given the up zone in the district, it would be reasonable to assume that a significant number of these properties will be developed over the duration of the UDBIA. As with all properties in the district, assessments will be established upon the base year of the property and will not fluctuate based on the highest and best use assessment required by King County.

New development will pay a commensurate amount as a result of the New Benefit language within the proposed ordinance.

### Nonprofits/Churches/Exempted Properties

# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Bldg. Sq. Footage	% Bldg. Sq. Footage	Total Appraised Value	% of Total Appraised Value	Base Assessment	% Base Assessment
28	5.32%	4,692,687	12.78%	663,594	6.51%	\$108,383,300	5.78%	\$11,232,35	2.06%

The **28 parcels** in this category have been designated as nonprofit based on the tax value reason designated by the King County Assessor’s Office. Such properties are eligible for reduced nonprofit rate of 25% for the base assessment, the reasoning being that properties are receiving less marketing and economic development benefit, in addition to providing a public benefit to the district. **18 parcels or 64.29%** are designated as Churches and many of these properties maintain ownerships of parking lots, resulting in a higher percentage of lot sq. footage within the nonprofit population.

If the nonprofit property was to be converted/leased to business tenants generating a profit, the property would no longer be considered as exempted from BIA assessments and would be reassessed by TTV and/or TAV.

### SECTION G: CLEANING ZONE ASSESSMENTS BENEFITS

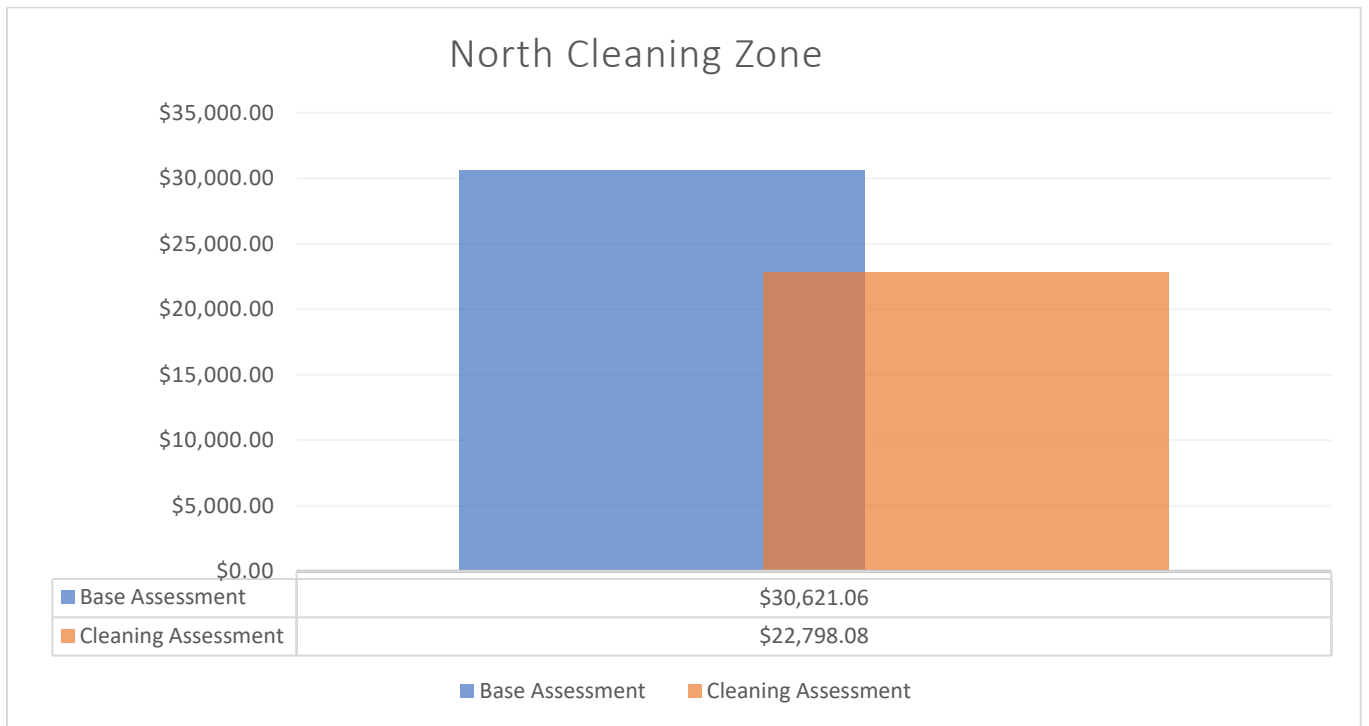
The New U District BIA will continue to provide cleaning enhancements beyond the basic services provided by the City of Seattle through a comprehensive program that will enhance the overall vitality of the District. The goal is for property owners and merchants alike to continue to maintain pride in the area by promoting cleanliness and reducing the blight associated with trash and graffiti.

Standard cleaning areas receive the same type of service with various degrees of frequency. Those services include:

- Graffiti/Sticker Removal
- Litter Removal
- Biohazard (needles and human waste removal)
- Leaf Removal – successfully piloted additional services in the district in 2019/2020.

North Cleaning Area = (\$0.09 x (Total Lot Sq. Footage))

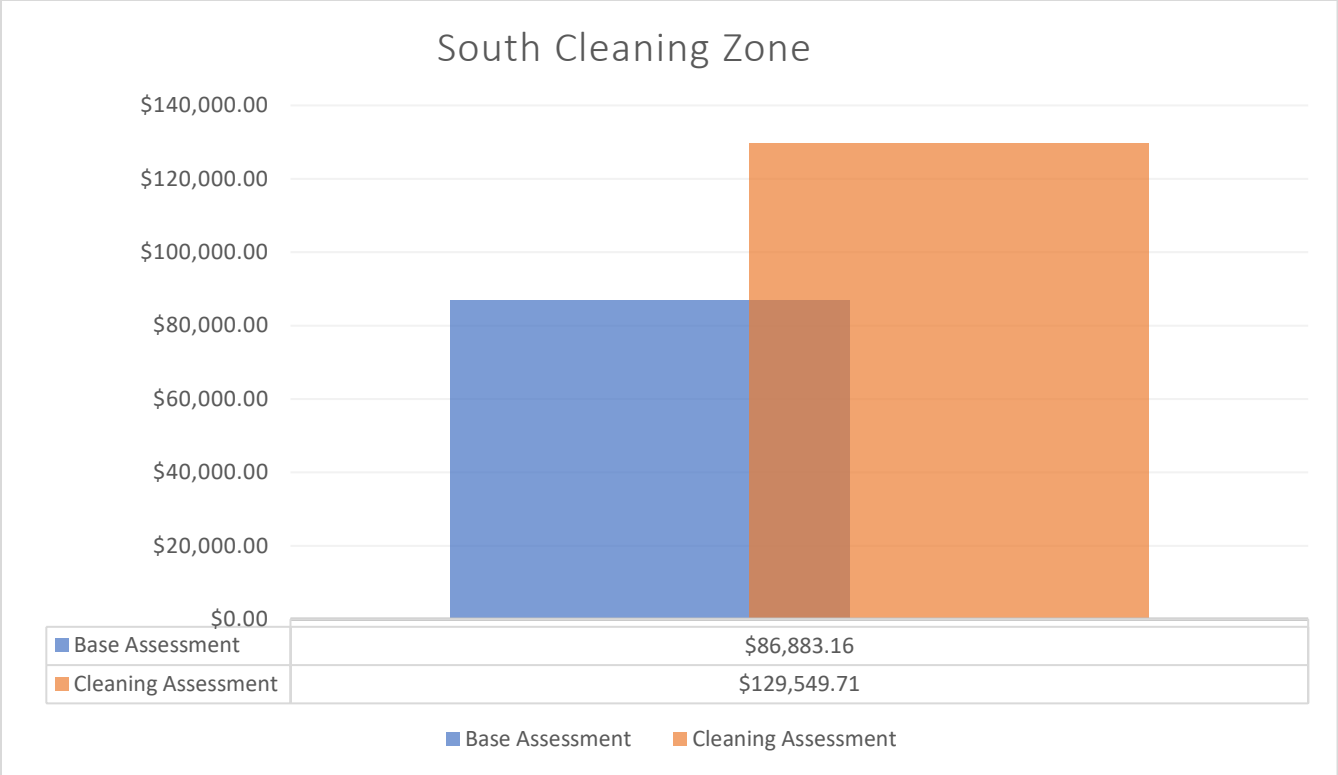
Services include 2 days a week, 4 hours a day of professional contracted cleaning, 4 hours of monthly pressure washing. 1 large annual pressure washing, and snow and ice removal.



Property Type	# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Total Cleaning Assessment	% Total Cleaning Assessment
Commercial	13	31.71%	80,792	31.14%	\$7,020.18	30.79%
Parking	0	0	0	0	0	0
Multifamily	27	65.85%	169,685	65.40%	\$15,271.65	66.99%
Nonprofits	1	2.44%	9,000	3.47%	\$506.25	2.22%
<b>Total</b>	<b>41</b>	<b>100%</b>	<b>259,477</b>	<b>100%</b>	<b>\$22,798.08</b>	<b>100%</b>

South Cleaning Area = (\$0.16 x (Total Lot Sq. Footage))

Services include 7 days a week, 8 hours a day of professional contracted cleaning, including 4-hours of monthly pressure washing, 1 large annual pressure washing, and snow and ice removal.

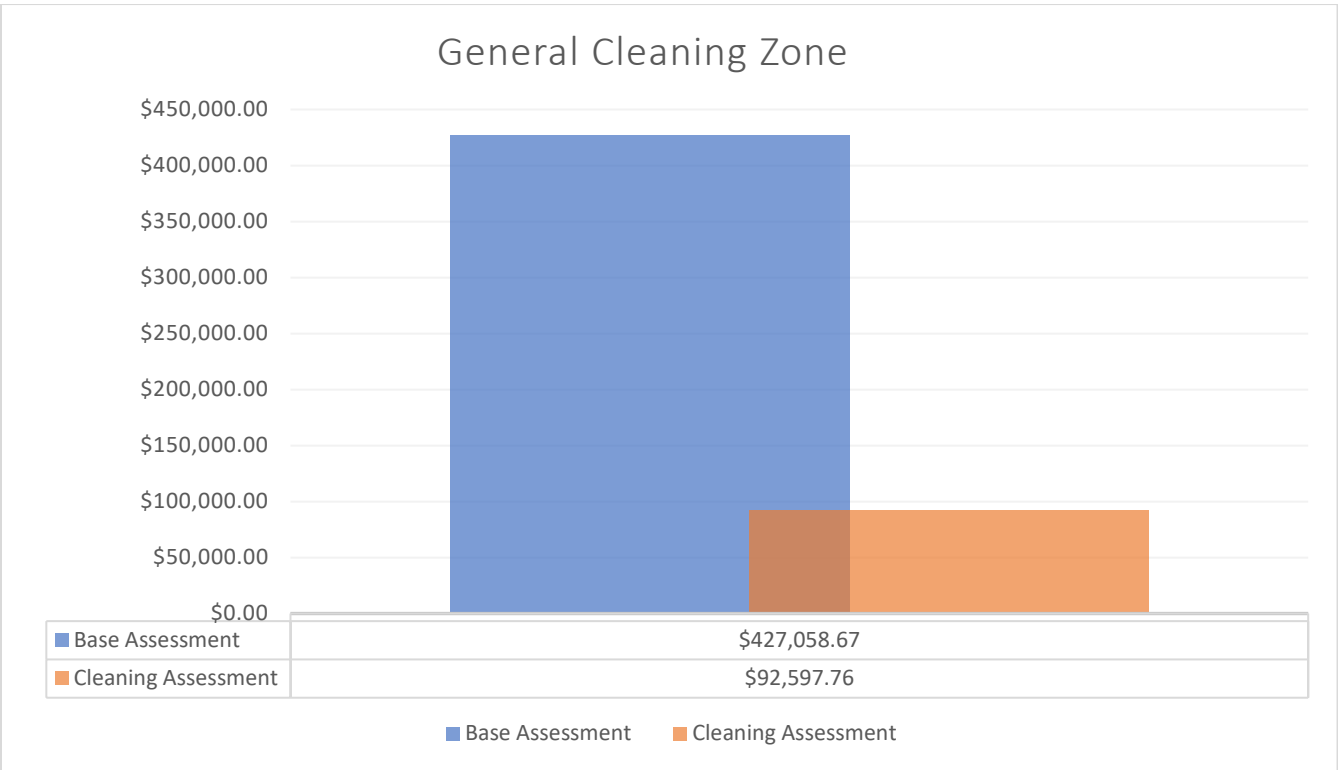


Property Type	# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Total Cleaning Assessment	% Total Cleaning Assessment
Commercial	72	64.86%	515,871	56.70%	\$82,539.36	63.71%
Parking	8	7.21%	63,573	6.99%	\$10,171.68	7.85%
Multifamily	24	21.62%	189,309	20.81%	\$30,289.44	23.38%
Nonprofits	7	6.31%	141,099	15.51%	\$6,549.24	5.06%
<b>Total</b>	<b>111</b>	<b>100%</b>	<b>909,852</b>	<b>100%</b>	<b>\$129,549.71</b>	<b>100%</b>

General Cleaning Area = (\$0.03 x (Total Lot Sq. Footage))

Every property in the General Cleaning Area will have the public realm cleaned around them once a month. Ratepayers will also receive emergency cleanups that crop up to both maintain general appearances and discourage increased dumping in any given spot.

The new general cleaning area is established, in anticipation of the growth in demand for services as the district residential and guest populations grow. The new cleaning area is a modest one time a month general professional cleaning – it is not funded to provide services at the same frequency and level as the higher assessed North and South Cleaning Areas.



Property Type	# of Parcels	% of Parcels	Lot Sq. Footage	% Lot Sq. Footage	Total Cleaning Assessment	% Total Cleaning Assessment
Commercial	67	17.91%	807,789	18.89%	\$23,196.2	25.05%
Parking	35	9.36%	1,203,235	28.13%	\$7,811.83	8.44%
Multifamily	252	67.38%	1,953,506	45.68%	\$57,714.94	62.33%
Nonprofits	20	5.38%	312,328	7.30%	\$3,874.79	4.18%
<b>Total</b>	<b>374</b>	<b>100%</b>	<b>4,276,858</b>	<b>100%</b>	<b>\$92,597.76</b>	<b>100%</b>

**SECTION H: OUTREACH AND SUPPORT**

The BIA petition packet was sent to all ratepayers (**311 ratepayers and 527 parcels/accounts**) in the first week of September of 2019 under a campaign entitled “60 % Support in 60 days”. Both the King County Assessor’s recorded tax address and the City of Seattle Finance Office billing addresses were evaluated in preparing the mailing. Staff aggregated ratepayers into known portfolios and additional contact information, past interactions, and notes about specific assessment impacts (i.e. MFTE adjustments, future development implications) were noted. Board members and staff were assigned portfolio follow up for all ratepayers where stronger

relationships and/or contact information was available. Board members tracked interactions and sent updates to staff. A task force of leaders from both the UDP and RAB was established to track and support petition efforts. Any returned petitions marked undeliverable were then subjected to additional research for updated contact information.

On October 28, 2019, a second phase petition campaign was launched. Given feedback from the first mailing that some property owners had discarded the petition mailer as unopened, a second mailing was redesigned with a specific notice and call to action on the outside envelope. All parcels where the address of ownership was within the BIA boundaries were given to Board members who attempted hand deliveries and meetings. If that was unsuccessful, the Board member hand wrote a cover note and mailed the petition.

For all petitions that had been previously assigned, Board members or staff wrote a note on each packet and those were re-mailed with Board members and staff continuing to reach out and attempting communication. For remaining petitions, where the UDP had specific personalized information, Board members or staff wrote notes and mailed the petitions.

Throughout the petition process, UDP staff and Board as well as RAB members met with ratepayers in person or by phone to respond to questions and/or concerns about the BIA and/or the petition process. Recurring issues were reported to the UDBIA renewal steering team to help prepare staff and Board to be more effective in subsequent outreach.

**Phase 1 - Complete**

Beginning in January of 2019, the U District BIA began a series of strategies to solicit input from ratepayers and stakeholders.

March 2019	Public Meeting on UDBIA programs and solicit feedback on future options for renewal, including discussion on the mechanics of the renewal
March 2019	Extended invitation to meet with the U District Small Business Groups and Community Council
April 2019	Extended invitation to meet with the HOA of University Plaza Condominiums
May 2019	UDP/UDBIA booth at Street Fair to provide presentation materials on the renewal process and made a presentation to the U District Business Network
March – May	Individual outreach to ratepayers on renewal options
	Renewal options discussed at three UDP Board meetings and two UDBIA Board meetings
	Renewal options and information posted on website and social media channels

June 2019	Final presentation made to the UDP and UDBIA Annual Meetings, both boards formally endorse the proposed petition plan for the new U District BIA
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## Phase 2 - Complete

Phase Two encompasses the petition process with district ratepayers

July – August	Development of the petition packet
Sept 2019	Petition packets were mailed to all 529 properties on record
Sept – Oct	UDBIA attended the monthly meetings of the U District Community Council to field potential questions on the BIA Outreach to Condo HOAs within the proposed UDBIA boundaries
Oct 2019	UDBIA renewal presentation to University Park Community Club (UPCC)
Nov	UDBIA renewal presentation to the Northeast District Community Council

## Note on Property Ownership

UDBIA has found that a sizable number of properties are now owned by “out of state” owners, limited liability corporations that do not provide clarity on “named” owners and often only publish a finance office as contact, family trust where the property is owned in shares by multiple family members, or in ownership transition. The combination of these factors has made the process of identifying the ultimate decision maker more challenging compared to other recent BIA formations.

## Phase Three - Legislative Process

Jan 2020	UDBIA provided signed petitions of support to the City of Seattle
Jan 2020	OED/FAS validated the petition signatures
March 2020	OED finalized legislation and supporting documents for the UDBIA renewal

## GLOSSARY:

Assessment: A BIA assessment is a fee that each ratepayer pays to support the programs funded by the BIA. The sum of all the individual assessments that ratepayers pay comprise the total yearly assessment of the BIA, and underwrite most, if not all, annual operating expenses. The total yearly assessment is unique to each BIA in Seattle.

BIA: “BIA” is an acronym for Business Improvement Area. A business improvement area is a geographically defined area within the City of Seattle, in which services, activities, and programs are paid for through a special assessment which is charged to all eligible ratepayers within the area with the intention of reasonably distributing the benefits received and the costs incurred to provide the agreed- upon services, activities, and programs.

BIA Advisory Board: The City’s policy is to create a BIA Advisory Board to oversee operations of the funds, approve an annual budget for use of BIA generated revenues and recommend a Program Manager; however, the City has sole discretion as to how the revenue derived from the BIA is to be used within the scope of the purposes stated in the BIA ordinance.

BIA Notification and Petition Validation Process: Processes in which the City notifies potential ratepayers of the BIA proposal and validates the petitions signed in favor of a BIA proposal. The City’s policy is to send a letter to all potential ratepayers to notify them that the BIA proposal has been submitted to the City. The City also validates all signed petitions that have been submitted by the party or parties requesting to establish the BIA.

Program Manager: the organization that administers the operations of the BIA. The Program Manager is recommended by the BIA Advisory Board to the City. The BIA Advisory Board approves an annual budget for use of BIA generated funds in alignment with the BIA ordinance. The Program Manager administers the funds in accordance with the approved budget through direct expenditures and/or contracts with service providers. The Program Manager’s administration will comply with all applicable provisions of law, with all county and City resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

Ratepayer: those individuals, organizations or entities that are assessed, i.e. those that receive an assessment bill from the City as a result of establishing the BIA. Individuals, organizations or entities that receive an increase in their lease rates or other contractual agreement with ratepayers as a result of the establishment of the BIA are not, for purposes of City policies, considered ratepayers.

Ratepayer Classification: ratepayers that are grouped into a specific category either for purposes of applying a unique assessment rate or formula or for distinguishing a unique type or level of benefit.

Stakeholder: Individuals, organizations or entities that are in or have a direct interest in the boundaries of the district. They can be ratepayers or non-ratepayers. They may include, but not

be limited to, property owners, businesses, residents, government agencies, nonprofit agencies and other institutions. For example, a district could have the presence of manufacturing businesses, retail and service businesses, a private school, nonprofit service providers, condo associations, residential property owners, commercial property owners, etc.