Summary and Fiscal Note

1. Legislation Summary

Department: Office of Economic Development

Title: An ordinance relating to the Capitol Hill Business Improvement Area; modifying the boundaries; amending Ordinance 113029, as previously amended by Ordinances 115998, 120303, and 124514; modifying the assessment structure for the Capitol Hill Business Improvement Area; and ratifying and confirming certain prior acts.

Background:

On June 30, 2014, the Seattle City Council adopted Ordinance 124514, which revised the boundaries of the Capitol Hill Business Improvement Area (CHBIA) and amended Ordinance 113029, adopted in 1986. This ordinance established the district's current boundary map. The CHBIA is seeking to modify these boundaries again to more closely align the district with the core commercial area along the Broadway corridor and ensure that the businesses and properties receiving services from the CHBIA are appropriately represented within the assessment area.

The current BIA ordinance also modifies the CHBIA assessment formula, including increasing the maximum annual assessment that a business may be required to pay, increasing the flat rates for specific ratepayers, and implementing an annual rate-increase that will commence in 2032 to better address increasing costs for services. The prior assessment limits no longer reflect current economic conditions, operating costs, or the scale of services provided by the CHBIA.

The proposed amendment includes the following five changes intended to stabilize the CHBIA's budget and better align the district boundary with current commercial activity:

1. Increase the maximum annual assessment from $3,500 to $5,000 to reflect rising service costs and reduce the budget constraints caused by the existing cap.
2. Increase the assessment for Seattle Central College, currently set at $1,500 annually. Updating this assessment will transition the College to the same rate as a standard maximum-rate ratepayer. Seattle Central College has agreed to this update.
3. Increase the assessment for financial institutions, which will transition those institutions to the same rate as a standard maximum-rate ratepayer.
4. Establish a fixed $200 annual increase to the maximum assessment beginning in 2032, following a five-year stabilization period. This incremental adjustment is intended to account for inflation and preserve the CHBIA's ability to maintain core services over time.
5. Contract the CHBIA boundary by removing one parcel, 910 E Pike Street, located more appropriately within the Pike/Pine business district, ensuring the CHBIA boundary accurately reflects Broadway's active commercial corridor.

2. Capital Improvement Program (CIP)

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

4. Other Impacts

a. Does this legislation require a public hearing?

☒ Yes

☐ No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

☒ Yes

☐ No

c. Does this legislation affect a piece of property?

This legislation impacts one piece of property, 910 East Pike Street (King County Parcel ID #60030004160, by removing it from the CHBIA service area.

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion?

Please consider both impacts within City government (like employees and internal programs) and in the broader community.

The changes proposed by this amendment do not have a disproportionate impact on vulnerable or historically disadvantaged communities.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.

N/A

3. What is the Language Access Plan for communicating with the public about this legislation?

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

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.

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

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.

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

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?

N/A

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?

No