

**SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
LEG	Jasmine Marwaha	N/A

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the SODO Parking and Business Improvement Area; changing the assessment rate and exemptions; and amending Ordinance 125678, as previously amended by Ordinance 126191.

**Summary and Background of the Legislation:** The SODO Business Improvement Area (BIA) assesses properties based on the total taxable value (TTV) of a property. Non-profits and government-owned properties that are leased to commercial tenants are assessed using a rate based on their lot square footage. However, the lot square footage rate does not escalate with inflation or property value appraisal. Assessing properties based on Total Appraised Value, instead of Total Taxable Value, would more accurately and equitably reflect the level of benefits received by ratepayers. This Ordinance would change the basis of assessments to total appraised value, with an exemption for government-owned properties unless they are leased, or available for lease, by a non-governmental tenant.

The Ordinance would also establish a fixed cutoff date each update year for pulling assessment data. The values recorded on that date would serve as the basis for assessing the rate to be paid by ratepayers the following billing year, regardless of any subsequent changes from the King County Assessor’s Office. In 2022 and 2024, significant delays in the King County Assessor’s data release forced the SODO BIA to bill based on incomplete information, resulting in the need to back-bill or issue refunds to correct underassessments or overpayments, at significant burden to the SODO BIA and its services to ratepayers. The changes reflected in the Ordinance are intended to streamline the SODO BIA operations and maintain consistent services.

The changes noted above go into effect on June 30, 2026, to allow time for FAS to adjust its billing processes.

The Ordinance further includes a section directing the Office of Economic Development (OED) to convene impacted stakeholders to develop a proposal for further changes to the SODO BIA assessment rate and exemptions, with the intent to assess the conditions under which government-owned properties benefit from BIA services, and to provide a recommendation for their assessment rates. OED would report back to Council by no later than July 1, 2026 with proposed changes.

**2. CAPITAL IMPROVEMENT PROGRAM**

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

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

**Does this legislation have financial impacts to the City?**

Yes  No

If there are no projected changes to expenditures, revenues, or positions, please delete the table below.

If there are no changes to expenditures, revenues, or positions, please delete Sections 3.a, 3.b, and 3.c and answer the questions in Section 4.

#### 3.d. Other Impacts

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

This legislation would require OED to convene stakeholders and submit recommended changes to the SODO BIA assessment formula for tax-exempt properties by July 1, 2026. This would require OED staff to absorb this body of work in their work plan for 2026, and may result in staff deprioritizing other work related to business improvement areas.

OED also works closely with the City Finance Department, which administers the assessments for the BIAs. This change will add a small number of accounts to the SODO BIA project that City Finance will need to bill and manage. This is a minor change that can likely be absorbed within existing staffing and budgets.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

The cost of not doing this would not directly impact the City, but may result in the SODO BIA receiving less funding than otherwise anticipated in 2026, particularly if government agencies acquire additional properties in SODO.

### 4. OTHER IMPLICATIONS

**a. Please describe how this legislation may affect any departments besides the originating department.**

This legislation would require OED to convene stakeholders and submit recommended changes to the SODO BIA assessment formula for tax-exempt properties by July 1, 2026.

**b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

N/A

**c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

**i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

N/A

**ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

N/A

**iii. What is the Language Access Plan for any communications to the public?**

Currently there is no language access plan. It is unclear whether there are any ratepayers that need language access assistance.

**d. Climate Change Implications**

**i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

**ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

**e. 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)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

**5. CHECKLIST**

Please click the appropriate box if any of these questions apply to this legislation.

**Is a public hearing required?**

**Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**

**If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

**Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

If yes, please review requirements in Resolution 31203 for applicability and complete and attach “Additional risk analysis and fiscal analysis for non-utility partner projects” form.

## 6. ATTACHMENTS

**Summary Attachments: none**