

SUMMARY and FISCAL NOTE*

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** 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 establishing a new University District Parking and Business Improvement Area (BIA); levying special assessments upon owners of commercial, multifamily residential, and mixed-use properties within the BIA; 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; and providing for an implementation agreement with a Program Manager; providing for the continuity of services and the transfer of any remaining funds from the current U. District BIA account that was established in 2015 by Ordinance 124761; and ratifying and confirming certain acts related thereto.

Summary and background of the Legislation:

This Ordinance establishes a new U. District Parking and Business Improvement Area (U. District Business Improvement Area) under RCW 35.87A. The U. District Business Improvement Area is expected to be funded by a special assessment levied on the owners of commercial properties, multi-family residential, and mixed-use properties within its boundaries. The City would contract with a program manager to administer the activities set out in the U. District Business Improvement Area work plan. The U. District Business Improvement Area (BIA) program manager will be overseen by a Ratepayers’ Advisory Board, which would be broadly representative of the ratepayers in the U. District Business Improvement Area.

This ordinance is the final piece of legislation required to create a new U. District Business Improvement Area, as required by Chapter 35.87A RCW. The City Council passed a resolution to initiate the formation of the U. District Business Improvement Area, as well as a resolution of intent that included the date and place of a public hearing. After the public hearing, the City Council agreed to go forward with this ordinance.

The U. District Business Improvement Area was originally established in 2015 for a five-year period, ending on May 1st, 2020. Based on its ability to provide services valued by its ratepayers, the U. District Business Improvement Area developed a proposal recommending the creation of a new BIA that will essentially extend it for a period of twelve years. The U. District Business Improvement Area believes its proposal is efficient, accountable, and responsive to the area’s needs. The group collected signatures for a petition to form a U. District Business Improvement Area that will continue to fund its programs:

- A. Cleaning and Public Safety;
- B. Events and Marketing;

C. Policy and Advocacy, but not related to land use or zoning changes;

D. Economic Development including efforts to prevent small businesses within the district area from being displaced;

E. Urban Vitality, Public Realm, and the Built Environment;

F. Planning;

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 June 1, 2020, or the effective date of this ordinance, whichever is later. The new U. District Business Improvement Area will be overseen by a Ratepayers Advisory Board, which would be broadly representative of the proposed ratepayers.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2020	2021	2020	2021
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2020	2021	2020	2021
			\$1,212,623.44.	\$1,212,623.44.
Positions affected:	No. of Positions		Total FTE Change	
	2020	2021	2020	2021

b. 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?
 None.

c. Is there financial cost or other impacts of *not* implementing the legislation?
 None to the City. The U District Business Improvement Area is established as a revenue-neutral program.

3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

3.e. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
19890 U. District Business Improvement Area	FAS	Ratepayer Assessments	\$1,212,623.44.	\$1,212,623.44.
TOTAL				

Is this change one-time or ongoing?

Ongoing for twelve years, the property and ownership data is revisited annually, and the assessments is recalculated based on the allowable changes in the ordinance, which could result in an increase or decrease to the total revenue collected.

Revenue/Reimbursement Notes:

The 2020 revenue amount represents ratepayer assessment collections for a full year, with assessments commencing on June 1, 2020. Estimated annual revenue for 2020-2021 is \$1,212,623.44 FAS would collect the assessments from the ratepayers, but the funds would then be kept by FAS only for reimbursement to the U. District Business Improvement Area.

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 – the Department of Finance and Administrative Services (FAS) administers the assessments for the BIAs. OED has worked in close coordination with FAS on this legislation package. FAS will collect the BIA assessments from its ratepayers. FAS holds the funds solely for the purpose of reimbursing the U. District Business Improvement Area for administering staffing, projects, and other costs associated with the BIA.

b. Is a public hearing required for this legislation?

Yes. A public hearing was held on [REDACTED] as required by RCW 35.87A.140.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes. The companion resolution was published to give notice of the public hearing for the proposed Council Bill. Prior ordinances to establish BIAs have also been published after Council adoption.

e. Does this legislation affect a piece of property?

No.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

Based on the Racial Equity Toolkit (see Attachment B), the U. District BIA proposal is not expected to have adverse disproportionate impacts on vulnerable and historically disadvantaged communities in the district. As development has increased in the district due in part to the City upzone, it is important that the U. District BIA continues to invest and support services like REACH and the Ambassador Program to assist vulnerable members of the community living without permanent housing and/or needing support from professional service providers. Commercial displacement impacts due to affordability and development will continue to be an issue in the district, OED will continue to collaborate with the U. District BIA to identify best practices and strategies to support small and minority-owned businesses.

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).

The U. District BIA work plan will remain largely the same as in prior years, with an expansion of its current services into the new boundaries. The summary of services and outcomes include the following:

- A) Clean and Safe – the majority of BIA assessment funds are directed to these programs. These include: cleaning in designated cleaning areas by professional contractors; cleaning district wide by UDP Beautification staff; monthly and annual volunteer cleanup projects; convening our community for monthly public meetings on clean and safe issues in the district; coordinating our efforts with Seattle Police and University Police departments; Ambassador patrol programs; projects to enliven streetscape like annual holiday lighting and bi-annual flower basket installations and maintenance; a district wide business crime prevention watch system; REACH mental health outreach; CPTED review and consultations; and support/utilization of homeless youth employment training.

- B) Economic Development – the BIA supports the sustainability and growth of all existing businesses in the district and serves as a resource/reference for attracting and supporting new business entry into the district. Programs include: supporting and growing a U District Business Network open to all for-profit and not-for-profit businesses; collecting and analyzing key data and performance indicators useful to businesses; conducting surveys, providing or funding research and analysis papers (Retail Saturation Study 2018-19, Steinbruck study 2017); sponsoring and producing events to drive retail foot traffic (Up Your Ave-Dawg Daze, Halloween on Roosevelt, Cherry Blossom Festival-2020, Special Olympics-2019); advocating for individual and collective businesses on issues critical to their interests (43rd redevelopment, 5G installation, Ambassador team response to business requests for assistance).
- C) Marketing and Events – the BIA: supports all events listed above with professional staffing for planning and implementation; invests resources in district wide advertising; provides weekly and monthly newsletters; and maintains the BIA website. A proposed priority for the new BIA will be to undertake a long-term commitment to rebrand the district to highlight its exceptional opportunity for businesses to establish themselves, for residents to live and as a retail/entertainment district attractive to a great King County market. Once complete, resources will be committed to a long-term propagation of that branding and messaging.
- D) Public Realm – the BIA supports unbiased community engagement and dialogue on public realm issues important to the district. Specifically excluded by ordinance from engaging in “land use” advocacy, the BIA focuses its public realm resources on working with public and private development projects to ensure district concerns and values are maintained; in public space activations (Christie Park renovation, Parking Days, Night Out); representing district concerns on major transportation projects; and convening or funding the convening of community gatherings on any public realm issues that need broader civic engagement (Let’s Go U District, Mobility Study).

List attachments/exhibits below:

Summary Attachment A – U District Improvement Area (BIA) Benefit Analysis