

SODO BUSINESS IMPROVEMENT AREA (BIA) BENEFIT ANALYSIS

OFFICE OF ECONOMIC DEVELOPMENT

PHILLIP SIT, BIA ADVOCATE

HIGHLIGHTS:

BUDGET – The total estimated budget for the New SODO BIA beginning in the year of authorization (2019) is estimated at **\$987,462**.

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

The New SODO BIA is comprised of **286 ratepayers** that represents **573 assessable** parcels within the designated boundaries.

SUPPORT – The New SODO BIA has petition signature from **93 ratepayers** in support of the SODO BIA reauthorization, representing **61.24% or \$605,074** in assessments.

OPPOSITION – There is no organized opposition at this time; there were **3 ratepayers** that returned a signed petition in opposition to the New SODO BIA, representing **0.38% or \$3,707** in assessments.

BOUNDARIES – The proposed boundaries take the existing SODO BIA boundaries and expand them to include all of the traditional boundaries of SODO, excluding non-assessable properties on the west side.

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 for Tax Year 2017. The assessment rate on each assessable property within the proposed New SODO BIA boundaries will be **\$.50 per \$1,000** of the total taxable value, which is identical to the existing SODO BIA.

To better meet City-wide policies for Business Improvement Area districts, tax exempt properties with commercial tenants that benefit from BIA services will be subject to an assessment commensurate with the benefit received. Such properties will be assessed at a rate of **\$0.03/Lot Square Foot (LSF)** to the property owner.

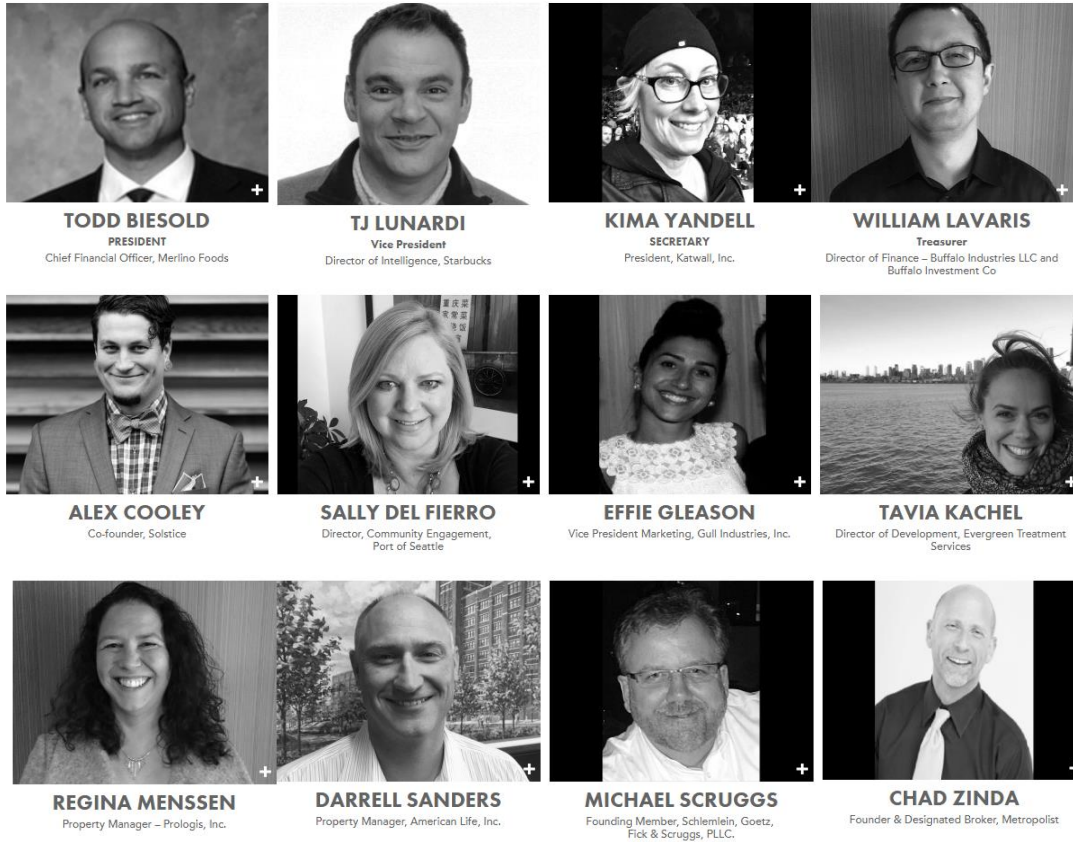
BENEFIT ANALYSIS – Based on this analysis, the assessment methodology based on Total Taxable Value (TTV) appears to charge ratepayer assessments that are commensurate with the varying benefits provided by the SODO BIA.

OUTREACH – SODO BIA launched a widespread outreach campaign to property and business owners throughout this proposed area from fall 2017 to spring 2018. The outreach campaign kicked off at the SODO BIA annual member meeting on November 15, 2017.

PROGRAM MANAGER – The Program Manager is recommended by the Ratepayers Advisory Board to the City. The Ratepayers Advisory Board approves an annual budget for use of BIA

generated funds in alignment with the BIA ordinance. It is the expectation of OED/FAS that the SODO BIA will continue to serve as the program manager for the BIA generated funds.

SODO BIA BOARD MEMBERS 2018:



PROPERTY OWNERS		BUSINESS TENANTS	
Wil Lavaris	Buffalo Industries	Kima Yandell	Katwall, Inc
Todd Biesold	Merlino Foods	Alex Cooley	Solstice
Effie Gleason	Gull Industries	Tavia Kachel	Evergreen Treatment
Regina Menssen	Prologis, Inc	Michael Scruggs	SGFG, PLLC
Darrell Sanders	American Life	Chad Zinda	Metropolist
		TJ Lunardi	Starbucks

**Sally Del Fierro represents the Port of Seattle as a non-voting member of the SODO BIA Board.*

The current BIA board meets the requirements in the 2013 SoDo BIA ordinance and would meet the requirements of the proposed BIA.

BUSINESS IMPROVEMENT AREA (BIA) OVERVIEW:

Currently, there are **10 BIAs** in Seattle generating a total of **\$20 million dollars** in enhanced programs and services to business districts. The current SODO BIA provides **\$650,000** 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

SODO is a vibrant and diverse business district with strong industrial presence mixed with retail, offices, and commercial businesses. Like many business districts, SODO is grappling with issues related to homelessness, trash, public safety, parking, and transportation. By providing a dedicated source of funding, the SODO 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 124306 as a five-year BIA in 2013, the current SODO BIA is scheduled to sunset at the end of 2018 and the proposed renewal will require the approval from the City Council and the Mayor's Office.

The reauthorized SODO BIA will also incorporate additional properties adjacent to the existing BIA boundaries. This expansion was based on 230 requests for assistance and information from 44 individual ratepayers with property/businesses outside of the current SODO BIA boundaries. This expanded BIA will continue to provide the programs and services that are currently in provided in the existing SODO BIA.

In response to strong support and having successfully obtained signatures representing over 60% from potential ratepayers, SODO BIA is proposing a 10-year renewal with expanded boundaries for approval by City Council and the Mayor's Office.

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

SECTION A: REAUTHORIZATION AND EXPANSION

FIG A1: EXISTING SODO BIA BOUNDIARES

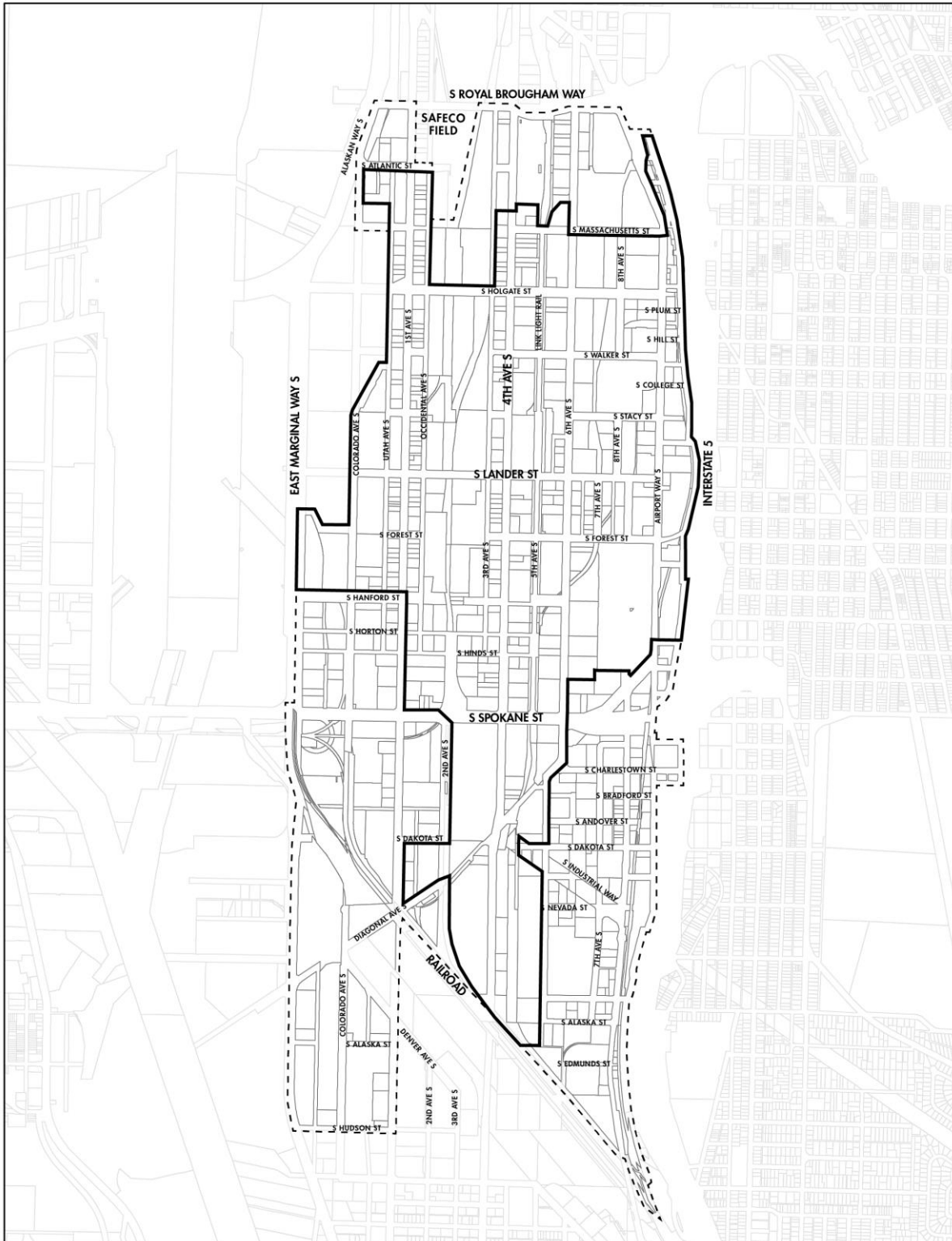
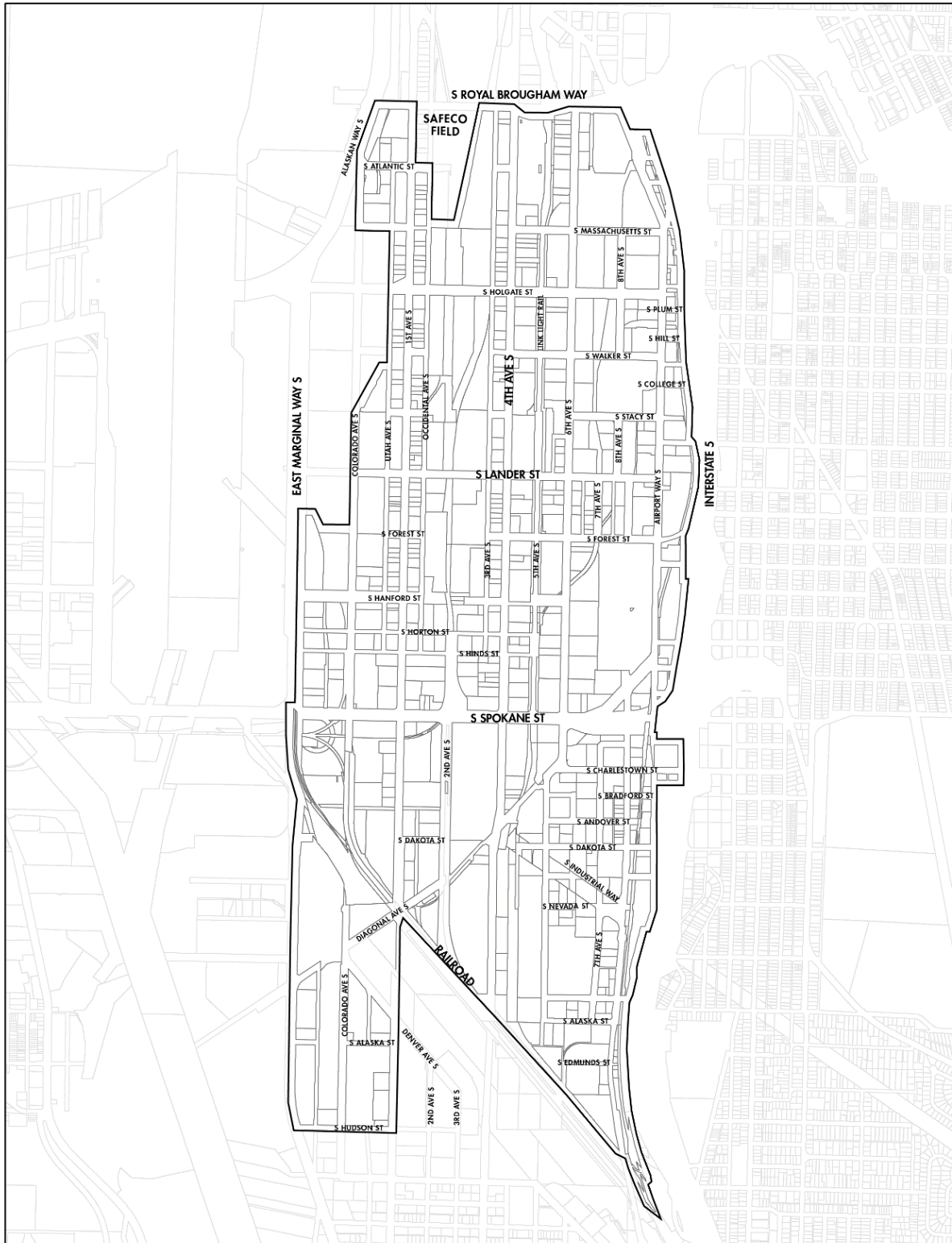


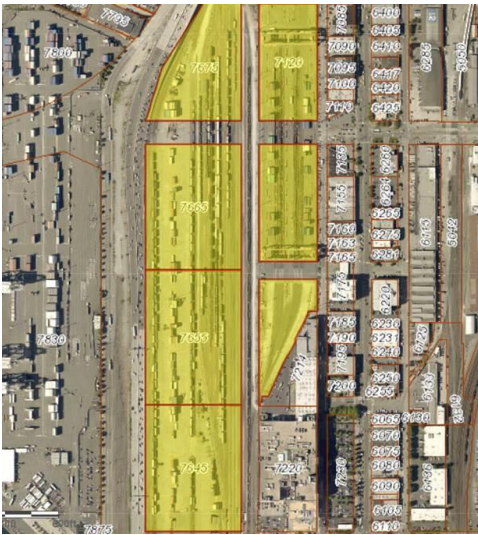
FIG A2: EXPANDED SODO BIA BOUNDARIES



SODO BIA BOUNDARIES BACKGROUND:

The original SODO BIA (2013) boundaries were initiated by the board of directors of the SODO Business Association. That Association has since been disbanded and its activities replaced by the SODO BIA a Nonprofit Corporation. Those original individuals (including representatives from American Life, Starbucks, Process Heating Company, Pacific Coast Feather, Seattle Mariners, Bens Cleaner Sales, Urban Enoteca, and others) reviewed SODO's strengths, challenges, and opportunities and discussed options for a property assessment district to improve services and economic opportunities. In a thorough and iterative process, the group created a BIA that balances services, benefits, and assessments.

There was discussion about including all the generally accepted area of SODO (like the proposed 2018 boundaries), but at that time there were not relationships and support to make such a large boundary for an unproven district politically feasible. After 5 years of service with a proven track record, the SODO BIA is prepared and has secured the necessary support to expand. Overall, the SODO BIA expansion will increase the number of assessable parcels by 49% and the number of individual ratepayers by 65% in the first base assessment year (2019).



NW Parcels along East Marginal Way were identified as Right of Way (ROW) and Operating Properties (OP) belonging to BNSF/Railroad.

NW Parcels west of Highway 99 belongs primarily to the Port of Seattle and the U.S. Coast Guards.

These parcels are not assessable by the King County Assessor's Office and do not directly benefit from SODO BIA programs and services.

Lastly, the Georgetown Merchant's Association (GMA) was consulted on the SODO BIA proposed boundaries in 2017 before the launch of the petition process and agreed that the boundary between the two business districts is represented by the southern boundaries of the expansion area.

FIG A3: ASSESSABLE PARCELS +49 PERCENT INCREASE

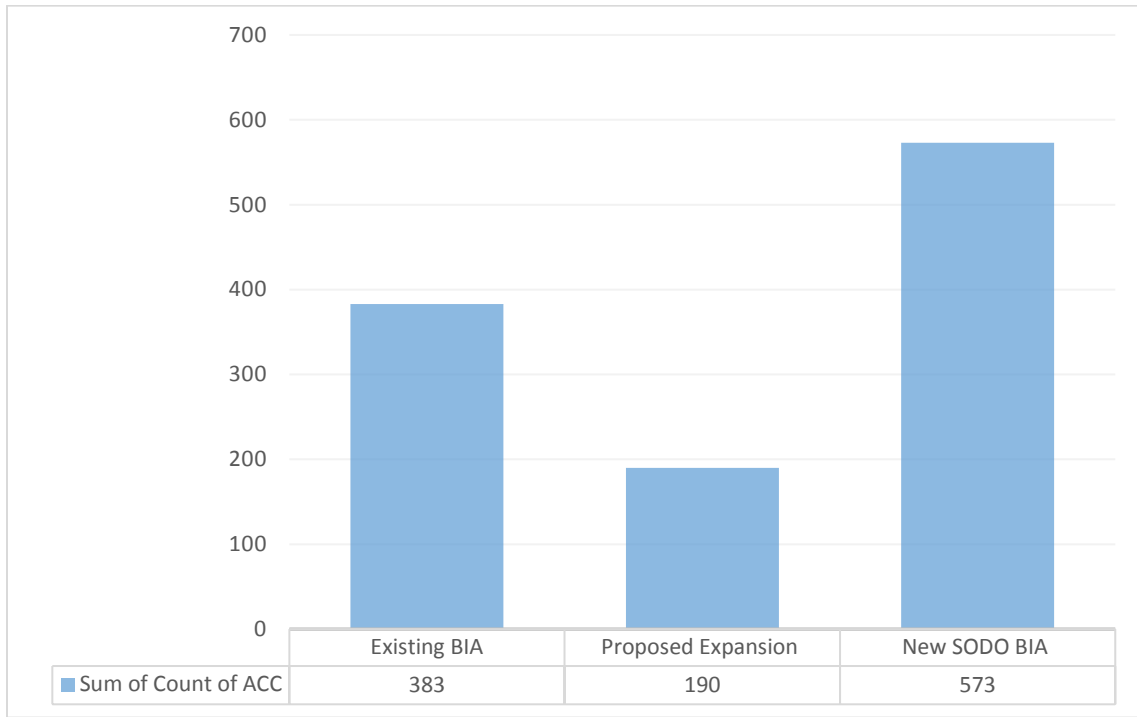


FIG A4: RATEPAYERS +65 PERCENT INCREASE

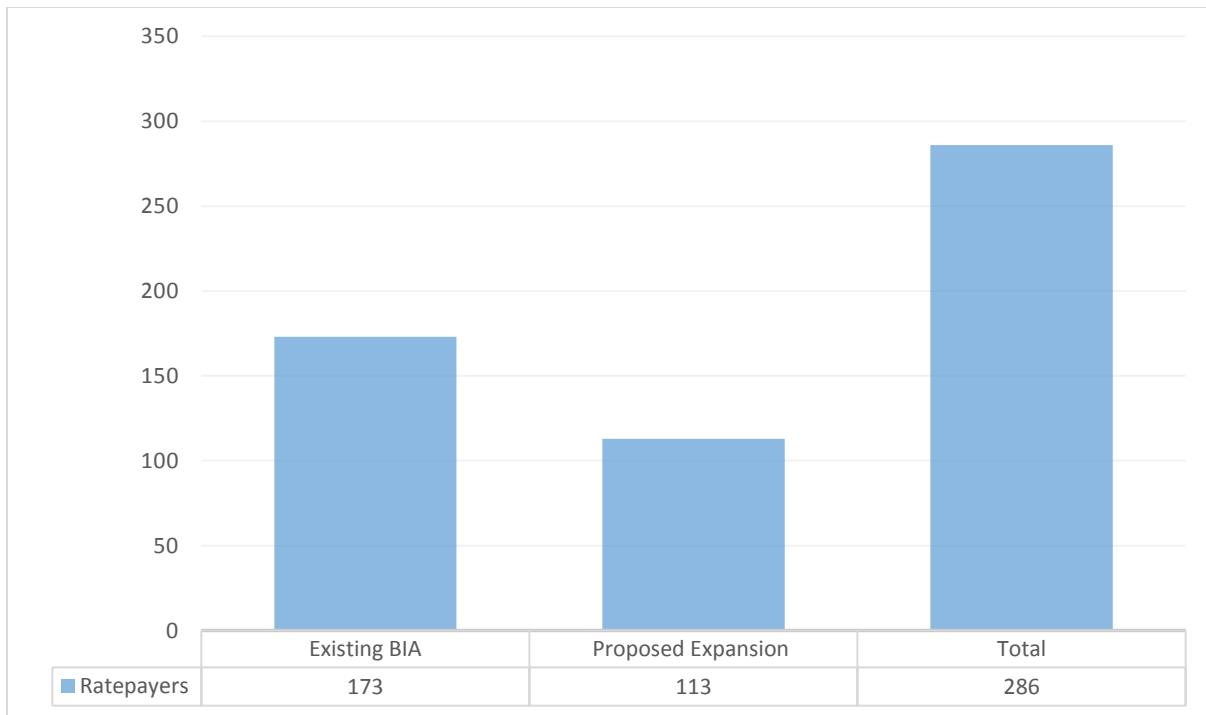
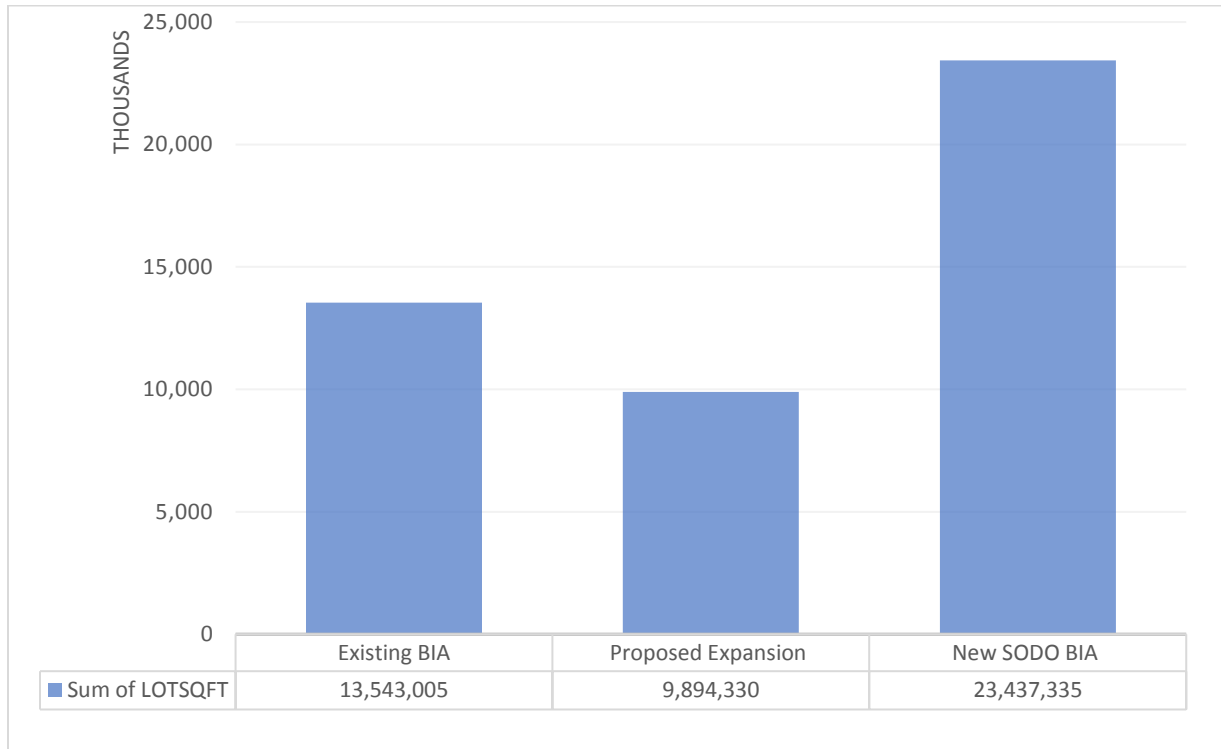


FIG A5: ASSESSABLE LOT SQ. FOOTAGE + 73.05 PERCENT INCREASE



Parcels within the expanded SODO BIA boundaries feature significant industrial and warehouse use types. The composition of such parcels in the expanded zones is reflected in the significant increase in total lot square footage (LSF) but modest increase in Total Taxable Value (TTV) in the New SODO BIA.

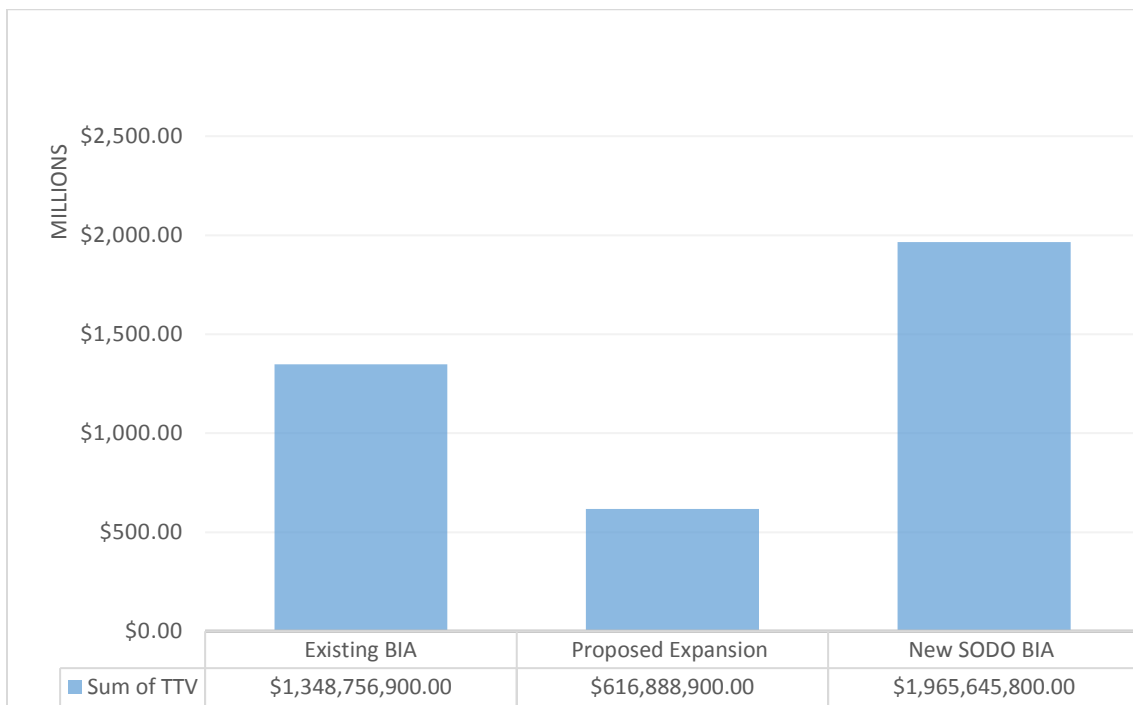


FIG A7: OVERALL SUPPORT FOR SODO BIA EXPANSION

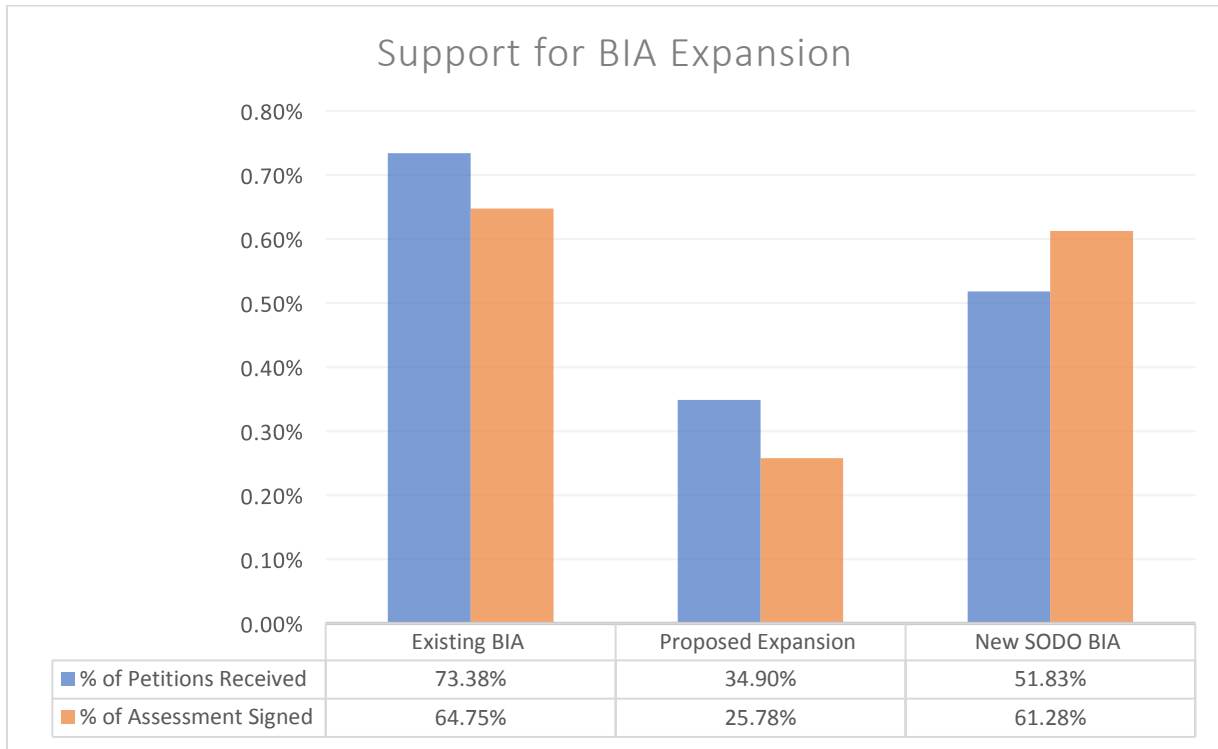


FIG A8: BREAKOUT OF SUPPORT FOR SODO BIA EXPANSION

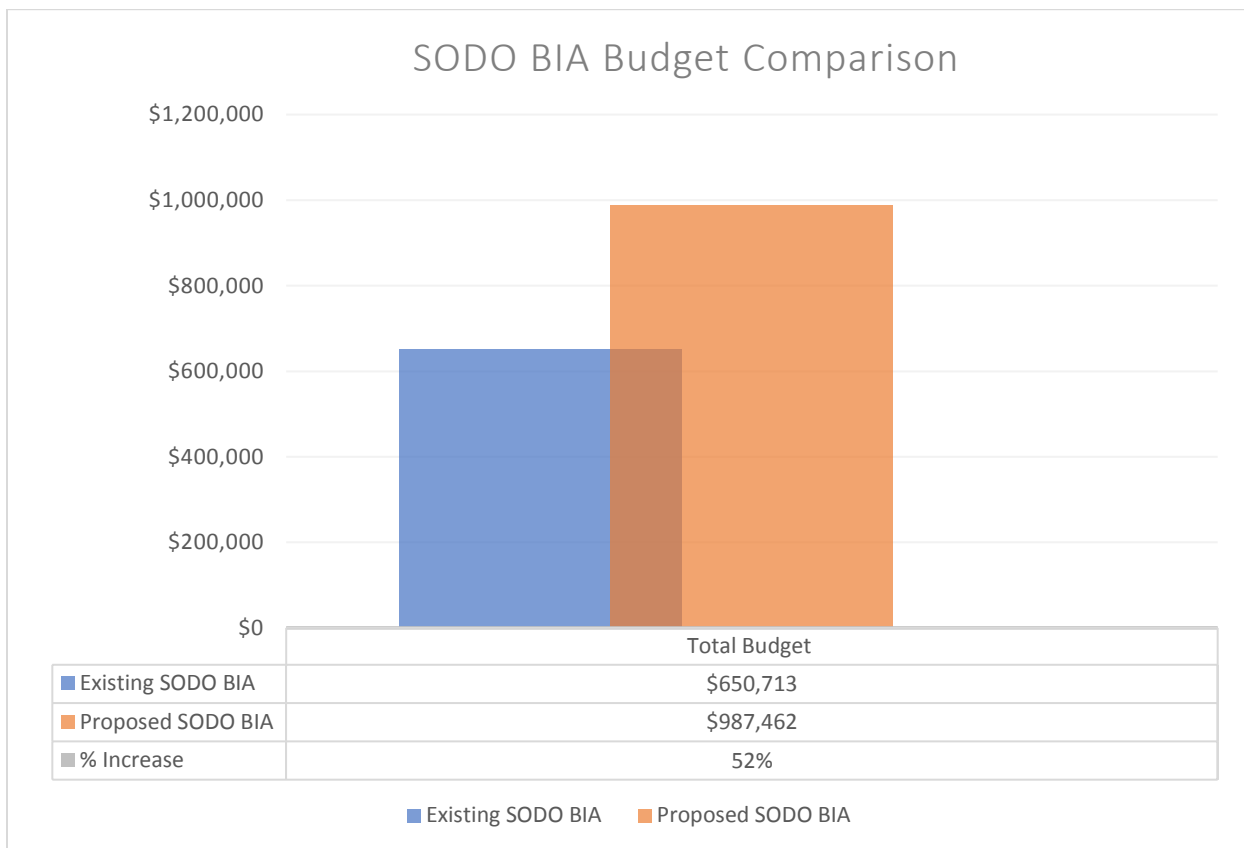
General Use	# of Parcels	# of Parcels Signed	# of Parcels Opposed	Total Assessments	Total Assessments (Signed)	% of Total Assessment (Signed)
Commercial/Mixed Use	139	83		\$241,445.7	\$174,329.1	17.65%
Existing BIA	121	82		\$231,288.5	\$173,777.1	17.60%
Proposed Expansion	18	1		\$10,157.3	\$552.0	0.06%
Industrial/Warehouse	431	212		\$740,499.6	\$425,623.7	43.10%
Existing BIA	261	165	2	\$441,798.8	\$319,146.0	32.32%
Proposed Expansion	170	47	1	\$298,700.8	\$106,477.8	10.78%
Residential/Mixed Use	3	2		\$5,516.7	\$5,121.3	0.52%
Existing BIA	1	1		\$3,721.3	\$3,721.3	0.38%
Proposed Expansion	2	1		\$1,795.5	\$1,400.0	0.14%
Total	573	297	3	\$987,462.0	\$605,074.1	61.28%

SECTION B: SODO BIA BUDGET

The BIA will generate an estimated total of **\$987,462** in assessments in the base year of authorization (2019). The New SODO BIA will continue to invest in the programs and services that have benefited the district since 2013. All stakeholders will consistently benefit from safety programs throughout the district, a clean environment, improved transportation, and district-specific advocacy efforts. **Section C has a description of the programs and services.**

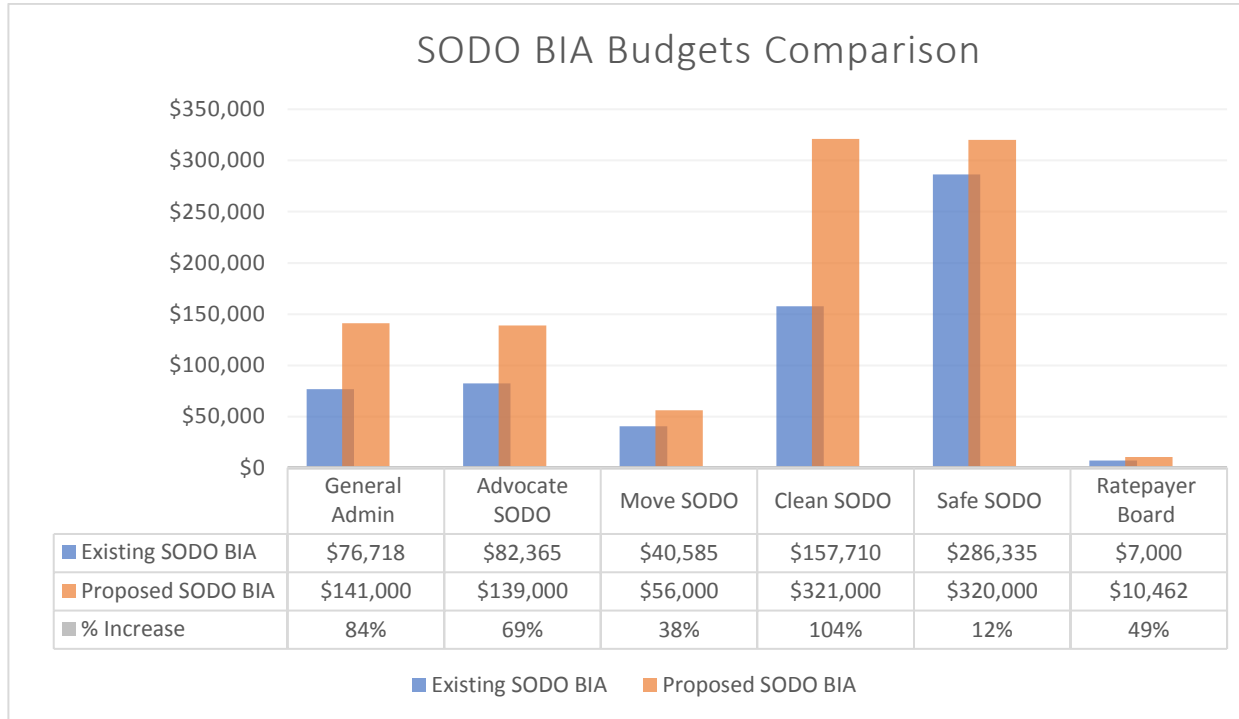
FIG B1: SODO BIA BUDGETS

The budget growth of **52% or \$336,749** from the existing SODO BIA is reasonable given the increase in **Lot Square Footage (LSF) 73%** and **Total Parcel count 49%** associated with the BIA expansion.



There is **no annual CPI** associated with the proposed BIA. The SODO BIA will update all data every two years district wide using King County Assessor’s Office data and information. This includes updating and identifying assessable parcels and total taxable value, and recalculating the total assessment, which is the current assessment process for the existing SODO BIA.

FIG B2: SODO BIA BUDGETS



INCREASE IN CLEAN SODO: The current BIA covers an area of 650 acres, the expansion would add an additional 190 acres, for a total of 840 acres in service areas. Cost and demand for services related to Street Sweeping, Sidewalk Cleaning and Illegal Dumping Cleanup has grown in recent years. Catching up with associated service cost plus the expansion of assessable parcels contributes to the significant Clean SODO program increase.

In 2017, the BIA had 574 contacts with ratepayers of which 289 fell into the Clean & Safe Program Area.

INCREASE IN GENERAL ADMIN: The General Administration budget would increase in 2019 to account for actual business expense and staffing cost. In 2018, the year to date accounting for the original SODO BIA budgeted amount was not accurate for maintaining the daily function of the office with three staff. The SODO BIA board will be meeting in June to do a budget reconciliation for 2018 to address the shortfall. The 2019 budget is based on the budget to actual and is a more accurate forecast for expenses related to BIA programs and services.

Staffing cost has increased as the BIA has added a Program Manager for Clean & Safe Outreach to increase the level of service provided to ratepayers. As businesses and property owners have become aware of the BIA over the recent years, they have increasingly reached out for assistance with issues.

FIG B3: PROPOSED SODO BIA BUDGET BY PROGRAMS

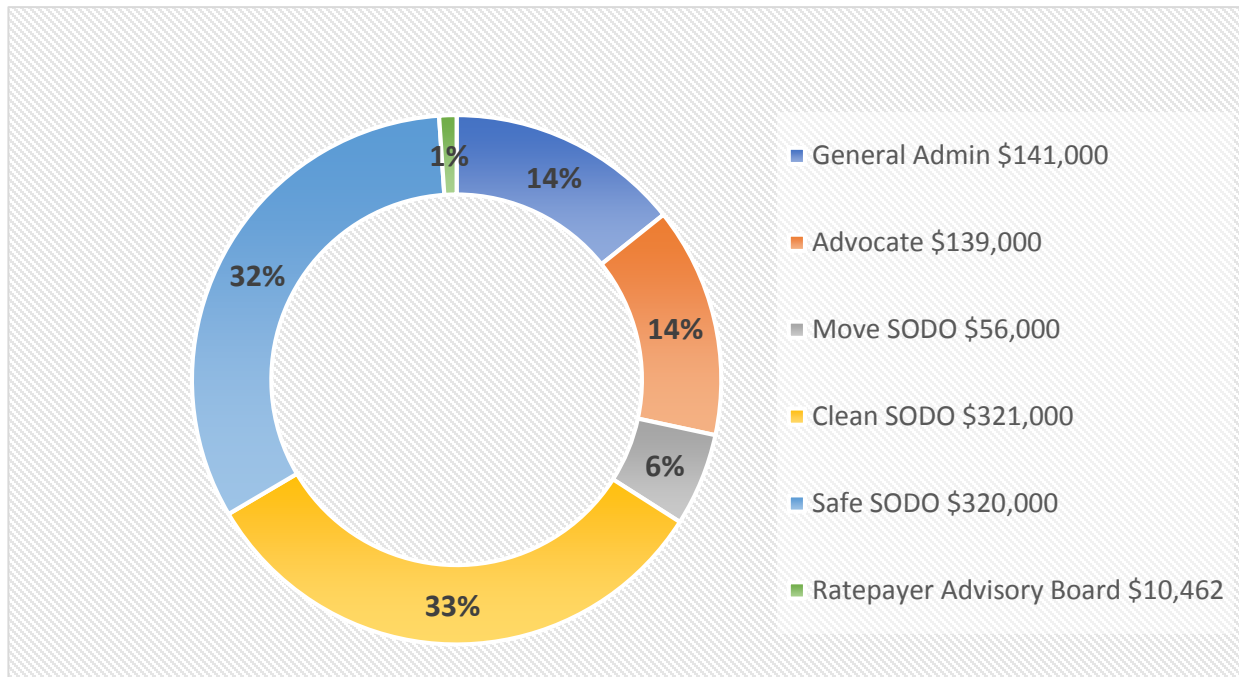


FIG B4: PROPOSED SODO BIA BUDGET BY LINE ITEMS

	Budget	Comments
GENERAL & ADMIN	141,000	
Business Expenses	75,000	Expenses and costs associated with operating the SODO BIA office
Legal & Professional	10,000	Bookeeping, Accounting & Legal Costs
Insurance	5,000	General Liability & Directors & Officers Insurance
Staffing Allocation for Admin	51,000	Includes portion of Executive Director, Program Coordinator & Program Manager's salaries
501c4 PROGRAMS		
Advocate SODO	139,000	
Communications & Outreach	30,000	Promote the SODO district and SODO BIA activities
Business Community Events	8,000	Quarterly Business Community Development Events
Program Signs & Supplies	4,000	Signs and collateral for SODO BIA programs (Clean, Safe, Transportation & Advocacy)
Issue Advocacy	20,000	Consultants and Stratgic Planning for Issue Advocacy in SODO
Staffing Allocation For Advocate SODO	77,000	Includes portion of Program Coordinator Outreach Manager & Executive Director's salaries
Move SODO	56,000	
Transportation Partnerships & Projects	25,000	Partnerships & Projects to advance SODO specific transportation goals.
Move SODO Events & Programs	4,000	SODO Transportation Stakeholder meetings and Transportation topic events
Staffing Allocation For Move SODO	27,000	Includes portion of Executive Director's salary
Clean SODO	321,000	
Sidewalk Cleaning	150,000	Quarterly full district cleanings and on-demand service, includes illegal dumping removal
Street Sweeping	70,000	Sweeping SODO streets every two weeks
Tailgating Stations	35,000	Installation of dumpsters & porta potties in key locations to address impacts of tailgating.
Murals & Public Art	20,000	Continued investment in creating public art in SODO to deter graffiti
Clean SODO Events & Programs	3,000	Community Clean up events and other Clean SODO topic events
Staffing Allocation For Clean SODO	43,000	Includes portion of proposed Clean & Safe Program Manager & Executive Director salaries
Safe SODO	320,000	
Safety & Security Contracts	270,000	SPD Supplemental Services Contract
Safe SODO Events & Programs	7,000	Safety Forum, Crime Prevention Events and other Safe SODO topic events.
Staffing Allocation For Safe SODO	43,000	Includes portion of proposed Clean & Safe Program Manager & Executive Director salaries
RATERPAYER ADVISORY BOARD	10,462	
Annual Meeting	6,000	Annual Ratepayer Meeting in November
BIA Program Development	4,462	Participation in regional and national BIA Industry meetings and Professional development
TOTAL	987,462	

SECTION C: 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 SODO 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.

SODO BIA IMPACTS (2013-2018)

269 +

Tons of Debris Removed
From Street Sweeping

41

Murals Completed to Deter
Graffiti

452 +

Tons of Sidewalk Cleaning &
Illegal Dumping Removal

35 +

Public Meetings & Events

1900 +

Ratepayer Contacts

10,803 +

Additional SPD Patrol Hours

700 +

Total number of businesses in
the SODO BIA

383

Total number of properties
serviced by the SODO BIA

2.5 Million

Total revenue invested in by
SODO BIA ratepayers

CLEAN SODO: The New SODO 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.

- Biweekly street sweeping removed over 90 tons of debris from SODO in 2017;
- Quarterly trash and illegal dumping clean up removed nearly 80 tons of garbage in 2017;
- SODO BIA staff and community members organized to clean up SODO Park during annual Community Clean Up;
- Artists from the Pacific NW and around the world completed 27 murals along the SODO busway covering over graffiti in 2017;
- The Clean & Safe Manager also does a daily inspection of the BIA to check for issues and proactively address them before receiving a ratepayer complaint. The types of issues in the Clean & Safe program area are Graffiti, Illegal Dumping, Tailgating Issues, RV Camping, Biohazard (Needles & Human Waste), Property Crime, Personal Crime, Narcotics Activity, Prostitution, and Trespassing.

SAFE SODO: The New SODO BIA will continue to provide programs to enhance an environment in which property owners, merchants, residents, and visitors to SODO will feel comfortable and secure. The BIA will continue to work with SPD, SDOT, Navigation Team, and other departments to ensure that SODO can maximize the public safety services available from the City to reduce police response time.

- Supplemental services contract with SPD that provides over 3,500 additional patrol hours in SODO annually and weekly SPD bike patrols to deter car prowls
- Hosted crime prevention and public safety forums to provide ratepayers with access to key-decision makers and information
- BIA staff conducted over 500 business interactions to address ratepayers concern

SPD Supplemental Contract - Property safety and personal safety are the most reported concerns of SODO business and property owners. Since 2015, the SODO BIA has maintained a contract with SPD for additional patrol hours to address chronic issues in the districts. The focus of the patrols is aligned with the micro-community policing plan for SODO, and the officers working the BIA shifts are focused on business outreach and education, car prowler deterrence, property crime deterrence and addressing chronic hot spots.

All emergency 911 calls are handled by regular patrol officers, who are responsible for responding to calls throughout the sector and their ability to follow up is limited. Person crimes in SODO are up 60% since 2014. While overall Property Crime is only up 5%, specific categories within property crimes that are prevalent in SODO, non-residential (commercial) burglary is up 64% and motor vehicle theft is up 59% over the same period.

Regular patrol officers are stretched thin to address this very serious spike in crime in SODO. SODO businesses and property owners appreciate the community focused aspect of the patrols in that officers have the time to address their concerns, follow up on their questions and provide property assessments to deter future crime.

For the past three years SODO has participated in the [Micro Community Policing Plan](#) evaluation process run by Seattle University, which found that even with the increase in crime, SODO has the highest SPD approval rating in the City, which the BIA attributes to the community policing focus of the BIA patrols. SODO ratepayers benefit by having the additional patrols working to address their concerns.

MOVE SODO: The New SODO BIA will continue to leverage influence and investments to improve the transportation infrastructure/mobility options necessary for commerce to thrive in SODO.

For example, SODO BIA has:

- Organized SODO Transportation Stakeholder meetings to address key SODO Transportation issues
- Improved SODO navigation with new wayfinding signage for pedestrian on signal boxes along 1st Ave via a partnership with Urban Artworks. Additional projects to be completed on 4th Ave S, 6th Ave S and Airport Way S in development; (1st Ave to completed in 7/2017)
- Developed a partnership with King County Metro and Seattle Department of Transportation on the Community Connections project to improve last mile connections in SODO;
- Developed and completed Consensus Agenda on Transportation in SODO;

- Manufacturing Industrial Council advocated for SODO transportation issue, BIA completed MOU to develop Consensus Agenda in 2015;
- Developed MOU with Transportation Engineering Northwest (TENW) to adapt and update the SODO Wayfinding plan in 2018/2019; and
- Developed MOU with Casseday Consulting to create plan to address and advocate for Transportation issues in SODO.

ADVOCATE SODO: The New SODO BIA will continue to actively promote increased communication and interaction within SODO so that the BIA most effectively represents the interests and executes the priorities of its ratepayers.

The SODO BIA's effectiveness in forming and maintaining relationships with the community is critical to the district's success. The SODO BIA director 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 SODO BIA and its objectives for business district betterment.

For example, SODO BIA will continue to:

- Host quarterly networking events to foster community and promote local businesses;
- Maintain communication through social media, newsletter and website to inform ratepayer of BIA activities;
- Conduct tours of SODO for elected officials that show the issues that SODO property and business owners face in the district; and
- Advocate for SODO priorities with City and County elected officials and departments.

SODO BIA engages with local consultants for a variety of issues and projects related to their work plan, such as:

- Urban planning consultant to assist with BIA Recertification;
- Strategic planning and organizational development consultant;
- BIA website development consultant - specifically developing the database of businesses to increase the ability to conduct outreach;
- Consultants to assist with developing BIA's advocacy voice and access to decision makers;
- Consultants to assist with the development of our Navigation Team Position Paper;
- Consultants to assist with transportation advocacy regarding One Center City.

SODO BIA MANAGEMENT: The New SODO BIA will retain a small staff team (3 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 D: COMPOSITION OF RATEPAYERS

The **CURRENT SODO BIA** has **383 assessable parcels** within their existing boundaries, with **99.7%** of ratepayers classified as commercial and industrial/warehouse property owners.

Parcel Types	# of Parcels	% of Parcels
Commercial/Mixed Use	121	31.59%
Industrial/Warehouse	261	68.15%
Residential/Mixed Use	1	0.26%
Total	383	100%

The **PROPOSED SODO BIA EXPANDED BOUNDARIES** consist of **190 assessable parcels** that would be added to the service area of the SODO BIA, with **98.9%** of prospective ratepayer classified as commercial and industrial/warehouse property owners. The traditional industrial nature of the Southern region of SODO is reflected in concentration of industrial and warehouse properties

Parcel Types	# of Parcels	% of Parcels
Commercial/Mixed Use	18	9.47%
Industrial/Warehouse	170	89.47%
Residential & Mixed Use	2	1.05%
Total	190	100%

The **NEW SODO BIA** consist of **573 assessable parcels** that would be representative of the service area of the expanded BIA, with **99.5%** of prospective ratepayer classified under General Use as commercial/mixed use or industrial/warehouse.

Overall, the composition of parcels and property owners that will be served by the New SODO BIA mirrors closely with the previous organization. There is a small increase in the percentage of the industrial/warehouse parcel types served by BIA program as a result of the expanded boundaries.

Parcel Types	# of Parcels	% of Parcels
Commercial/Mixed Use	139	24.3%
Industrial/Warehouse	431	75.2%
Residential & Mixed Use	3	0.5%
Total	573	100.0%

NOTE: The description of property types is limited to the Present Use description available from the King County Assessor’s Office. Considering the industrial and commercial activities in SODO, several parcels could fall into both Commercial/Mixed Use and Industrial/Warehouse.

EXAMPLE: EDERER BUILDING 2931 1ST AVENUE SOUTH



Property Type: Warehouse and Retail

Built in 1919, the historical Ederer Crane building was previously used to manufacture large-scale cranes for construction projects around the area.

Current Status: Renovated

Building Floors: 2

Building area (SF): 63,848

This property sit on 1st Avenue South and are the center point of an emerging entertainment district including distilleries, breweries, retail and restaurants. The Westland Distillery, located at 2931 1st Avenue South, attracts visitors coming to tour the production facility and taste their award-winning whiskey.

(Source: American Life Co.)

King County Assessor’s Office has the parcel currently categorized as Industrial (General Purpose), an argument could be made that this building after extensive renovation could be considered as both Industrial and Commercial/Mix Use from the perspective of the business tenants and property owner.

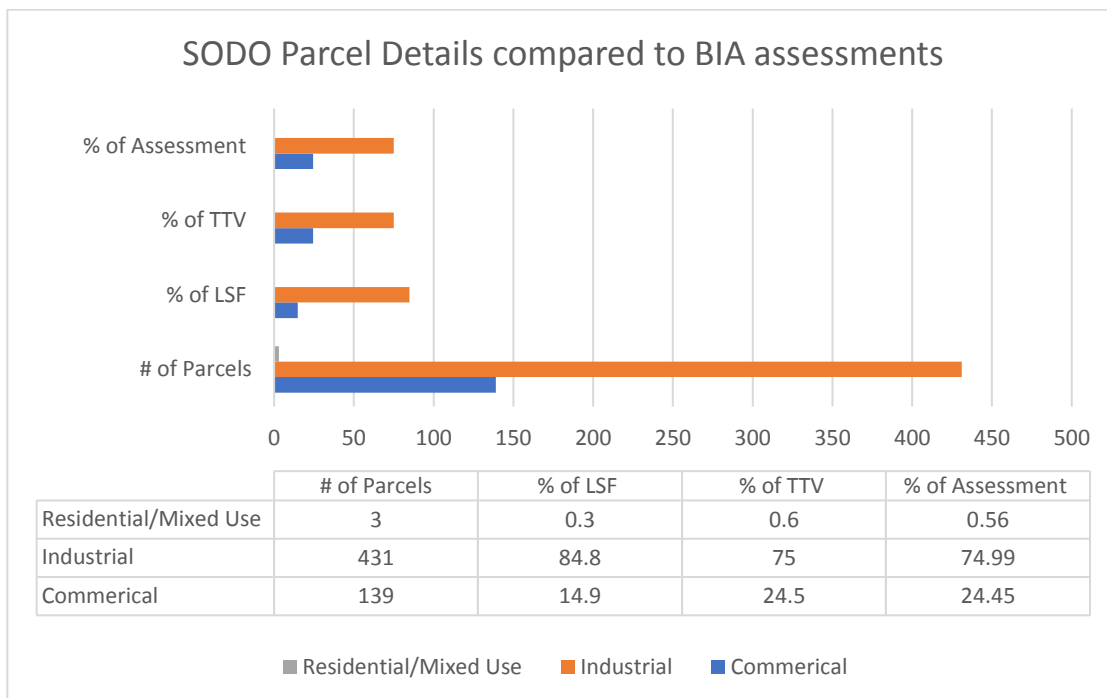
SECTION E: ASSESSMENT METHODOLOGY AND BENEFIT ANALYSIS

The SODO BIA assessment formula is **\$0.50/\$1,000 of Total Taxable Value (TTV)**, which is defined as the sum of Taxable Land Value plus the Taxable Improvement Value recorded from the King County Assessor’s Office for the **2017 Tax Year**.

- TTV provides a correlation to benefit because higher assessed TTV parcels generally reflect a higher level of service from the SODO BIA due to large volume of employees and/or customers.
- All assessable properties will receive the benefit from each SODO BIA programs with no exclusions, therefore, the assessment is calculated the same across the district.
- In special circumstances in which tax-exempt properties with commercial tenants that benefits directly from SODO BIA services, the property will be subjected to an assessment of **\$0.03/LSF**.

The King County Assessor’s Office annually revalues all parcels, first by establishing land value as if it is vacant as required by state law by analyzing sales of comparable bare land. The second step of establishing the value of the buildings using one or all three approaches below.

- **Income Approach:** Define value as the present worth of future benefits arising from the ownership of a property.
- **Sales Approach:** Define value as sales of similar properties sold in the recent past.
- **Cost Approach:** Define value as the principle of substitution – to determine the replacement cost new of an improvement less depreciation plus land value.



COMMERCIAL AND MIXED-USE BENEFIT HIGHLIGHTS:

Commercial/Mixed Use types in SODO exemplifies both ends of the construction characteristic spectrum, ranging from some of the oldest buildings in Seattle to new modern Class A office buildings adjacent to the stadiums. Due to the age of many buildings in the district, most of the recent development/redevelopment is occurring through replacement and or renovation of industrial properties.

The **139 parcels** in this category reflect more retail and service-oriented businesses, requiring less total lot square footage compared to industrial/warehouses – with the exception of Auto Dealers and Retail Discount stores such as Costco and Home Depot.

The conclusion drawn is that commercial/mixed use parcels with higher TTV (Office Buildings and Retail) and lower TTV (Car Washes) is the direct result of the demand for their present use, which is commensurate with the benefit from SODO BIA services for their business tenants, employees, and customers.

Parcel Types	# of Parcels	Sum of LSF	Sum of %LSF	Sum of TTV	Sum of %TTV	Sum of Assessment	Sum of Assessment%
Commercial/Mixed Use	139	3,486,959	14.9%	\$480,731,400	24.5%	\$241,445.70	24.45%

Present Use	# of Parcels	Sum of %LSF	Sum of LSF	Assessment %	Assessment
Office Building	26	2.38%	557,079.0	9.44%	\$93,171.55
Auto Showrooms	6	1.03%	240,578.0	3.55%	\$35,062.45
Commercial Condo	37	0.94%	221,362.0	2.17%	\$21,415.60
Retail (Discount)	2	3.72%	872,833.0	1.82%	\$17,990.60
Retail Store	14	1.35%	316,170.0	1.45%	\$14,364.20
Parking (Assoc)	18	1.73%	406,566.0	1.15%	\$11,329.15
Parking (Garage)	1	0.40%	93,597.0	1.06%	\$10,431.00
Restaurant/Lounge	7	0.56%	132,320.0	0.71%	\$7,059.20
Restaurant (Fast Food)	8	0.66%	154,328.0	0.48%	\$4,735.75
Bank	3	0.31%	71,994.0	0.29%	\$2,886.50
Conv Store with Gas	3	0.28%	64,527.0	0.28%	\$2,728.80
Retail (Line/Strip)	3	0.25%	57,465.0	0.26%	\$2,598.40
Club	1	0.04%	9,000.0	0.19%	\$1,857.65
Vacant (Commercial)	1	0.08%	18,000.0	0.16%	\$1,620.00
Parking (Comm. Lot)	2	0.09%	21,150.0	0.13%	\$1,260.00
Conv Store without Gas	2	0.08%	19,350.0	0.13%	\$1,256.50
Grocery Store	1	0.07%	16,200.0	0.06%	\$608.00
Car Wash	1	0.08%	18,000.0	0.05%	\$450.50

CLASS A OFFICE SPACE



(Source: American Life Co.)

[Home Plate Center](#) is a new, two-building, flex-use, class-A retail and commercial office project located in Seattle's Stadium District.

Sum and % of Total Taxable Value (TTV)

\$26.4 million and 1.35% of TTV

Sum and % of Total Assessment

\$13,248.00 and 1.34%

Lot Size: 93,793

Bldg. NSF: 157,345

AUTO DEALERSHIP



(Source: Honda Seattle)

The [Honda and Toyota Auto Dealership](#) is a four-story building with 18,384 sq. ft for auto sale and services and 52,408 sq. ft warehouse and 50,903 sq. ft in above grade parking that was completed in 2015.

Sum and % of Total Taxable Value (TTV)

\$45.4 million and 2.31% of TTV

Sum and % of Total Assessment

\$22,729.25 and 2.30%

Lot Size: 32,916

Bldg. NSF: 328,775

RETAIL DISCOUNT



(Source: King County Assessor)

The [Home Depot](#) is identified as Retail under Present Use (Warehouse Discount Store).

Sum and % of Total Taxable Value (TTV)

\$11.7 million and 0.69% of TTV

Sum and % of Total Assessment

\$5,858 and 0.59%

Lot Size: 234,3000

Bldg. NSF: 107,930

INDUSTRIAL AND WAREHOUSE BENEFIT HIGHLIGHTS:

Industrial and Warehouse parcels are heavily represented in the New SODO BIA. **170 out of the 190 parcels or 89.47%** of the parcels that will be added in the expansion are from this category. A number of these buildings may undergo substantial renovations to modify and customize the use of their individual operations, as well as new office or warehouse construction when land parcels are viable.

The conclusion drawn is that industrial/warehouse parcels with higher TTV (Warehouses) and lower TTV (Shell Structures) is the direct result of the utility of their present use, which is commensurate with the benefit from SODO BIA services for their business tenants, employees, and customers

The physical lot space required for the types of manufacturing/storage associated with industrial and warehouse buildings attributes to why the sum of LSF (84.8%) exceeds sum of Total Taxable Value (75%), when compared with commercial/mixed use parcels in SODO.

Parcel Types	# of Parcels	Sum of LSF	Sum of %LSF	Sum of TTV	Sum of %TTV	Sum of Assessment	Sum of Assessment%
Industrial/Warehouse	431	19,873,228	84.8%	\$1,473,881,000	75.0%	\$740,499.58	74.99%

Present Use	# of Parcels	Sum of %LSF	Sum of LSF	Assessment %	Assessment
Warehouse	226	50.05%	11,731,099.0	47.35%	\$466,756.85
Industrial (Gen Purpose)	77	13.24%	3,103,035.0	9.78%	\$98,300.43
Industrial (Light)	28	4.50%	1,055,167.0	6.48%	\$63,665.85
Industrial (Heavy)	15	5.43%	1,272,457.0	3.25%	\$31,984.40
Vacant (Industrial)	43	3.11%	728,456.0	2.27%	\$22,276.65
Terminal	8	3.32%	779,259.0	2.00%	\$19,617.25
Service Building	17	2.54%	595,112.0	1.85%	\$18,169.45
Industrial Park	3	0.96%	225,290.0	0.77%	\$7,561.65
Utility	8	1.25%	292,481.0	0.56%	\$5,469.85
Retail (Line/Strip)	1	0.13%	30,000.0	0.22%	\$2,190.45
Vacant (Commercial)	1	0.10%	24,095.0	0.22%	\$2,168.55
Mini Warehouse	1	0.04%	9,000.0	0.16%	\$1,619.00
Parking (Assoc)	2	0.11%	25,355.0	0.06%	\$633.85
Shell Structure	1	0.01%	2,422.0	0.01%	\$85.35

WAREHOUSE (MIXED USE)



(Source: Wikimedia.)

[Starbucks SODO Center](#) functions as the Starbucks HQ Office and as a Storage Warehouse with extensive remodel of the interior over the past decade.

Sum and % of Total Taxable Value (TTV)

\$60.5 million and 3.08% of TTV

Sum and % of Total Assessment

\$30,274.40 and 3.07%

Lot Size: 234,300

Bldg. NSF: 263,596

INDUSTRIAL (GENERAL)



(Source: King County Assessor)

[The Alaska Copper Works](#) has four building sections ranging from an Office Building, Storage Warehouse, and 2 Industrial Light Manufacturing section.

Sum and % of Total Taxable Value (TTV)

\$5.2 million and 0.27% of TTV

Sum and % of Total Assessment

\$2632.20 and 0.27%

Lot Size: 78,570

Bldg. NSF: 29,343

ASSESSMENT ON LOT SQUARE FOOTAGE:

Four properties leased/owned by commercial tenants/businesses were identified as tax exempted by the King County Assessor’s Office in the proposed SODO BIA boundaries. It was determined by OED and the SODO BIA that these properties would receive direct benefit from BIA services, hence a commensurate rate of **\$0.03 per LSF** was developed based on the general use type and similar lot square footage of these unique properties.



(Source: King County Assessor)

The Wells Fargo Bank sits across two parcels in SODO.

The main [parcel](#) is in the property ownership of Dept. of Natural Resource (DNR) and is not assessable by the King County Assessor’s Office due to RCW 84.40.045 and 84.40.175 by the 2013 legislature that eliminated the revaluation of government owned parcels.

Lot Size: 18,000
Bldg. NSF: 4,288

Wells Fargo does own the parcel [7666205035](#), the parking lot adjacent to the DNR parcel and would be assessed \$338 in base year BIA assessments based on a TTV of \$675,000.

Parcel	BANK	LSF	TTV	ASSESSMENTS	ASSESSMENTS/LSF
7666206264	Key Bank	26,994	2,667,000	\$1357.55	0.05
7666206055	Bank of American	27,000	2,025,000	\$1013.00	0.04
7666205025	Wells Fargo	18,000	N/A	\$540	0.03



(Source: King County Assessor)

[Qwest Corporation](#) operates an Industrial (General Purpose) in SODO and is not assessable because it has been exempted by King County as an Operating Property and the parcel does not carry any Total Taxable Value.

Lot Size: 73,636
Bldg. NSF: 53,040

Parcel	BANK	LSF	TTV	ASSESSMENTS	ASSESSMENTS/LSF
7666204155	Alaska Copper	78,570	5,264,400	\$2,632.20	0.03
7666204391	IPC	74,052	4,274,700	\$2137.25	0.03
2024049025	Samis Land	79,634	2,627,900	\$1313.95	0.02
3573200658	Qwest	73,636	N/A	\$2,209.08	0.03

EXEMPTIONS:

Parcel Types	# of Parcels	Sum of LOTSQFT	Sum of %LSF	Sum of TTV	Sum of %TTV
Commercial	8	599,258	1.8%	\$0.00	0.0%
Industrial/Warehouse	35	3,937,939	11.5%	\$6,011,300.00	0.3%
Tax Exempt	87	6,178,196	18.1%	\$1,947,600.00	0.1%
Non-Assessable Parcels	130	10,715,393	31.4%	\$7,958,900.00	0.4%

Exemption status has been assigned based on the tax value reason designated by King County Assessor. Generally, properties designated as **Right of Ways (ROW), Exempt (EX), or Operating Properties (OP)** are not assessed by the SODO BIA. The reasoning for this exemption is that the properties do not benefit from SODO BIA services and/or is providing a public benefit.

If the exempted 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 or LSF.

Exempted properties represent **31.4% of the Total Lot Square Footage** in the SODO BIA boundaries but only **0.04% of the Total Taxable Value** in the SODO District.

EXAMPLE: PARCEL 766620-4529 KING COUNTY TRANSIT



Parcel Description: This parcel is exempted from SODO BIA Assessments because it is a Right of Way (ROW)/Utility Road and does not benefit directly from BIA programs and services.

Change to state law (RCW 84. 40.045 and 84.40.175) by the 2013 Legislature eliminated revaluation of government owned parcels.

Source: King County Parcel Viewer and King County Assessor’s Office

(Source: Google Earth and Street View)



SECTION H: OUTREACH AND SUPPORT

SODO BIA launched a widespread outreach campaign to property and business owners throughout this proposed area from fall 2017 to spring 2018. The outreach campaign kicked off at the SODO BIA annual member meeting on November 15th, 2017, with physical BIA petition packet, map, work plan and budget provided to ratepayers in attendance.

3,272

BIA Reauthorization FAQ,
Informational and
Introduction Letters to
Businesses

296

Total Signed
SODO BIA Petitions

97-99%

SODO BIA
Payment Rate

From December through March, information about the reauthorization effort was included in the SODO BIA monthly e-newsletter which has a subscription of 650 stakeholders. Information about the reauthorization was also included in the SODO BIA end of the report that was mailed out to the 390 current ratepayers with the assessment billing and to all businesses and property owners in the proposed expansion area.

OED/FAS received signed petitions of support from SODO BIA on **May 25, 2018** and FAS has validation of the signed petitions as of **June 12, 2018**.

SODO BIA Recertification Outreach Summary		
Events		
11/15/17	SODO BIA Annual Meeting- Recertification Kickoff	92 attendees
1/24/18	Business Community Event at the Shop	45 attendees
Mailings		
11/17/17	Petition Packet Mailing	599 sent
11/20/17	Business Letter Mailing	647 sent
11/29/17	Additional Parcels Packets Mailed	8 sent
12/30/17	One Sheet Mailing to Business	772 sent
1/2/18	One Sheet Sent with Assesment Billing	390 sent
4/30/18	Recertification Update Letter Sent	856 sent
Emails		
11/17/17	Annual Meeting Recap	680 sent
12/5/17	December Newsletter	656 sent
1/9/18	January Newsletter	657 sent
2/8/18	February Newsletter	653 sent
3/1/18	March Newsletter	664 sent

For more information on the SODO BIA, its work plan, budget, and contact information, please visit www.sodoseattle.org or contact 206-294.328

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 located 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.