

July 12, 2018

MEMORANDUM

To: Governance, Equity & Technology Committee
From: Aly Pennucci, Legislative Analyst
Subject: CB 119297 – SODO Businesses Improvement Area (BIA)

On July 17 the Governance, Equity & Technology (GET) Committee will have an initial discussion on [Council Bill \(CB\) 119297](#), which would establish a Business Improvement Area (BIA) in South of Downtown (SODO). BIAs are economic development funding mechanisms that allow property and business owners to assess themselves to fund enhanced services, programming, and management for a business district.

This memo (1) provides a brief background on the SODO BIA; (2) describes city policy and state statutes governing formation of a BIA, and (3) summarizes the content of CB 119297.

SODO BIA

The current SODO BIA was established by [Ordinance 124306](#) in 2013 with a five-year life. The revenues collected through the BIA support enhanced services in the following program categories: transportation; security; cleaning; and advocacy, marketing, communications, and networking for business development within existing zoning.

The SODO BIA proposed in CB 119297 would continue the services currently supported by BIA revenues and would expand the service area. The new service area would extend roughly from S Royal Brougham Way to S Hudson St and I-5 to the Port of Seattle. The new proposal would establish the SODO BIA for ten years (see Attachment 1).

Procedural Steps to Establish a New BIA

City BIA policies are established by resolution and were most recently amended by [Resolution 31567](#). Additionally, procedures for establishing and operating a BIA are governed by [RCW Chapter 35.87A](#). BIAs are initiated either by a petition from prospective ratepayers who would pay at least 60 percent of the BIA assessments or by resolution. Per the adopted policies, the City will consider a new or expanding BIA when presented with a petition by those who represent 60 percent or more of the total assessment in the proposed BIA.

There are multiple pieces of legislation and many procedural steps required to establish a BIA. In July 2018, the Council started the process to consider the SODO BIA by introducing three pieces of legislation:

1. [Resolution 31823](#), which initiates BIA consideration;
2. [Resolution 31824](#), which establishes the intent to establish a BIA and sets a date for a public hearing on the proposed BIA; and
3. [CB 119297](#), which would establish the SODO BIA and levy the special assessment to fund BIA activities.

On July 16, 2018, the Council will consider Resolution 31823 and Resolution 31824. These resolutions get the process underway and set the public hearing date for August 7, 2018. Proponents of the proposed BIA will be at the July 17 committee meeting to describe the background, outreach, intent, and scope of the proposed BIA.

Per state law, the resolutions of intention to establish, which provides information on the public hearing, will be published in the Daily Journal of Commerce and mailed to all ratepayers.

CB 119297

CB 119297 would establish the SODO BIA. Among other things, the bill:

- Establishes the geographic boundaries of the SODO BIA (see Attachment 1);
- Describes the BIA assessment schedule (the annual rates assessed for various property use categories);
- Describes the programs that would be funded by the assessments;
- Establishes a Ratepayers Advisory Board; and
- Authorizes the Department of Finance and Administrative Services (FAS) to contract for program management.

The proposed SODO BIA would have a ten-year life, after which the proponents may recommend that it be extended. In attachment 1, the proposed geographic boundaries are shown.

Next Steps

Assuming that the two resolutions are adopted by Full Council on July 16, a public hearing will be held on August 7 and the Committee will continue discussion of the proposal. Following that discussion, the Committee will consider amendments, if any, and likely vote on the proposal at the September 18 committee meeting.

Attachments:

1. Proposed SODO Business Improvement Area

cc: Kirstan Arestad, Central Staff Director
Ketil Freeman, Supervising Analyst

Attachment 1: Proposed SODO Business Improvement Area

