



Legislation Text

File #: Res 31943, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION to initiate a University District Business Improvement Area.

WHEREAS, the owners and operators of commercial, multifamily residential, and mixed-use properties that are subject to 60 percent of the special assessment that would be assessed upon the establishment of a Parking and Business Improvement Area filed a petition with The City of Seattle pursuant to Chapter 35.87A RCW, and said petition is filed in Clerk File 321659; and

WHEREAS, the City Council has reviewed the petition and letters of support, and determined it is in the best interests of the City to proceed, as permitted by Chapter 35.87A RCW, under the resolution method of creating a Parking and Business Improvement Area instead of the petition method; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section 1. The City Council finds and declares that:

A. Governor's Proclamation 20-28 prohibits agencies from taking action (as defined in RCW 42.30.020), unless the matter is 1) necessary and routine; or 2) necessary to respond to the COVID-19 public health emergency.

B. This legislation is necessary because allowing Parking and Business Improvement Areas (BIAs) to expire would result in the loss of much needed funding for business district management and improvement, and may also result in staff layoffs.

C. The City Council routinely reviews and approves BIAs.

Section 2. The City Council of The City of Seattle ("City") declares its intention to establish a

University District Parking and Business Improvement Area (“U. District BIA”) in accordance with Chapter 35.87A RCW.

Section 3. The U. District BIA shall be within the following boundaries as shown on the map attached to this resolution as Exhibit A, including three additional benefit zones within the U. District BIA boundaries (when a street or alley is named, the area boundary is the centerline of the right-of-way including vacated portions unless otherwise specified in the description):

The U. District Business Improvement Area

From the southwest intersection of Brooklyn Ave NE and NE Ravenna Blvd, proceed
West along the northern property line of Parcel #5226300235; then proceed
South along the western property line of the same parcel (#5226300235); then proceed
East along the southern property line of the same parcel (#5226300235); then proceed
East across the centerline of Brooklyn Ave NE toward the southern property line of Parcel #5226300165; then proceed
East toward the centerline of the alleyway between Brooklyn Ave NE and University Way NE; then proceed
South along the centerline of the alleyway between Brooklyn Ave NE and University Way NE toward NE 55th St at the southeast corner of Parcel # 8714600155; then proceed
West along the centerline of NE 55th St to the northwestern corner of Parcel #2862100600; then proceed
South along the western property lines of Parcels #2862100600, #2862100590, #2862100585, #2862100580, #2862100575, #2862100570, #2862100560, #2862100550, toward NE 53rd St; then proceed
West along the centerline of NE 53rd St toward the southeast corner of NE 53rd St and 8th Ave NE; then proceed
South along the centerline of 8th Ave NE to the southwest corner of Parcel #2862100795; then proceed
East along the southern property line of the same parcel (#2862100795) and Parcel #2862100750 toward 9th Ave NE; then proceed
South along the centerline of 9th Ave NE toward the intersection of NE 50th and 9th Ave NE; then proceed
West along the centerline of NE 50th St toward the northwest corner of Parcel #0889000005 (University Playground); then proceed
South along the western property line of the same parcel (#0889000005); then proceed
East along the southern property line of the same parcel (#0889000005) toward the intersection of NE 48th St and 9th Ave NE; then proceed
South along the centerline of 9th Ave NE toward the intersection of NE 47th St; then proceed
West along the centerline of NE 47th toward the intersection of 7th Ave NE; then proceed
South along the centerline of 7th Ave NE toward NE 45th St; then proceed
Southwest along the east edge of Interstate-5 toward NE 40th St; then proceed
East along the centerline of NE 40th St toward the intersection of Eastlake Ave NE; then proceed
Northeast along the centerline of Eastlake Ave NE toward the intersection of NE Campus Pkwy and Roosevelt Way NE; then proceed
North along the centerline of Roosevelt Way NE to the intersection of NE 41st St; then proceed
East along the centerline of NE 41st St toward the southeast corner of Parcel #1142001825; then proceed
North along the centerline of the alleyway between 11th Ave NE and Roosevelt Way NE toward the southwest corner of Parcel #1142001810; then proceed
East along the southern property line of the same parcel (#1142001810) toward 11th Ave NE; then proceed
East toward the southwest corner of Parcel #1142001725; then proceed
East along the southern property line of the same parcel (#1142001725) toward the alleyway between 11th Ave NE and 12th Ave NE; then proceed
South toward the southwest corner of Parcel #1142001675; then proceed
East along the southern property line of the same parcel (#1142001675) toward the centerline of 12th Ave NE; then proceed
South along the centerline of 12th Ave NE toward the intersection of NE 41st St; then proceed
East along the centerline of NE 41st St toward the centerline of the alleyway between University Way NE and 15th Ave NE; then proceed
North along the centerline of the alleyway between University Way NE and 15th Ave NE toward the intersection of NE 42nd

St; then proceed
East along the centerline of NE 42nd St toward the intersection of 15th Ave NE; then proceed
North toward the intersection of NE 45th St; then proceed
East along the centerline of NE 45th St toward the alleyway between 17th Ave NE and 18th Ave NE; then proceed
North along the centerline in the alleyway between 17th Ave NE and 18th Ave NE toward the intersection of NE 50th St; then proceed
West along the centerline of NE 50th St toward the alleyway between 15th Ave NE and 16th Ave NE; then proceed
North along the centerline of the alleyway between 15th Ave NE and 16th Ave NE toward the intersection of NE 56th St; then proceed
West along the centerline of NE 56th St toward the alleyway between 15th Ave NE and University Way NE; then proceed
North along the centerline of the alleyway between 15th Ave NE and University Way NE toward the intersection of NE Ravenna Blvd; then proceed
West along the centerline of NE Ravenna Blvd to the point of origin at the southwest corner of Brooklyn Ave NE.

The South Ave Cleaning Area

From the intersection of Brooklyn Avenue NE and NE 52nd Street, proceed east along the centerline of NE 52nd Street to the centerline of the alleyway between University Way NE and 15th Avenue NE; then proceed
South along the centerline of the alleyway between University Way NE and 15th Ave NE to the centerline of NE 41st Street; then proceed
West along the centerline of NE 41st Street to the centerline of the alleyway between Brooklyn Avenue NE and University Way NE; then proceed
North along the centerline of the alleyway until the southern property line of the parcel on the southeast corner of NE 43rd Street and Brooklyn Avenue NE (Parcel #1142001140); then proceed
West along the southern property line of Parcel #1142001140; then proceed
Across Brooklyn Avenue NE and along the southern property line of the property on the southwest corner of the intersection of NE 43th Street and Brooklyn Avenue NE (Parcel # 1142000905); then proceed
Along the southern property line of the property on the southeast corner of 12th Avenue NE and NE 43rd Street (Parcel #1142001020) to the centerline of 12th Avenue NE; then proceed
North along the centerline of 12th Avenue NE until the centerline of NE 45th Street; then proceed
East along the centerline of NE 45th Street to the centerline of the alleyway between 12th Avenue NE and Brooklyn Avenue NE; then proceed
North along the centerline of the alleyway between 12th Avenue NE and Brooklyn Avenue NE to the centerline of NE 50th Street; then proceed
East along NE 50th Street to the centerline of Brooklyn Avenue NE; then proceed
North along the centerline of Brooklyn Avenue NE to the point of origin at the centerline of NE 52nd Street.

The North Ave Cleaning Area

From the intersection of NE Ravenna Boulevard and the alleyway between Brooklyn Avenue NE and University Way NE, proceed east along the centerline of NE Ravenna Boulevard to the centerline of the alleyway between University Way NE and 15th Avenue NE; then proceed
South along the centerline of the alleyway between University Way NE and 15th Avenue NE to the centerline of NE 52nd Street; then proceed
West along the centerline of NE 52nd Street to the centerline of the alleyway between Brooklyn Avenue NE and University Way NE; then proceed
North along the centerline of the alleyway to the point of origin at the centerline of NE Ravenna Boulevard.

In case of a conflict between the descriptions of the areas and the map, the descriptions shall control.

Section 4. Programs. Special assessment revenues shall be used for the following component 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; and

G. Program Management.

All such activities are supplemental to street maintenance and law enforcement provided by the City and are not intended to displace any services regularly provided by municipal government.

Section 5. There shall be an advisory board whose membership is comprised of ratepayers representative of the entire geography and variety of sizes in the U. District BIA, businesses, and business tenants within the U. District BIA, and may include public agencies and residents.

Section 6. To finance the programs authorized in Section 4 of this resolution, there is proposed a 12-year special assessment to be levied and collected from the owners of business property, multifamily residential property (buildings containing four or more residential units), and mixed-use property (multifamily residential and commercial) located within the boundaries of the U. District BIA described in Section 3 of this resolution. The U. District BIA will annually update records based on data and information from King County and the City. The base assessments in 2020-2021 will be based upon 2019-2020 U. District BIA Assessments from the Department of Finance and Administrative Services, plus an inflation factor of 2.375 percent and a one-time 10 percent increase for program expansion.

A. U. District Fund Area Base Formula = $(\$0.25 \times (\text{Established Base Year Total Taxable Value}/\$1000 + \text{CPI Factors}) \times 2.375 \text{ percent} \times 10 \text{ percent increase})$.

B. U. District Fund Area New Benefit Formula = $(\$0.275 \times (\text{Established Base Year Total Taxable Value of Property}/\$1,000))$.
Total Taxable Value = Land + Improvements. This calculation is called the “New Benefit Formula.”

C. South Cleaning Area First Year Assessment = $(\$0.16 \times (\text{Total Lot Square Feet}))$.

D. North Cleaning Area First Year Assessment = $(\$0.09 \times (\text{Total Lot Square Feet}))$.

E. Greater District Cleaning Area (all other properties outside the South and North Cleaning Areas) First Year Assessment = $(\$0.03 \times (\text{Total Lot Square Feet}))$.

F. Modifications or limitations to these assessments are described below.

1. If the Total Appraised Value (Land + Improvements) and Total Taxable Value (Land + Improvements) in the King County Assessor’s records are not equal, tax-exempt rates for nonprofits and churches may apply under the following rules:

a. If the Total Taxable Value is zero, then calculate the U. District BIA First Year Assessment using the

Total Appraised Value of the property at 25 percent of the Base Formula ($(\$0.275 \times (\text{Total Appraised Value}/\$1,000)) \times 25 \text{ percent}$). If the property is located within either Cleaning Area, apply the corresponding Cleaning Area Formula at 25 percent.

b. If the Total Taxable Value and the Total Appraised Value are not equal, then:

1) Apply the full rate of the Base Formula to the Total Taxable Value ($\$0.275 \times (\text{Total Taxable Value}/\$1,000)$) and apply 25 percent of the Base Formula to the difference between the Total Appraised and Taxable Values ($(\text{Total Appraised Value} - \text{Total Taxable Value})/\$1,000 \times 25 \text{ percent}$). These two calculated amounts are then added together for the First Year Assessment. As an example, Building A has a property tax exemption for a portion of its building. Its Total Taxable Value is \$700,000 and its Total Appraised Value is \$1,000,000. The full rate of the Base Formula will be applied to \$700,000 and then 25 percent of the Base Formula will be applied to the difference between the two values, or \$300,000. The assessment would be: $(\$0.275 \times (\$700,000/\$1,000)) + ((25 \text{ percent} \times (\$0.275 \times (\$300,000/\$1,000))) = \$192.5 + \$20.63 = \$213.13$.

2) If the property is located within either of the Cleaning Areas, then apply the full Cleaning Area Formula to the percentage of the Lot Square Footage that is equivalent to $(\text{Total Taxable Value} / \text{Total Appraised Value})$ and apply 25 percent of the corresponding Cleaning Area Formula to the percentage of the Lot Square Footage that is equivalent to $(\text{Total Appraised Value} - \text{Total Taxable Value}) / \text{Total Appraised Value}$. For example, Building A is located in the North Cleaning Area, has a Lot Square Footage of 10,000, Taxable Value of \$700,000 and Appraised Value of \$1,000,000. The North Cleaning Area First Year Assessment would be $(\$0.09 \times 10,000 \times (\$700,000/\$1,000,000)) + (25 \text{ percent} \times \$0.09 \times 10,000 \times (\$300,000/\$1,000,000)) = \$630 + \$67.50 = \697.50 .

G. Multifamily Tax Exemption (MFTE). If a property is owned by a for-profit entity and qualifies for the MFTE exemption from the City, 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.

H. For the properties where the Property Taxpayer on record is “UNIVERSITY OF WASHINGTON,” unique circumstances require an assessment reflecting the unique nature of the University’s presence in the District. This assessment supersedes subsections 6.A through 6.E above. The aggregate First Year Assessment for all properties owned by the University of Washington within the U. District BIA will be \$423,115. In subsequent years, the University of Washington’s U. District BIA assessment will be subject to the same CPI Factor as other properties within the BIA.

1. Properties owned by governmental entities will not be assessed, except as provided in this subsection 6.H.

2. Government agencies owning property within the District may contribute to the funding of District services but are not directly charged. The Program Manager may negotiate funding contributions and/or services with relevant governmental

agencies, to supplement existing U. District BIA services where appropriate.

I. Ratepayers will be assessed by the City for 24 semi-annual installments beginning with the year of the authorization (2020).

1. In 2020, properties will be assessed using the First Year Base Assessments for the U. District BIA, Greater District Cleaning Area, South Cleaning Area, and North Cleaning Area as set forth in this Section 6.

2. For each year following the first year of authorization, assessments will be calculated using a “CPI Factor” that is based on the Consumer Price Index for All Urban Consumers in Seattle-Tacoma-Bellevue (“CPI-U-Seattle”) as published monthly by the U.S. Department of Labor, Bureau of Labor Statistics (available at: http://www.bls.gov/eag/eag.wa_seattle_msa.htm). For the U. District Fund Area Base Assessment, the CPI Factor will be the lesser of three percent per year or the percentage change in CPI-U-Seattle between September 2020 and September of the year prior to the assessment year. For the North, South, and Greater District Cleaning Areas, the actual CPI shall be used and not limited to three percent.

J. “New Benefit Area” shall be added to the assessment roll on an annual basis, and will supersede the previous assessment for that parcel. A New Benefit Area is created when a parcel’s Net Building Square Footage increases as a result of either a new building or significant expansion of an existing building, as recorded by the King County Assessor’s Office. The Base Formula for a New Benefit Area will be calculated using the new King County Assessor’s values in the Base Formula multiplied by the annual CPI Factor in effect, and the corresponding Cleaning Area Formula factor (reflecting the updated Total Lot Square Footage) multiplied by the annual CPI Factor in effect. New BIA assessments will be billed at the next regularly scheduled billing period established by the Department of Finance and Administrative Services.

K. Rate Changes. Changes in assessment rates other than as described in this section shall only be authorized by ordinance consistent with RCW 35.87A.140 and with the approval of the BIA Advisory Board and shall not occur more than one time per year.

Adopted by the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its adoption this _____ day of _____, 2020.

President _____ of the City Council

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:
Exhibit A - University District Business Improvement Area