

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Office of Economic Development	Theresa Barreras	Nick Tucker

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the West Seattle Junction Business Improvement Area; modifying the exemptions to the Levy of Special Assessment; and amending Ordinance 113326, as previously amended by Ordinances 115997, 119539, 120570, 121758, 125152, and 127103.

**Summary and Background of the Legislation:** The West Seattle Junction Business Improvement Area (PBIA) is assessed on businesses based on revenues reported on their City of Seattle Business and Occupation (B&O) tax. Currently, businesses that generate \$100,000 or less in annual revenues are exempt from B&O taxes and the PBIA also exempts them from assessment. If the proposed change to increase the B&O exemption threshold from \$100,000 to \$2 million in Council Bill 121028 passes, it would have the unintended consequence of exempting a large portion of businesses in the PBIA from assessment, thereby significantly reducing the PBIA's revenues. In addition, the WSJBIA has demonstrated that businesses earning less than the B&O Tax threshold still benefit from its services and should contribute equitably. The PBIA is therefore requesting an amendment to its ordinance to remove this exemption. This change would currently affect 23 businesses that are receiving the B&O and PBIA exemption and result in annual assessments ranging from \$80-\$300 for each, with a combined total annual increase of \$4,600 to the PBIA.

### **2. CAPITAL IMPROVEMENT PROGRAM**

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

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation have financial impacts to the City?** ☐ Yes ☒ No

#### **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.**

No.

**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.**

None.

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

None.

**Please describe how this legislation may affect any City departments other than the originating department.**

OED 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 PBIA project that City Finance will need to bill and manage. This is a minor change that can be absorbed within existing staffing and budgets.

#### **4. OTHER IMPLICATIONS**

**a. Is a public hearing required for this legislation?**

Yes

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

Yes

**c. Does this legislation affect a piece of property?**

No

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

The BIA benefits property owners, business owners, employees, visitors, and residents with cleaning services, events, and support for new and existing businesses. However, there is potential for the BIA to lead to higher residential and commercial rents since business owners' costs will be slightly increasing to pay for the new services. People of color (POC) could be disproportionately impacted if these changes to costs occur, but there is no data to determine likely impacts.

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

We did not conduct a Racial Equity Toolkit as part of this legislation.

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

All notifications to property owners will include an option for translation/interpretation if needed.

**e. 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.**

This legislation is not likely to impact carbon emissions in a material way.

- 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.**

This legislation is not likely to impact Seattle's resiliency in a material way.

- f. 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?**

The West Seattle Junction BIA is an existing program.

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

No

<b>5. ATTACHMENTS</b>
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**Summary Attachments:** None.