SEATTLE CITY COUNCIL

Legislative Summary

Res 31657

Record No.: Res 31657 **Type:** Resolution (Res) **Status:** Adopted

Version: 1 **In Control:** City Clerk

File Created: 08/21/2015

Final Action: 04/29/2016

Title: A RESOLUTION adopting updated policies regarding the establishment and management of Parking and Business Improvement Areas for The City of Seattle; and superseding Resolution 30389.

Notes:

Sponsors: Burgess

Attachments: Att 1 - Citywide BIA Policies v3

Drafter: karl.stickel@seattle.gov

	Date
Filed with City Clerk:	5/4/2016
Mayor's Signature:	4/29/2016
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Filing Requirements/Dept Action:

History of Legislative File **Legal Notice Published:** ☐ Yes ☐ No

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/15/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	09/15/2015	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	09/17/2015	sent for review	Finance and Culture Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Finance and Culture Committee						
	Notes:						
1	Council President's Office	02/02/2016	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			

Action Text: The Resolution (Res) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee

Notes:

1	Full Council	03/28/2016	referred	Affordable Housing, Neighborhoods, and Finance Committee	

Action Text: The Resolution (Res) was referred. to the Affordable Housing, Neighborhoods, and Finance Committee

Notes:

1	Affordable Housing, Neighborhoods, and Finance Committee	04/06/2016	discussed		

Action Text: The Resolution (Res) was discussed.

Notes: CM Sawant arrived during the discussion of this item.

1	Affordable Housing, Neighborhoods, and Finance Committee	04/20/2016	adopt as amended		Pass

Action Text: The Committee recommends that Full Council adopt as amended the Resolution (Res).

Notes: Substitute amendment 1 passed 3-0
Amendments 2 and 3 passed 3-0
Amendment 4, with a minor amendment, passed 3-0

In Favor: 3 Chair Burgess, Vice Chair Herbold, Member Johnson

Opposed: 0

1	Full Council	04/25/2016	adopted		Pass

Action Text: The Resolution (Res) was adopted by the following vote, and the President signed the Resolution:

Notes:

In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant

Opposed: 0

1	City Clerk	04/26/2016	submitted for Mayor's signature	Mayor	

Action Text: The Resolution (Res) was submitted for Mayor's signature. to the Mayor

Notes:

1	Mayor	04/29/2016	Signed		

Action Text: The Resolution (Res) was Signed.

Notes:

1	City Clerk	04/29/2016	attested by City Clerk		

Action Text: The Resolution (Res) was attested by City Clerk.

Notes:

1	Mayor	05/04/2016	returned	City Clerk	

Action Text: The Resolution (Res) was returned. to the City Clerk

Notes:

CITY OF SEATTLE

RESOLUTION 31657

A RESOLUTION adopting updated policies regarding the establishment and management of Parking and Business Improvement Areas for The City of Seattle; and superseding Resolution 30389.

WHEREAS, chapter 35.87A RCW authorizes the establishment of Parking and Business Improvement Areas, commonly referred to as business improvement areas or BIAs, to aid general economic development and neighborhood revitalization, and to facilitate cooperation of merchants, businesses, and residential property owners in order to assist trade, economic viability, and livability; and

WHEREAS, Parking and Business Improvement Area assessments can provide clean and safe services, marketing and promotion, business and economic development planning, appearance and pedestrian environment/urban design, advocacy, and organizational development/administration associated with the management of the BIA for the benefit of the area; and

WHEREAS, as of the date of this resolution The City of Seattle has established, and currently administers, nine BIAs, and may be petitioned to establish additional BIAs; and

WHEREAS, the increase in the complexity, number, and size of BIAs, combined with a desire for a wider variety of ratepayers and services, requires additional analysis during the development of BIAs and expanded policies to govern the quality of proposals, the efficiency of the establishment, and administrative processes; and

WHEREAS, BIAs have been very beneficial to the areas in which they have been established; and

WHEREAS, The City of Seattle is responsible for administering the BIA assessments; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. Resolution 30389 is superseded in its entirety, and the attached Citywide Business Improvement Area (BIA) Policies (Attachment 1) are adopted. In so doing, The City of Seattle reaffirms its support of the use of BIAs as effective tools for economic development and neighborhood revitalization.

Adopted by the City Council the 25th day of April, 2016, and signed by me in open session in authentication of its adoption this 25th day of April, 2016.

President _____ of the City Council

The Mayor concurred the 29th day of April, 2016.

Edward B. Murray, Mayor

Filed by me this 29th day of April, 2016.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:
Attachment 1 – Citywide Business Improvement Area Policies

CITYWIDE BUSINESS IMPROVEMENT AREA POLICIES

Introduction

Parking and Business Improvement Areas (BIAs) are special assessment areas that are established to "aid general economic development and neighborhood revitalization, and to facilitate the cooperation of merchants, businesses, and residential property owners which assists trade, economic viability, and liveability[*sic*] (RCW 35.87A.010). Specifically, the mechanism for improvements is an assessment collected from property owners and/or business owners within defined boundaries. The funds collected are used to provide services for the benefit of the businesses and properties being assessed.

The legal authority for the establishment and management of BIAs is set forth in the Revised Code of Washington (RCW), Chapter 35.87A. RCW Chapter 35.87A authorizes all counties, cities, and towns to establish a BIA and to levy and collect assessments on all businesses and multifamily residential or mixed-use projects that specially benefit from the BIA.

Purpose

The Citywide BIA Policies provide guidance for the City and for BIA proponents. The purpose of these BIA policies is to provide consistency, equity, and predictability in submission or consideration of proposals to establish, expand or disestablish a BIA.

City of Seattle Policies Related to BIAs:

Policy 1. Formation

The City will consider establishing or modifying a BIA if initiated by business owners, property owners, community organizations and other stakeholders within the boundaries of the proposed BIA and when there is demonstrated support from different classifications of ratepayers within the boundary area, based on Policy 3 Support and Outreach. The City can provide assistance to help local stakeholders evaluate the suitability of the establishment of, or modification to, a BIA and to understand City polices and other best practices for establishing a BIA. The City will provide information about the potential benefits and the process to establish a BIA to the best extent feasible.

BIAs are approved by the City Council, using the authority provided in state law (RCW 35.87A). The City Council will evaluate each BIA proposal individually for its adherence to City policies and the administrative support it will need from the City. If a proposed BIA would, by nature of its size, structure and/or design, create an excessive administrative burden for the City, the City may require an adjustment to the proposal to reduce this burden.

The group proposing a new or modified BIA shall complete a BIA Checklist and submit the required BIA application materials (see Exhibit A: BIA Proposal—Required Materials and Checklist) to the City for formal review. BIA proponents shall complete the following steps when preparing to present a BIA proposal to the City Council:

- Work with staff from the Office of Economic Development (OED) and the Department of Finance and Administrative Services (FAS), to prepare a proposal and petition of support for signature by

prospective ratepayers that includes the required materials outlined in Exhibit A. This should include, but is not limited to a description of:

- the proposed classifications of ratepayers,
- the proposed assessment methodology and amounts;
- the proposed services to be provided;
- how each ratepayer classification will benefit from the services relative to the assessment; and
- the proposed boundaries and how this is a suitable area for economic development and/or neighborhood revitalization.

- Submit a draft of the proposal and petition to OED staff for review prior to sending the petition of support for signature to prospective ratepayers. OED staff shall review the draft proposal for consistency with City policies and will notify the BIA proponents of any necessary changes.
- After OED has confirmed that the proposal consistency with City policies, send the petition of support for signature to prospective ratepayers.'
- Following collection of the required signatures, submit all required materials (see Exhibit A) to the City.

After OED and FAS determine that the petition and proposal package are complete, the formal review by the City Council begins. This includes validation of the petitions, drafting formal resolutions for the City Council review, referral to a Council Committee, scheduling and holding one or more public hearings, Committee recommendation, Full Council action, and referral to the Mayor for signature if the City Council approves the proposal. City staff will manage this process, but the BIA proponents should be prepared to attend Council Committee meetings, answer questions and provide additional information as needed.

The City Council requests that OED and FAS develop detailed BIA procedures consistent with these policies to clearly explain the process for creating a BIA; the general time frame and steps in the review process; and the public hearing process and other opportunities for public input. OED and FAS shall provide this information to community members and petitioners and should update it as necessary as policies or procedures are revised.

Policy 2. Support and Outreach

As provided in RCW 35.87A.010, the City will consider establishing or modifying BIAs when presented with a petition by those who represent 60 percent or more of the total assessment in the proposed BIA. The 60 percent approval threshold represents a supermajority in favor of an initiative and indicates ratepayer support for an assessment. If any single entity in support of the BIA represents more than 25 percent of the total assessment, the City encourages BIA proponents to seek additional support from potential ratepayers, demonstrated by presenting a petition representing 65 percent or more of the total assessment in the proposed BIA. When this occurs, the City recommends that the BIA proponents notify all potential ratepayers in writing that they are seeking additional support because a single entity represents more than 25 percent of the total assessment.

The representatives of a proposed new or modified BIA shall complete a BIA Checklist (see Exhibit A), which requires a description of ratepayers, stakeholders and the outreach and notification conducted. All notification and outreach will be documented and tracked to demonstrate the numbers of ratepayers and stakeholders reached, the type of ratepayer, their classification, location in the area, etc.

The City recommends that all ratepayers receive notification of the BIA proposal from the BIA proponents either through email, mailing, individual meetings, or group meetings. Notification should occur when the proposal is final, or close to final, and should include clear contact information for comments and questions, a website or physical location listed where more information can be found, and the times, dates and locations of upcoming meetings organized by the BIA proponents as part of their outreach. At a minimum, one public forum should be held that includes information about the final BIA proposal. The BIA proponents should translate materials and provide interpretation as needed as well as consider other meeting accessibility challenges for stakeholders.

When individual commercial or residential condominium owners are part of an Owner's Association that is the ratepayer of record, additional outreach materials should be made available to inform the individual owners about the proposed BIA. For example, postcards with the public forum information and website information could be delivered to each Owner's Association for distribution to its members, proponents could present at an Owner's Association meeting, notifications could be posted in common areas of the owners' building, etc.

Policy 3. Boundaries

The proponents of a new or expanding BIA shall describe how all ratepayers within the proposed boundaries are receiving or will receive benefits related to their assessment. Public streets and alleys are typically the clearest way of demarcating boundary lines. The boundaries can specify if properties adjoining both sides of a street are included. If only the properties on one side of the street are included, the boundaries can be set at the midpoint of the street. A decision to put a boundary down the middle of the street must have a basis in benefits received. Parcel boundaries can change over time and therefore should not be used to demarcate boundaries to the extent possible, particularly for BIAs with no sunset dates. Boundaries should not cut through an existing building. A boundary can include exempt properties that are intermixed with assessable properties. Properties exempt from assessment do not receive benefits or services. BIA boundaries may be non-contiguous.

A ratepayer could pay an assessment in multiple BIAs and properties could be assessed by more than one BIA. If a proposal for a new BIA or revised BIA boundary includes a property that is currently located within a different BIA, the proposal shall describe how this property will receive increased or different and distinct benefits from each BIA.

All proposals shall include a map clearly illustrating the proposed BIA boundary. For a proposal to adjust an existing BIA's boundaries, two maps are required. Map 1 should show the **current** boundary of the BIA, as depicted in the original establishing ordinance, with a dotted line showing the proposed addition. Each of the two areas needs to be identified: "Existing BIA Boundary" and "Proposed Boundary Modification". Map 2 should show the **complete** boundary as it will be if the modification is approved.

To evaluate proposed BIA boundaries, the City will consider whether or not:

(1) the proposed BIA is a suitable area for economic development and/or neighborhood revitalization;
(2) the ratepayer classifications within the boundaries will receive benefits reasonably related to their assessments; and
(3) the boundaries create an area that is feasible for the City to administer.

The City will use the analysis provided by the BIA proponents as well as information gathered from public forums, public hearings and discussions with potential ratepayers when evaluating a BIA Proposal. As part of the application process for a new BIA or for changes to an existing BIA, the proponents must provide an explanation of the reasoning behind the boundaries proposed.

Policy 4. Organizational Structure and Management

As allowed under RCW 35.87A.110, City policy is to contract with an organization operating primarily within the city to be the Program Manager for a BIA. The City will give preference to a local, non-profit organization that is able to manage funds and delivery of the services. The Program Manager administers the operations purchased by BIA generated funds.

Each BIA shall have a City-approved BIA Advisory Board (Board) to adopt bylaws, policy guidelines, provide advice to the Program Manager, consult with City staff, recommend an annual work program and budget, address ratepayer concerns and questions, review reports to be submitted to the City, and sponsor an annual ratepayers' meeting. The composition of the Board will be representative of the varying sizes, locations, and classifications of ratepayers. The Board is typically comprised of a broad representation of ratepayers. The Board may also include business tenants (who are tenants of ratepayers) and representatives from multi-family residential buildings (where the homeowners association is the ratepayer). The City encourages BIA proponents to include a recommendation about the size and composition of the Board as part of the overall proposal to establish or modify a BIA. No one ratepayer may hold a majority interest (51 percent) in the voting rights of the Board either through one or more Board members.

The City Council, when establishing a new BIA by ordinance, may authorize the Director of OED to appoint a Board. Initially, an interim Board will be appointed based on recommendations solicited from ratepayers. An inaugural Board will be recommended by the appointed interim Board to the Director. The City may include additional members on the Board to ensure a broad representation of ratepayers, as well as reject a nominee to the Board for cause.

The Board will create and maintain bylaws governing the Board. The bylaws are subject to the approval of the majority of the Board members present at a membership meeting. The bylaws shall be submitted to the City for approval. At a minimum, the bylaws will:

- establish the structure of the Board's meetings, how decisions will be made, and when a Board can go into executive session;
- include terms for Board membership and process for the changing of Board membership;
- specify the process for approving any amendments to the bylaws;
- describe the specific ratepayer comment, suggestions, and concerns process; and,
- establish the process for approving the annual budget, program services, and recommendation for the Program Manager.

The Board is required to hold an annual ratepayers' meeting at which the Board shall present its work plan and budget for the next year or agreed upon term with the City, and its recommendation regarding whether to continue with the current Program Manager. The work plan, budget, and recommendation regarding whether to continue with the current Program Manager shall be submitted to the City for review and approval.

All Board meetings shall be subject to the Open Public Meetings Act. All ratepayers will have an opportunity to present their comments or concerns about Board actions and decisions to the Board for review and action. If they do not feel satisfied, they may then present their comments and concerns to the City.

Policy 5. BIA Programs and Services

The City intends to maintain the level of municipal services in areas where BIAs have been established and not supplant existing municipal services with those funded through BIA assessments. However, this policy does not limit the discretion of the City to determine whether, and at what level, municipal services will be provided as community needs, economic conditions, and other factors warrant.

Washington State law outlines a number of purposes for the use of BIA generated funds (see RCW 35.87A.010(1). The work plan, programs and activities proposed by BIA proponents and Boards shall reflect the allowable purposes listed under RCW 35.87A.010(1). Below are general descriptions of programs and services that BIA funds can be used for. This list is meant to be illustrative and does not encompass every allowable service or program that BIA funds may be used for:

- *Clean & Safe Programs*: services such as regular sidewalk cleaning, additional trash pickup, graffiti removal, etc. This may also include services to increase safety such as block watches, coordination and communication with local police officers, safety ambassadors, etc.
- *Marketing and Promotion*: activities that draw attention to the district and its amenities. Examples of these activities include business district brand development, joint marketing and advertising of local businesses, public events that attract visitors, etc.
- *Business and Economic Development*: strategies to support local businesses to stay and grow in the district as well as attracting businesses that bring new customers or add to the mix of offerings. These activities can include retail studies, business networking events, business technical assistance services, and facilitating connections between new businesses and property owners, etc.
- *Public Realm Improvements and Planning*: to maximize the appearance and accessibility of the district to customers, residents and employees. These activities can range from beautification and decoration such as flower baskets and banners; to improvements or enhancements to landscaping, lighting and street furniture; to developing plans to improve accessibility and wayfinding in the area.
- *Organizational Development/Management/Staffing*: such as an Executive Director, Marketing & Events Programs Director, Outreach and Community Engagement Coordinator, Business Attraction and Retention Coordinator, Clean & Safe Coordinator, etc. BIAs require some staffing, at minimum a Program Manager, that engages in a variety of activities from advocating for district needs to organizing community leaders to support the neighborhood.
- *Advocacy*: for stakeholder's interests to address economic development and neighborhood revitalization issues within the BIA boundaries.

BIA funds may not be used for the following:

- Contributions to and endorsements of candidates for elected public office.
- Improvements to private property that do not benefit all ratepayers.
- Advocacy on issues that do not benefit the area as a whole.

The group proposing a new or modified BIA shall include a description of the proposed programs and services that BIA revenues are to be used for and how these activities will aid in economic development and neighborhood revitalization.

Policy 6. Assessments

The City will establish an assessment formula and rate that is reasonably related to the benefit that each ratepayer classification receives. As part of the application process, the BIA proponents shall propose an assessment methodology (including a proposed formula and rate). The proponents shall provide evidence and reasoning that describes how the assessment is reasonably related to the benefits received and a detailed description of the rationale for choosing the proposed methodology. Consideration will be given to existing assessment formulas and rates when a previously established BIA is proposed to be renewed or otherwise modified. The City recommends that a proposal for a new or modified BIA include in its assessment proposal a factor that accounts for increasing costs over time. This could be the application of inflation or other factor.

A ratepayer may voluntarily contribute an additional amount either directly to the City to be added to BIA funds collected or to the Program Manager of the BIA.

Some properties are not taxed and King County records do not have a recorded taxable value. When taxable value is used in assessment formulas, an alternative basis should be considered that reasonably measures benefit to the property, such as using size/area of the property, linear or front footage of the property, an alternate valuation, or square footage of improvements to the property.

Policy 7. Ratepayers

A ratepayer can be a business owner and/or a property owner. A ratepayer classification is a specific category of ratepayers. As part of the application process, the proponents shall describe the proposed ratepayer classifications and how the classifications are reasonably related to benefits received.

BIA proponents may develop ratepayer classifications with different assessment formulas or rates. Different ratepayer classifications may receive different kinds of benefits from the BIA. As with all assessment formulas, the proponents must provide evidence and reasoning that describes how the assessment is reasonably related to benefits received. The BIA proposal shall include a description of the direct and indirect benefits received, the value of those benefits and the amount of assessments estimated for each ratepayer classification. Pursuant to RCW 35.87A.080, the City will consider whether there is a reasonable basis for the classification related to benefits received.

The following are examples of BIA ratepayer classifications:

- Commercial / Mixed Use
- Industrial / Warehouse
- Multi-Family Residential*
  *Note: Includes building or buildings containing four or more residential units, each with a kitchen.
- Tax Exempt / Non-profit

Government is generally exempt from assessment. However, government properties located within the BIA can be assessable if the government can be considered a business and the government property benefits from the BIA services. Government can be considered a business if acting in its "proprietary capacity" for the advantage of the governmental entity as opposed to for the common good of all. Where government acts as a business and is benefitted from services, it may be assessed. As with other classifications, government as business will be assessed based on benefit received. Many governmental entities as business only recognize limited benefit from promotional, marketing, advocacy, and related services and a reduced rate may be reasonable. The City, the BIA proponents, and the governmental entity will jointly determine whether the government is acting as business and what level of assessment is appropriate.

If a ratepayer arrives in the BIA during an assessment period, the City shall include this ratepayer in the most recent assessment billing cycle, as appropriate.

The City, through the Director of FAS, will consider refund requests from ratepayers for billing or payment errors and be responsible for managing any assessment refunds. Refunds will be granted in accordance to the BIA's ordinance, considered for existing BIAs only, and limited retroactively up to a four-year time period plus the current year.

Policy 8. BIA Assessment Periods

Proponents for a new BIA may propose that assessments be levied for a specified number of years, or propose a permanent assessment. The City's administrative process for formation, modification or renewal of a BIA is relatively the same regardless of the BIA's assessment size or length of term. For this reason, the City requires a minimum five year term length for any BIA, except that the City will consider an assessment period proposal for less than five years if the BIA is for a single purpose event or program.

Policy 9. Pre-Formation Costs.

If expenses are incurred during an effort to form a BIA, the proponents proposing the BIA formation are responsible for paying the expenses. If the BIA formation is successful, the BIA's Advisory Board can recommend to the City usage of BIA generated funds to pay for those reasonable, well-documented pre-formation costs.

City departments, including the Office of Economic Development (OED) and the Department of Neighborhoods (DON), have competitive grants that can fund exploring the feasibility of creating a BIA and/or for conducting the process to establish a BIA. These grants are not an indication of the City's opinion on the merits of the BIA proposal if it is proposed to the City.

Policy 10. City Department Support

The City of Seattle supports BIAs primarily through the Office of Economic Development (OED) and FAS. The responsibilities for each Office or Department are outlined below, however, as needs and resources change, those responsibilities may be shifted as needed.

OED will:

- be the first point of contact for individuals or groups requesting assistance in exploring the feasibility of forming a BIA, developing a BIA proposal and submitting it to the City;
- in consultation with FAS, review and evaluate a BIA proposal (which includes the information required in the BIA Checklist – see Exhibit A);
- prepare a report for the City Council analyzing the proposal. The report will include analysis of:
    1) consistency with the Citywide BIA policies;
    2) how the proposed programs and services that BIA revenues would be used for will aid economic development and/or neighborhood revitalization in the proposed area;
    3) if the proposed boundaries are a reasonable area for economic development and/or neighborhood revitalization;
    4) how the ratepayer classifications within the boundaries will receive benefits reasonably related to their assessments; and
    5) if the boundaries create an area that is feasible for the City to administer.
- coordinate between City departments to ensure that BIA proposals and amendments have been thoroughly reviewed and analyzed by City staff;
- approve the BIA Advisory Board;
- support FAS in approving annual contracts with the Program Manager and BIA budgets;
- organize periodic BIA meetings for BIA Program Managers and City staff;
- work with BIA Program Managers and Boards on solutions to challenges they face; and
- provide technical assistance to existing BIA Program Managers and Boards on using best practices and completing projects that strengthen the economic climate of the business district.

FAS will:

- be responsible for the BIA Notification and Petition Validation Process;
- billing collection;
- customer service to ratepayers and BIA Program managers related to assessments;
- administration of all ratepayer accounts, administering contracts and reimbursements;
- attending meetings organized to bring BIA Program Managers and City staff together; and
- with support from OED, FAS is also responsible for packaging BIA legislation and approving annual BIA budgets.

The City Attorney's Office (Law) will:

- review and provide opinions to City staff on the legality of petitions, formulas, purposes, and boundaries presented by community groups interested in forming or expanding BIAs
- review the proposed BIA legislation.

If legal issues arise, Law will not provide legal advice to the BIA Advisory Board, Program Managers or their consultants.

Policy 11. Modifications

The City may modify an existing BIA in accordance with State law. If modifications to the BIA boundaries result in a change of greater than 10 percent of the current assessment, the BIA ordinance must be amended by the City Council.

Policy 12: Reporting and Evaluation

Program Managers and the BIA Advisory Boards shall periodically evaluate the BIAs program and services and shall report their findings to the City Council. The BIA Program Manager shall provide a report to the City when a request to modify or renew a BIA is proposed. BIA's established with a permanent assessment (without an expiration date), or with an assessment period that is longer than five years, shall submit an evaluation report to the City every five years if there are no requests to modify the BIA during that five year period.

Performance standards and performance measurement shall be described in the proposal to establish or modify a BIA that will be used in the future evaluations. This could include, but is not limited to, establishing baseline data and a plan to monitor measurable results, such as changes in property values, lease rates, occupancy rates, crime rates, and ratepayer satisfaction surveys.

Policy 13. Disestablishment

Washington State RCW 35.87A.180 provides for the disestablishment of a BIA. Each BIA ordinance will include a section with the process to disestablish the BIA.

If a BIA is disestablished, after all outstanding liabilities are settled, the City will, within a reasonable amount of time, dispose of assets as provided in RCW 35.87A.190, and the Director of FAS may do so by one or more of the following actions:

A. Roll remaining special assessment funds into a new BIA that was created to replace the disestablished BIA;
B. Provide for the expenditure of all or a portion of any remaining special assessment funds on services or improvements in the disestablished BIA area;
C. Provide a refund or credit of all or a portion of any remaining special assessment funds to those who have paid their assessments, in proportion to the amounts paid; or
D. Transfer any or all of the remaining special assessment funds to the City's General Fund.

Prior to determining the appropriate action, FAS will seek input from the ratepayers.

Policy 14. Collections

When a ratepayers' account is unpaid, the City will take action to collect the assessment debt. Upon 60 days of an unpaid assessment, the City may refer the matter to a collection agency. In limited circumstances, the City may begin collection proceedings through the City Attorney's Office.

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.

Benefit Zone: The City defines benefit zones as identified areas within a BIA that have additional or unique assessments that pay for specific services. For example, many BIAs establish cleaning area zones in which ratepayers pay an additional assessment to receive more cleaning services than are provided to the rest of the BIA area.

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.