

**BUSINESS  
IMPROVEMENT AREA (BIA)  
HANDBOOK**

City of Seattle  
August, 2007

## **Introduction**

Business Improvement Areas (BIAs) are special assessment districts that are established to revitalize and enhance neighborhood business districts. BIAs are a self-help mechanism whereby businesses and/or property owners choose to assess themselves. A BIA assessment is similar to the “Common Area Maintenance” fees found in shopping malls and office parks. Many BIAs have been formed in recent years as a neighborhood or local business community effort to remain competitive in the marketplace. BIAs are proven to work by funding improvements and services that maintain and improve the overall viability of business districts—resulting in higher property values and sales. BIAs include programs and services such as parking, marketing, beautification, security, and public area maintenance. Each BIA has a ratepayer advisory board made up of ratepayers within the BIA district.

The legal authority for the establishment and management of BIAs is set forth in the Revised Code of Washington (RCW) Chapter 35.87A (see **Attachment A**). RCW Chapter 35.87A authorizes all counties, cities, and towns to levy and collect assessments on all businesses and multifamily residential (4 or more units) or mixed-use projects that specially benefit from a BIA to pay in whole or in part the costs associated with a BIA.

There are currently six BIAs within the City of Seattle. **Attachment B** includes a directory of the BIAs and City contact people.

## **City of Seattle’s Role**

In September 2001 the Seattle City Council adopted Resolution 30389 (see **Attachment C**), which encourages and supports the establishment of BIAs when it is beneficial for an area to do so.

It is the City of Seattle’s intent to maintain the level of municipal services in areas where BIAs have been established and not supplant existing municipal services with those funded through the collection of assessments.

The Office of Economic Development (OED) and the Department of Executive Administration (DEA), formerly the Finance Department, are the two key City departments that support BIAs. DEA is the City’s lead agency for the BIA program.

In addition, the City’s Department of Neighborhoods (DON) has provided numerous Neighborhood Matching Fund (NMF) grants to BIAs. NMF grants have been used to explore the feasibility of starting a BIA and have been used to fund BIA projects. BIA assessments can be used as part of the neighborhood match for NMF grants.

## **Planning and Creation of BIAs**

OED assists area businesses and merchant organizations in creating BIAs. OED provides technical assistance with the identification of area boundaries, assessment formulas, proposed programs and services, budgets and other information items that are needed by the general public to fully understand the extent of a proposed BIA program.

OED and DEA coordinate the legislative process and prepare the resolution for City Council hearings, prepare the enabling ordinances and notify all ratepayers of the proposed assessment.

### **Program Management**

DEA is responsible for developing BIA policies and setting the overall BIA program direction.

Once a BIA is adopted by City Council, DEA is responsible for negotiating a management contract with the manager or management entity selected by the advisory board to run the BIA. DEA is responsible for ensuring that the manager or management entity completes all the provisions of the contract signed with the City of Seattle.

DEA is responsible for the revenue collection and disbursement of funds, including preparing and distributing all assessment forms to business and/or property owners, collecting all assessment funds, depositing those funds in the BIA Fund Account in the City Treasurer's office and reimbursing BIAs for eligible expenses. DEA will keep a current record of the balance in these accounts to assist with management of BIAs. It is the City's policy to use modified accrual accounting for all BIA funds. Expenses and revenues are recognized and recorded in the period they are incurred.

### **Other support**

On an as needed basis, OED and DEA staff will attend ratepayer board meetings. OED staff support and review BIA project applications submitted to the City's Department of Neighborhoods (DON) Matching Fund Program, and provide technical assistance to existing BIAs on projects that strengthen their district's economic climate. Finally, OED staff will organize quarterly BIA meetings for BIA Executive Directors and City staff.

### **Creating a BIA**

Neighborhoods interested in creating a BIA should contact the City's Office of Economic Development. OED will provide assistance in studying the feasibility of creating a BIA, analyzing various assessment methods, creating the BIA petition and assisting with the Council review and adoption process.

Following are steps in establishing a BIA:

- Bring community together to determine if they want a BIA
- Select an organizing committee. (Organizations may apply for the City Neighborhood Matching Fund Grants to implement a strategy to establish BIAs, explore the feasibility of BIAs or to conduct the petitioning process.)
- Write a petition. The petition gathers all the information that is required by the City. RCW 35.87 contains requirements concerning the contents of the petition and assessment methods. Assessments may be based on business and occupation taxes imposed, square footage of the

business, number of employees, gross sales, or any other reasonable factor relating to the benefit received from the BIA. If choosing square footage, this will involve gathering the square footage figures for each building or business. The petition also includes the classifications of businesses, the scope of work of the BIA, the management structure, the BIA boundaries and zones (if appropriate) and a map, and the BIA draft budget. The petition should be reviewed by OED and DEA.

- Gather signatures for the petition. Per RCW, petitions submitted and approved by City Council must represent at least 60% of the total assessment proposed for the BIA. In other words, if ten businesses sign the petition and their cumulative assessment would account for at least 60% of the total BIA assessment, the Council review process may continue. Petitions must be distributed to all potential ratepayers. This step often involves volunteers going out to the community to gather signatures and educate potential ratepayers on the benefits of a BIA.
- Present petition to the City. Following is the City's Timeline to review and adopt a BIA once the sponsoring organization submits the necessary petitions to the City Council.

### **BIA Petition Process - City's Time Line**

(Range of time needed for processing: 151-232 days)

1. Organization proposing BIA submits to City Council signed petitions of affected ratepayers in the proposed BIA. The petitions must be accompanied by:
  - **A transmittal letter indicating:**
    - **how and when the petitions were mailed**
    - **the number of affected ratepayers**
    - **the total annual assessments to be collected**
    - **the percentage of that assessment signed in favor of the proposed BIA**
  - **printed and electronic lists of potential ratepayers, indicating:**
    - each ratepayer's vote on the proposed BIA establishment
    - addresses of the affected properties
    - address of ratepayer if different from that of the affected property
    - a description of the rate assessment methodology
    - a work plan and proposed budget for the first year of operation
    - a map of the boundaries of the proposed BIA
2. Council sends petitions to DEA for validation review process.
3. DEA reviews data in petitions to insure that the information required in Step 1 above has been accurately submitted. (30-45 days)
4. Law Department drafts resolution on proposed BIA establishment; resolution establishes date, time, & location of public hearing. (10 days)

5. DEA prepares legislative jacket, including resolution and letter certifying the validation process; sends to Council. (7 days)  
*Chair of the Council Committee with BIA oversight, will sponsor if above conditions are met.*
  6. Legislation sent to Full Council for referral to Council Committee. (10-30 days)
  7. Council Committee schedules legislation on committee calendar; conducts briefing, discussion, and vote on resolution. (15-22 days)
  8. Full Council votes on resolution; sent to Mayor for signature. (10-15 days)
  9. Full text of signed resolution sent to Daily Journal of Commerce for publication of official notification. News release and copy of resolution are sent to all other local media. Public hearing must be scheduled no sooner than 10 days after the official public notification. (5-10 days)
  10. Signature validation and ratepayer notification process - City mails first-class letter to affected ratepayers indicating the City's receipt of petitions to establish the BIA, noting date, time and location of public hearing; notes potential ratepayer's position on the BIA proposal, asking that recipient of letter notify the City by return mail if this information is incorrect. (10 days)
  11. Council Committee conducts public hearing, no sooner than 10 days after publication in DJC. (10-18 days)
- Note: DEA sends to the Council the legislation (ordinance) to establish the BIA. (See steps 6 and 7 above.) Because preparation of ordinance will be done concurrently with the preceding notification process, no additional time would likely be required unless problems occur.***
12. If no problems arise before or during the public hearing, Council Committee will vote on the ordinance to establish the BIA. If problems do arise, there may be a delay to revise the petition request. If the 60% threshold is no longer met, the petition is no longer valid and the process stops. (7-21 days)
  13. The ordinance returns to Full Council for a vote. (7-14 days)
  14. If ordinance passes, it goes to the Mayor for signature.
  15. Effective date of ordinance - 30 days later. The BIA is officially in business!

### **Operating a BIA**

Whenever a new BIA is established, it is the City's intent to encourage the agency selected to manage the BIA to secure independent start-up funds. If the agency managing a BIA is unable to secure independent start-up funds, the Director of DEA may approve a short-term intralloan fund. The ability to provide a short-term loan would be predicated on the ability of the BIA fund to maintain a positive balance.

## **Advisory Boards**

Each BIA shall have an Advisory Board comprised of ratepayers who either:

- Maintain an office in the district
- Rent space
- Own a business or property, or
- Operate a business being assessed

The Advisory Board officers and members shall be *current* ratepayers representing the various business classes and geographic diversity of the district. Once a district is established, an Advisory Board shall be constituted. The method of creating an Advisory Board shall be at the discretion of the Business Improvement Area ratepayers. For example; an electoral process may be developed, or the body of ratepayers may ratify volunteers.

The Director of DEA reserves the right to appoint representatives to the Advisory Board if he or she determines that the Advisory Board does not represent the geographic or business class diversity of the district.

Each Advisory Board shall:

- Represent the body of ratepayers in giving guidance to the BIA manager and/or management agency about programs.
- Adopt its own bylaws governing its operation. Bylaws shall outline the role and purpose of the board, operations of the Board: selection and term of Board members, selection of officers, meetings, grievance resolution and any bylaw amendments.
- Appoint officers
- Sponsor an annual meeting, to approve the following year's work program and budget, elect officers and members to the Advisory Board, and review and approve the recommendation of the Advisory Board in relation to professional management of the BIA program.
- Prepare an annual report
- Hire and supervise personnel as needed
- Hold regular meetings, which shall be open to the public; and
- Investigate and respond to all ratepayer issues, concerns and complaints

## **BIA Work Program**

The Advisory Board shall develop a specific work program. Said program shall be approved by a majority of Board members at the annual ratepayer advisory meeting. The services and programs that are permitted shall conform to the general intent of RCW 35.87A and may include the following:

- Sweeping and cleaning of public spaces
- Provision of parking and maintenance of parking structures and lots
- Furnishing of music in any public space
- Promotion of retail trade activities of the area
- Provision of entertainment for and promotion of public events (e.g. street fairs, celebrations, athletic contests open to the public, parades etc.)

- Installation of directional signage pertinent to the area
- Installation of temporary or permanent decorations
- Removal of rubbish and graffiti
- Security
- Preparation and distribution of information brochures, maps and other materials, and
- Overall program management

These are examples of a general nature and other programs and services may be eligible for funding using assessment funds.

The services and programs not permitted are those which do not comply with the general intent of RCW 35.87A. Strictly prohibited are services and programs that specifically benefit only a particular ratepayer. For example using BIA assessment revenues to finance advertising that would promote an individual store or product is prohibited. Funds could be used to promote a gallery night, a restaurant weekend, or other events that benefit the district in general.

### **Contracts**

The Advisory Board may enter into a program management agreement with any individual, organization or company. An open and competitive process shall be utilized in accepting applications for contracts, such as contracts for cleaning and safety services.

### **Budget and City Loans**

An annual budget shall be prepared in accordance with the Advisory Board bylaws and any city ordinance or contract governing the operation of the BIAs. The budget shall list the proposed expenditures for the upcoming year by category. The budget shall be approved by the Advisory Board and presented at the annual meeting for adoption by the ratepayer membership.

If it becomes necessary due to extraordinary economic conditions, an established BIA may request a short-term intrafund loan. The Director of DEA may approve a short-term intrafund loan. The ability to provide a short-term intrafund loan would be predicated on the ability of the BIA fund to maintain a positive balance.

### **Bookkeeping**

The Advisory Board shall use basic accounting procedures for bookkeeping. All records of receipts and expenditures shall be kept in such a manner that will show:

- A daily record of receipts and expenditures
- The amount received and disbursed
- The recipient
- The use of the funds and
- Advisory Board action

The City may annually audit the BIA and shall have physical access to all records with 24-hour notice.

## **Annual report**

In conjunction with the annual ratepayers meeting, the Advisory Board shall prepare an annual report for the ratepayers detailing major activities during the operational year. The report shall include:

- Any problem areas and actions taken to resolve them
- Budget expenditures by budget category
- Revenues collected
- Delinquencies, and
- Current program Goals and Objectives
- Future Goals/Direction and Projects

The annual report shall be distributed to the ratepayers attending the annual meeting and to any ratepayer requesting the report and to the City.

## **New Ratepayers**

The BIA manager or management entity is responsible for providing DEA with additions and changes to the list of ratepayers. This information will include ratepayers name, address and business square footage is applicable. This list is used for all public notification and assessment billings.

New businesses may be exempted, for a period not to exceed one year from the date they commenced business within the area, if the BIA ordinance includes this provision.

DEA can run a list of new business licenses, by quarter, for a BIA upon request. However, since business licenses are addressed by corporate address, franchises and chain stores located within the boundaries of a BIA may not appear on the list.

## **Waivers from Assessments**

Some BIA ordinances provide that the Director of DEA can reduce or waive the BIA assessment for a business which will be displaced from the BIA.

## **Grievances**

All ratepayers shall have an opportunity to present their grievances to the Advisory board for review and action. If they do not feel satisfied, they may then present their grievances to DEA. An aggrieved party who is not satisfied with the recommendation and action by DEA may appeal this decision to the Hearing Examiner.

## **Termination of BIA District**

Two methods can be used to terminate a district. First, a petition can be circulated throughout the BIA requesting the Seattle City Council to disestablish the BIA. After receiving that petition, DEA shall request a hearing before the City Council who will then decide on the petition. The second method involves the passage of a City Council initiated resolution to disestablish a BIA. The Council

must hold a public hearing and DEA must notify all ratepayers of the intent to disestablish the BIA and the public hearing.

**Attachment A**  
**RCW Chapter 35.87A**  
**Parking and Business Improvement Areas**

**RCW 35.87A.010**

**Authorized -- Purposes -- Special assessments.**

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 livability, the legislature hereby authorizes all counties and all incorporated cities and towns, including unclassified cities and towns operating under special charters:

(1) To establish, after a petition submitted by the operators responsible for sixty percent of the assessments by businesses and multifamily residential or mixed-use projects within the area, parking and business improvement areas, hereafter referred to as area or areas, for the following purposes:

(a) The acquisition, construction or maintenance of parking facilities for the benefit of the area;

(b) Decoration of any public place in the area;

(c) Sponsorship or promotion of public events which are to take place on or in public places in the area;

(d) Furnishing of music in any public place in the area;

(e) Providing professional management, planning, and promotion for the area, including the management and promotion of retail trade activities in the area; or

(f) Providing maintenance and security for common, public areas.

(2) To levy special assessments on all businesses and multifamily residential or mixed-use projects within the area and specially benefited by a parking and business improvement area to pay in whole or in part the damages or costs incurred therein as provided in this chapter.

**RCW 35.87A.020**

**Definitions.**

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Business" means all types of business, including professions.

(2) "Legislative authority" means the legislative authority of any city or town including unclassified cities or towns operating under special charters or the legislative authority of any county.

(3) "Multifamily residential or mixed-use project" means any building or buildings containing four or more residential units or a combination of residential and commercial units, whether title to the entire property is held in single or undivided ownership or title to individual units is held by owners who also, directly or

indirectly through an association, own real property in common with the other unit owners.

(4) "Residential operator" means the owner or operator of a multifamily residential or mixed-use project if title is held in single or undivided ownership, or, if title is held in a form of common interest ownership, the association of unit owners, condominium association, homeowners' association, property owners' association, or residential cooperative corporation.

#### **RCW 35.87A.030**

##### **Initiation petition or resolution -- Contents.**

For the purpose of establishing a parking and business improvement area, an initiation petition may be presented to the legislative authority having jurisdiction of the area in which the proposed parking and business improvement area is to be located or the legislative authority may by resolution initiate a parking and business improvement area. The initiation petition or resolution shall contain the following:

- (1) A description of the boundaries of the proposed area;
  - (2) The proposed uses and projects to which the proposed special assessment revenues shall be put and the total estimated cost thereof;
  - (3) The estimated rate of levy of special assessment with a proposed breakdown by class of business and multifamily residential or mixed-use project if such classification is to be used.
- The initiating petition shall also contain the signatures of the persons who operate businesses and residential operators in the proposed area which would pay fifty percent of the proposed special assessments.

#### **RCW 35.87A.040**

##### **Resolution of intention to establish -- Contents -- Hearing.**

The legislative authority, after receiving a valid initiation petition or after passage of an initiation resolution, shall adopt a resolution of intention to establish an area. The resolution shall state the time and place of a hearing to be held by the legislative authority to consider establishment of an area and shall restate all the information contained in the initiation petition or initiation resolution regarding boundaries, projects and uses, and estimated rates of assessment.

#### **RCW 35.87A.050**

##### **Notice of hearing.**

Notice of a hearing held under the provisions of this chapter shall be given by:

- (1) One publication of the resolution of intention in a newspaper of general circulation in the city; and

(2) Mailing a complete copy of the resolution of intention to each business and multifamily residential or mixed-use project in the proposed, or established, area. Publication and mailing shall be completed at least ten days prior to the time of the hearing.

**RCW 35.87A.060**

**Hearings.**

Whenever a hearing is held under this chapter, the legislative authority shall hear all protests and receive evidence for or against the proposed action. The legislative authority may continue the hearing from time to time. Proceedings shall terminate if protest is made by businesses and residential operators in the proposed area which would pay a majority of the proposed special assessments.

**RCW 35.87A.070**

**Change of boundaries.**

If the legislative authority decides to change the boundaries of the proposed area, the hearing shall be continued to a time at least fifteen days after such decision and notice shall be given as prescribed in [RCW 35.87A.050](#), showing the boundary amendments, but no resolution of intention is required.

**RCW 35.87A.080**

**Special assessments -- Legislative authority may make reasonable classifications -- Assessments for separate purposes.**

For purposes of the special assessments to be imposed pursuant to this chapter, the legislative authority may make a reasonable classification of businesses and multifamily residential or mixed-use projects, giving consideration to various factors such as business and occupation taxes imposed, square footage of the business, number of employees, gross sales, or any other reasonable factor relating to the benefit received, including the degree of benefit received from parking. Whenever it is proposed that a parking and business improvement area provide more than one of the purposes listed in [RCW 35.87A.010](#), special assessments may be imposed in a manner that measures benefit from each of the separate purposes, or any combination of the separate purposes. Special assessments shall be imposed and collected annually, or on another basis specified in the ordinance establishing the parking and business improvement area.

**RCW 35.87A.090**

**Special assessments -- Same basis or rate for classes not required -- Factors as to parking facilities.**

The special assessments need not be imposed on different classes of business and multifamily residential or mixed-use projects, as

determined pursuant to [RCW 35.87A.080](#), on the same basis or the same rate. The special assessments imposed for the purpose of the acquisition, construction or maintenance of parking facilities for the benefit of the area shall be imposed on the basis of benefit determined by the legislative authority after giving consideration to the total cost to be recovered from the businesses and multifamily residential or mixed-use projects upon which the special assessment is to be imposed, the total area within the boundaries of the parking and business improvement area, the assessed value of the land and improvements within the area, the total business volume generated within the area and within each business, and such other factors as the legislative authority may find and determine to be a reasonable measure of such benefit.

#### **RCW 35.87A.100**

##### **Ordinance to establish -- Adoption -- Contents.**

If the legislative authority, following the hearing, decides to establish the proposed area, it shall adopt an ordinance to that effect. This ordinance shall contain the following information:

- (1) The number, date and title of the resolution of intention pursuant to which it was adopted;
- (2) The time and place the hearing was held concerning the formation of such area;
- (3) The description of the boundaries of such area;
- (4) A statement that the businesses and multifamily residential or mixed-use projects in the area established by the ordinance shall be subject to the provisions of the special assessments authorized by [RCW 35.87A.010](#);
- (5) The initial or additional rate or levy of special assessment to be imposed with a breakdown by classification of business and multifamily residential or mixed-use project, if such classification is used; and
- (6) A statement that a parking and business improvement area has been established.
- (7) The uses to which the special assessment revenue shall be put. Uses shall conform to the uses as declared in the initiation petition presented pursuant to [RCW 35.87A.030](#)

#### **RCW 35.87A.110**

##### **Use of revenue -- Contracts to administer operation of area.**

The legislative authority of each city or town or county shall have sole discretion as to how the revenue derived from the special assessments is to be used within the scope of the purposes; however, the legislative authority may appoint existing advisory boards or commissions to make recommendations as to its use, or the legislative authority may create a new advisory board or commission for the purpose.

The legislative authority may contract with a chamber of commerce or other similar business association operating primarily within the boundaries of the legislative authority to administer the operation of a parking and business improvement area, including any funds derived pursuant thereto: PROVIDED, That such administration must comply with all applicable provisions of law including this chapter, with all county, city, or town resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

**RCW 35.87A.120**

**Use of assessment proceeds restricted.**

The special assessments levied hereunder must be for the purposes specified in the ordinances and the proceeds shall not be used for any other purpose.

**RCW 35.87A.130**

**Collection of assessments.**

Collections of assessments imposed pursuant to this chapter shall be made at the same time and in the same manner as otherwise prescribed by Title 35 RCW or in such other manner as the legislative authority shall determine.

**RCW 35.87A.140**

**Changes in assessment rates.**

Changes may be made in the rate or additional rate of special assessment as specified in the ordinance establishing the area, by ordinance adopted after a hearing before the legislative authority. The legislative authority shall adopt a resolution of intention to change the rate or additional rate of special assessment at least fifteen days prior to the hearing required by this section. This resolution shall specify the proposed change and shall give the time and place of the hearing. Proceedings to change the rate or impose an additional rate of special assessments shall terminate if protest is made by businesses or multifamily residential or mixed-use projects in the proposed area which would pay a majority of the proposed increase or additional special assessments.

**RCW 35.87A.150**

**Benefit zones -- Authorized -- Rates.**

The legislative authority may, for each of the purposes set out in [RCW 35.87A.010](#), establish and modify one or more separate benefit zones based upon the degree of benefit derived from the purpose and may impose a different rate of special assessment within each such benefit zone.

**RCW 35.87A.160**

**Benefit zones -- Establishment, modification and disestablishment of area provisions and procedure to be followed.**

All provisions of this chapter applicable to establishment or disestablishment of an area also apply to the establishment, modification, or disestablishment of benefit zones pursuant to \*[RCW 35.87A.150](#). The establishment or the modification of any such zone shall follow the same procedure as provided for the establishment of a parking and business improvement area and the disestablishment shall follow the same procedure as provided for disestablishment of an area.

**RCW 35.87A.170**

**Exemption period for new businesses and projects.**

Businesses or multifamily residential or mixed-use projects established after the creation of an area within the area may be exempted from the special assessments imposed pursuant to this chapter for a period not exceeding one year from the date they commenced business in the area.

**RCW 35.87A.180**

**Disestablishment of area -- Hearing.**

The legislative authority may disestablish an area by ordinance after a hearing before the legislative authority. The legislative authority shall adopt a resolution of intention to disestablish the area at least fifteen days prior to the hearing required by this section. The resolution shall give the time and place of the hearing

**RCW 35.87A.190**

**Disestablishment of area -- Assets and liabilities.**

Upon disestablishment of an area, any proceeds of the special assessments, or assets acquired with such proceeds, or liabilities incurred as a result of the formation of such area, shall be subject to disposition as the legislative authority shall determine: PROVIDED, HOWEVER, Any liabilities, either current or future, incurred as a result of action taken to accomplish the purposes of [RCW 35.87A.010](#) shall not be an obligation of the general fund or any special fund of the city or town, but such liabilities shall be provided for entirely from available revenue generated from the projects or facilities authorized by [RCW 35.87A.010](#) or from special assessments on the property specially benefited within the area.

**RCW 35.87A.200**

**Bids required -- Monetary amount.**

Any city or town or county authorized by this chapter to establish a parking improvement area shall call for competitive bids by appropriate public notice and award contracts, whenever the estimated cost of such work or improvement, including cost of materials, supplies and equipment, exceeds the sum of two thousand five hundred dollars.

**RCW 35.87A.210**

**Computing cost of improvement for bid requirement.**

The cost of the improvement for the purposes of this chapter shall be aggregate of all amounts to be paid for the labor, materials and equipment on one continuous or inter-related project where work is to be performed simultaneously or in near sequence. Breaking an improvement into small units for the purposes of avoiding the minimum dollar amount prescribed in [RCW 35.87A.200](#) is contrary to public policy and is prohibited.

**RCW 35.87A.220**

**Existing laws not affected -- Chapter supplemental -- Purposes may be accomplished in conjunction with other methods.**

This chapter providing for parking and business improvement areas shall not be deemed or construed to affect any existing act, or any part thereof, relating to special assessments or other powers of counties, cities and towns, but shall be supplemental thereto and concurrent therewith.

The purposes and functions of parking and business improvement areas as set forth by the provisions of this chapter may be accomplished in part by the establishment of an area pursuant to this chapter and in part by any other method otherwise provided by law, including provisions for local improvements.

**RCW 35.87A.900**

**Severability -- 1971 ex.s. c 45.**

If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provisions to other persons or circumstances is not affected.

**Attachment B  
City of Seattle BIA Directory**

<b>BIA</b>	<b>Staff</b>	<b>Address</b>	<b>Phone</b>	<b>Fax</b>	<b>Email/Website</b>	<b>Information</b>
<b>Broadway BIA</b>	Mary Klein	2150 N. 107 <sup>th</sup> St., #205 Seattle, WA 98133	367- 8704	367- 8777	<a href="mailto:info@broadwaybia.org">info@broadwaybia.org</a>	<ul style="list-style-type: none"> <li>➤ Date Created: 1986</li> <li>➤ Assessment Method: Portion of business sales</li> <li>➤ Annual Budget: \$130,000</li> </ul>
<b>Chinatown/ International District BIA</b>	Maribeth Ellis, Executive Director	409 Maynard Av S Room P-1 Seattle, WA 98104	382- 1197	382- 9958	<a href="http://www.cidbia.org">www.cidbia.org</a>	<ul style="list-style-type: none"> <li>➤ Date Created: 1995</li> <li>➤ Assessment Method: Square feet</li> <li>➤ Annual Budget: \$164,500</li> </ul>
<b>Metropolitan Improvement District</b>  c/o Downtown Seattle Association	David Dillman	500 Union Street, #325 Seattle, WA 98101	623- 0340	625- 9940	<a href="http://www.downtownseattle.org">www.downtownseattle.org</a>	<ul style="list-style-type: none"> <li>➤ Date Created: 1999</li> <li>➤ Assessment Method: Land Sq. Footage and Total Property Assessed Value</li> <li>➤ Annual Budget: \$4.7 million</li> </ul>

<b>Pioneer Square BIA</b> c/o The Pioneer Square Community Association	Craig Montgomery, Executive Director	202 Yesler Way Seattle, WA 98104	667-0687	667-9739	<a href="http://www.pioneersquare.org">www.pioneersquare.org</a>	<ul style="list-style-type: none"> <li>➤ Date Created: 1983</li> <li>➤ Assessment Method: Portion of business sales</li> <li>➤ Annual Budget: \$157,180</li> <li>➤</li> </ul>
<b>University District BIA</b> c/o Greater University Chamber of Commerce	Teresa Lord Hugel, Executive Director	4519 University Way NE Seattle, WA 98105	547-4417	547-5266	<a href="http://www.udistrictchamber.org">www.udistrictchamber.org</a>  <a href="mailto:Director@udistrictchamber.org">Director@udistrictchamber.org</a>	<ul style="list-style-type: none"> <li>➤ Date Created: 1996</li> <li>➤ Assessment Method: Land Sq. Footage</li> <li>➤ Annual Budget: \$104,000</li> </ul>
<b>West Seattle Junction BIA</b> c/o The West Seattle Junction Association	Susan Melrose, Executive Director	4210 SW Oregon St. Seattle, WA 98116	935-0904	932-5753	<a href="http://www.wsjunction.com">www.wsjunction.com</a> <a href="mailto:wsja@wsjunction.com">wsja@wsjunction.com</a>	<ul style="list-style-type: none"> <li>➤ Date Created: 1987</li> <li>➤ Assessment Method: portion of business sales and parking requirements</li> <li>➤ Annual Budget: \$143,000</li> </ul>

**CITY STAFF**

<b>Name</b>	<b>Department</b>	<b>Phone</b>	<b>Email</b>
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**Attachment C**  
**City Council Resolution 30389**

A RESOLUTION adopting updated policies regarding the establishment and  
management of Parking and Business Improvement Areas (BIAs) for the City of Seattle;  
and superceding Resolution 29706.

**Date introduced/referred:** Sep 4, 2001

**Date adopted:** Sep 10, 2001

**Status:** Adopted

**Vote:** 8-0 (Absent: Steinbrueck)

**Committee:** Finance, Budget and Economic Development

**Sponsor:** DRAGO

**Index Terms:** BUSINESS-IMPROVEMENT-AREAS, STATING-POLICY, FINANCE,  
ACCOUNTING

**References/Related Documents:** Amending: Res 29706

**Text**

A RESOLUTION adopting updated policies regarding the establishment  
and management of Parking and Business Improvement Areas (BIAs) for  
the City of Seattle; and superceding Resolution 29706.

WHEREAS, RCW35.87A 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  
assists trade, economic viability, and livability; and

WHEREAS, Parking and Business Improvement Areas may provide parking  
facilities for the benefit of the area, public decorations,  
planning, and promotional activities in the area, maintenance and  
security for common public areas, and administration associated  
with the management of the BIA; and

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

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

WHEREAS, the City of Seattle collects assessments from BIA rate  
payers and, as allowed by State law, is responsible for the  
appropriate expenditure of these revenues for authorized purposes;  
and

WHEREAS, BIAs may be disestablished, as provided by RCW 35.87A.180,  
as the needs of an area evolve over time; and

WHEREAS, on May 26, 1998, the Council adopted Resolution 29706,  
relating to the establishment and management of BIAs; NOW,  
THEREFORE,

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

Section 1. Resolution 29706 is hereby superceded in its entirety,  
and the attached Parking and Business Improvement Area (BIA)  
policies (Exhibit A) 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.

Section 2. The City of Seattle hereby establishes its intent to  
develop model methodologies for the establishment of BIAs. The  
model methodologies will present alternatives for BIA assessment  
methods, billing cycles and ratepayer classifications, as well as a  
definitional guide to assist agencies establishing BIAs. The  
Department of Finance and the Office of Economic Development will  
develop the model methodologies for review and approval by Council  
by the end of first quarter 2002.

Adopted by the City Council the \_\_\_\_ day of \_\_\_\_\_,  
2001, and signed by me in open session in authentication of its  
adoption this \_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_

President \_\_\_\_\_ of the City Council

THE MAYOR CONCURRING:

\_\_\_\_\_

Greg Nickels, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_

City Clerk

(Seal)

EXHIBIT A:  
POLICIES RELATED TO PARKING AND BUSINESS IMPROVEMENT AREAS

Introduction

Parking and Business Improvement Areas (BIAs) are special assessment districts that are established to facilitate cooperation among merchants, business and residential property owners, and to aid general economic development and neighborhood revitalization. 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 levy and collect assessments on all businesses and multifamily residential or mixed-use projects that specially benefit from a BIA to pay in whole or in part the costs associated with the BIA.

City of Seattle Policies Related to BIAs:

Section 1. It is the City of Seattle's policy to encourage and support the establishment of BIAs when it is beneficial to an area to do so. As provided in RCW 35.87A.010, the City of Seattle will consider establishing BIAs when presented with a petition by those who represent sixty percent (60%) or more of the total assessment in the proposed BIA.

Section 2. It is the City of Seattle's intent to maintain the level of municipal services in areas where BIAs have been established and not supplant existing municipal services with those funded through the collection of special assessments, provided that this policy should not be construed to limit the discretion of elected officials of the City of Seattle to determine whether, and at what level, specific municipal services should be provided as community needs and economic conditions dictate.

Section 3. If City programs are operated in facilities located within the geographic boundaries of a BIA, and these programs benefit from the improvements and services provided by the BIA, the City may choose to contribute to the BIA in cash, or in kind, an amount consistent with the assessments of similarly benefiting rate payers, recognizing that the City supports BIAs in many other ways.

Section 4. The City of Seattle will support BIAs through many departments, including the Department of Neighborhoods, the Office of Economic Development and the Department of Finance.

Section 5. The City of Seattle's Office of Economic Development (OED) shall be responsible for providing technical assistance to business districts requesting assistance in exploring the feasibility of forming a BIA; supporting and reviewing BIA project applications submitted to the City's Department of Neighborhoods (DON) for Neighborhood Matching Funds; attending monthly BIA ratepayer's meetings; organizing quarterly BIA meetings for BIA Executive Directors and City staff; and, providing technical assistance to existing BIAs on projects that strengthen the economic climate of the business district. The City of Seattle's Office of Economic Development shall coordinate its activities with the Department of Finance.

Section 6. The City of Seattle's Department of Finance shall be the City of Seattle's lead agency for the BIA Program, and shall be responsible for developing policies, establishing program direction, collecting revenues, administering contracts and accounts, attending monthly and quarterly BIA ratepayer's meetings, and coordinating the activities of the City of Seattle when working with the rate payers and contracted administrators of individual BIAs.

Section 7. Department of Finance shall investigate and prepare a report to Council and the Executive annually on the level of support provided by the City to the BIA program, and will recommend ways to better provide necessary support to BIAs to foster their success and make other recommendations to improve the program's operations.

Section 8. Whenever a BIA is disestablished as provided in RCW 35.87A.180, the City of Seattle may, as provided in RCW 35.87A.190, adopt an ordinance to:

A. Provide for the expenditure of all or a portion of any remaining special assessment funds for the disestablished BIA on services or improvements in the disestablished BIA area; and/or

B. Provide a refund of all or a portion of any remaining special assessment funds for the disestablished BIA to those who have paid their assessments fully, in proportion to the amounts paid; and/or

C. Transfer any or all of the remaining special assessment funds for the disestablished BIA to the City's General Fund if, in the opinion of the Director of Finance, that is the most practical action for the City of Seattle to take to "close-out" the BIA.

Section 9. Whenever a new BIA is established, it is the City of Seattle's intent to encourage the agency selected to manage the BIA to secure independent start-up funds. If the agency managing a BIA is unable to secure independent start-up funds, the Director of Finance may approve a short-term intrafund loan. The ability to provide a short-term loan would be predicated on the ability of the Business Improvement Areas Fund to maintain a positive balance.

Section 10. If it becomes necessary due to extraordinary economic conditions, an established BIA may request a short-term intrafund loan. The Director of Finance may approve a short-term intrafund loan. The ability to provide a short-term loan would be predicated on the ability of the Business Improvement Areas Fund to maintain a positive balance.

Section 11. It is the City of Seattle's policy to use modified accrual accounting for all BIA funds. Expenses and revenues will be recognized and recorded in the period they are incurred; in particular, care should be exercised at the end of each fiscal year to ensure that expenses and revenues are matched to the correct period.