

**BYLAWS OF THE
BALLARD BUSINESS IMPROVEMENT AREA
RATEPAYER ADVISORY BOARD**

PREAMBLE

On October 4, 2023, the City of Seattle (the “City”) signed and adopted Ordinance 126911 (Council Bill 120634) that authorizes the formation of a renewed and expanded Ballard Business Improvement Area (the “Ballard BIA”). In accordance with applicable laws and statutes of the City and the State of Washington, the Director of the City’s Office of Economic Development (“OED”) recommended an interim Ballard BIA Ratepayers Advisory Board, which in turn recommended a permanent Ballard BIA Ratepayers Advisory Board (individually, “Board Members,” and collectively, the “Board”) that was approved by the OED Director. These amended and restated bylaws hereby set forth the Board’s organization, officers, duties and responsibilities (the “Bylaws”).

ARTICLE I. ORGANIZATION

Business Improvement Areas are Special Assessment Districts established by ordinance and administered by the City with oversight by ratepayer advisory boards made up of ratepayers within each BIA’s boundaries. The Board shall serve in an advisory capacity to the City in administering the Ballard BIA. The City shall contract with a local non-profit organization (the “Program Manager”) to administer the Ballard BIA and manage its day-to-day operations in accordance with City policies and the annual work plan and budget approved by the Board. Consistent with the Ordinance, the initial Program Manager shall be the Ballard Chamber of Commerce dba the Ballard Alliance.

ARTICLE II. BOARD MEMBERS

2.1 Representation. Pursuant to the requirements of City Ordinance No. 126911 establishing the Ballard BIA (the “Ordinance”), the Board shall strive to appoint representatives of the varying sizes and types of property owners, residents and business tenants within the geographic area of the Ballard Improvement Area. A copy of the Ordinance is attached hereto as Exhibit A.

2.2 Size. The Board shall consist of a minimum of 11 and a maximum of 19 Board Members. The Board may, by resolution, adjust the size of the Board, but in no case shall: (a) any adjustment in size or classes of Members be inconsistent with the requirements set forth in the Ordinance; and/or (b) have the effect of shortening the term of any incumbent Board Member, which by default is one year for purposes of this section, notwithstanding anything to the contrary herein.

2.3 Terms. Consistent with the Ordinance, the initial Board has been approved by the OED Director. The Board members shall serve staggered terms of one-, two-, and three-year terms, which shall be approved by the Board of Directors. At the end of such terms Board Members will each transition to three-year terms. After serving three (3) consecutive three-year terms, a Board Member may not serve another successive three-year term until at least one (1) year has elapsed from his or her last full term end date. Following his or her appointment, a Board Member shall serve until his or her resignation, retirement or dismissal hereunder.

2.4 Officers. The Board shall appoint a Member(s) of the Board to serve as Chair or Co-chairpersons, and in the absence or unavailability of the Co-Chairpersons, a Presiding Officer (collectively, "Officers"). The specific duties and responsibilities of the Officers are outlined in Article III. The Board may modify the size, scope, titles, or obligations of Officers through a Bylaws amendment pursuant to Article XIII.

2.5 Delegation. The Board may delegate authority to committees, Officers, or to others, as it deems necessary, in order to carry out the Board's objectives.

2.6 Loans. The Board shall make no loans to a Board Member.

2.7 Removal. A Board Member may only be removed for cause by the affirmative vote of a two-thirds majority of the votes cast by voting Board Members represented in person or by proxy at a meeting of the Board at which a quorum is present.

2.8 Vacancies. All Board vacancies, whether by resignation, death or otherwise, may be filled by the affirmative vote of a simple majority of the votes cast by the remaining Board Members at a meeting of the Board, even if less than a quorum of the Board is present. A Board Member elected to fill a vacancy shall hold office for the un-expired term of his or her predecessor and until a successor is elected. A Board Member who fulfills a vacancy shall not be prevented from subsequently serving up to two (2) consecutive three-year terms in accordance with Section 2.3.

2.9 Board Member Selection Process. Upon the resignation, retirement or dismissal of a Board Member, the Officers, working with the Program Manager, shall solicit names of prospective Board Member nominees (the "Nominees") from the full Board. The Officers and Program Manager will engage with each Nominee. The Nominee shall be notified of his or her nomination by an Officer and be presented with the qualifications and requirements of the Board's duties and responsibilities. The Nominee must agree to abide by the requirements, duties and responsibilities of the Board and the Ordinance. Upon confirmation that the Nominee has agreed to the above terms, the Board will meet at either: (a) a regular Board meeting; or (b) if no regular scheduled meeting of the Board is imminent, the Board may elect to have a special meeting. In either case, the nominee shall be appointed by the affirmative vote of a two-thirds

majority of the votes cast by voting Board Members represented in person or by proxy at a meeting of the Board at which a quorum is present.

2.10 Remuneration. No compensation shall be paid to Board Members for their service. But by resolution of the Board, expenses for attendance at each regular or special meeting of the Board may be reimbursed, if satisfactory evidence of the expense is submitted.

2.11 Role of Board. The Board shall be responsible for adopting bylaws and policy guidelines; recommending approval of budgets and programs; and for providing advice and consultation to the Director of the City's Department of Financial and Administrative Services and to the Program Manager, in accordance with these Bylaws and the Ordinance. The Board shall: set priorities in accordance with the Ordinance; develop an annual work plan and budget; address and discuss ratepayer concerns and questions regarding the Ballard BIA; and sponsor an annual ratepayers' meeting.

2.12 Quorum and Meeting Organization. A simple majority of Board Members shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business. Meetings shall be chaired by at least one Co-Chairperson. In the absence or unavailability of the Co-Chairpersons, the meeting shall be chaired in accordance with Article III. Each Board Member shall be entitled to one vote. A vote by a simple majority of the votes cast by the Board Members present at a meeting shall constitute the action of the Board. In the event that there is less than a quorum and provided that there are at least 7 Members present, and 2/3 of those present vote for approval, the action shall constitute the action of the Board.

2.13 Voting. Board Members may vote in person, by mail, by sending an electronic transmission acknowledging their vote, or by proxy in the form of a record executed by the member or duly authorized attorney-in-fact. Voting by proxy is permitted only in the case of 24 hours' notice to the Co-Chairperson(s). Proxies must also be Board Members. A Board Member may serve as proxy for only one other Board Member. Whenever proposals or Directors or Officers are to be elected by Members, the vote may be taken by mail or by electronic transmission if the name of each candidate and the text of each proposal to be voted upon are set forth in the Record accompanying or contained in the notice of meeting. An election may be conducted by electronic transmission by sending an electronic transmission to the designated address, location, or system, in an executed electronically transmitted record. Members voting by mail or electronic transmission shall be considered present in person for all purposes of quorum, count of votes, and percentages of total voting power present.

2.14 Board Member Responsibilities. To promote the interests of the Ballard BIA in accordance with the Ordinance, Board Members shall be required to attend all Board meetings. If a Board Member is unable to attend a Board Meeting, he or she must provide notice to the Co-Chairpersons at least 24 hours in advance of such meeting, which absence shall be deemed an "Excused Absence" (if no proxy can be secured) or "Attendance in Absentia" (if a proxy can be

secured); all other absences shall be deemed “Unexcused Absences.” The Co-Chairpersons must contact errant Board Members in the case of each absence, in order to ascertain reasons for non-attendance. The Board may, in accordance with Article II, consider multiple Unexcused Absences a cause for dismissal. If an individual has three or more Unexcused Absences during a given calendar year, a vote must be called at the beginning of the next Board meeting to discuss the potential dismissal of the errant Board Member.

ARTICLE III. OFFICERS

Officers of the Board are comprised of the Co-Chairpersons and the Presiding Officer. The duties and responsibilities of the Officers of the Board are set forth herein.

3.1 Co-Chair/Chairpersons. At least one of the Co-Chairpersons shall preside over the Board, the Board meetings, and the annual meeting of the ratepayers (the “Annual Meeting”). The Chair/Co-Chairpersons shall work with the Program Manager in the fulfillment of the work plan and other specific tasks. The Chair/Co-Chairpersons shall be responsible for the dissemination to the Board of all reports, including without limitation the annual work plan, financial reporting and committee reports. The Chair/Co-Chairpersons will work with the Program Manager to set the agenda for Board meetings and the Annual Meeting, and to recruit Nominees to serve as Board Members. At least one Chair/Co-Chairperson or another Board member will serve on the Program Manager’s governing board.

3.2 Co-Chairperson Terms.

To be eligible to serve as a Chair/Co-Chairperson, a Board Member must have served a minimum of two (2) years as a Board Member, unless such appointment was made within the first two (2) years of the Board’s existence. Chair / Co-Chairperson(s) may be removed only for cause by a majority of the votes cast by voting Board Members represented in person or by proxy at a meeting of the Board at which a quorum is present.

3.3 Presiding Officer. In the absence or unavailability of the Chair/Co-Chairpersons, a presiding officer may be appointed to chair meetings of the Board and assume provisional authority commensurate to the Chair/Co-Chairpersons (the “Presiding Officer”). Presiding Officers may be selected from the Board by the Co-Chairpersons or by the Board through a simple majority of the votes cast by the Board Members present at a meeting, and in that order. A representative of the Program Manager may also be selected to serve as the Presiding Officer.

ARTICLE IV. COMMITTEES

The Board may, in its discretion, form committees to accomplish specific tasks to further the mission of the Ballard BIA in accordance with the Ordinance. Any such committee must: (a) be presided over by a Board Member; and (b) include at least one additional Board Member. The Board shall describe the purpose of and time period for each committee formed. Committees will not be vested with any binding authority, but rather, shall serve in an advisory capacity to

the full Board. Board Members may also participate in one or more issue-focused committees and subcommittees hosted by the Program Manager, which at least initially shall include the Marketing and Membership Committee, Public Policy Committee, Clean/Healthy/Safe Subcommittee, and Economic Development Subcommittee.

ARTICLE V. MEETINGS

5.1 Board Meetings

5.1.1 Regular Meetings. Regular meetings of the Board shall be scheduled no less than quarterly at a place and time to be determined by the Board in accordance with an annual schedule. Notwithstanding the holding of quarterly meetings, the Board, in its discretion, may elect to meet more frequently in order to meet the needs of the Ballard BIA. At a minimum, Board meetings shall be open to the public, with at least five (5) days' advance notice of the meetings stating the places, dates, and hours of the meetings, posted by the Program Manager on its website and/or any Ballard BIA-focused website. Board meeting agendas shall be made available online at least twenty-four (24) hours in advance of the scheduled meetings.

5.1.2 Special Meetings. Special meetings of the Board shall be held at the request of the Program Manager or the Chair/Co-Chairpersons, or upon the request in the form of a Record of another Board Member. Notice of such meetings shall be given at least two (2) days in advance of the date of the meeting. If the special meeting is being called at the request of a Board Member, the request must reach the Chair/Co-Chairpersons at least seven (7) business days prior to the requested date of the Board meeting. The notice shall contain the date, time, location and reason for the special meeting and the business to be conducted.

5.1.3 Action without Meeting. Any action required or permitted to be taken at a meeting of the Board or a committee thereof, may be taken without a meeting by consent in the form of a Record setting forth the action to be taken, signed by all of the Board Members, or all of the Members of a committee, as the case may be, before such action is taken. A consent in the form of a Record signed by all Board Members, or all of the Members of a committee, shall have the effect of a unanimous vote. Any action may also be ratified after it has been taken, either at a meeting of the Board or by unanimous consent in the form of a Record.

5.1.4 Method of Participation. Board Members may participate in a meeting of the Board or a committee thereof by means of telephone conference or similar communication equipment by means of which all persons participating in the meeting can hear each other (including telephone conference calls, webinars, video teleconferencing or any other electronic means), and such participation in a meeting shall constitute presence in person at such a meeting.

5.2 Notice of Meetings. Notice of a special Board or committee meeting stating the

place, date and hour of the meeting shall be provided to each Board Member in the form of a Record or orally, as provided below. The business to be transacted or the purpose of any special meeting must be specified in the notice of the meeting.

5.2.1 Type of Notice.

(a) Oral Notice. Oral notice may be communicated in person, by telephone, wire or wireless equipment that does not transmit a facsimile of the notice, or by any electronic means that does not create a Record.

(b) Notice Provided in a Tangible Medium. Notice may be provided in a tangible medium and may be transmitted by mail, private carrier, personal delivery, telephone or wire or wireless equipment that transmits a facsimile of the notice.

(c) Notice Provided in an Electronic Transmission. Notice may be provided in an electronic transmission and be electronically transmitted in conformance with Washington state laws.

ARTICLE VI. CONFLICT OF INTEREST POLICY

Each Board Member shall recuse himself or herself from participating in any discussion or voting on any matter in which such Board Member has an actual or potential conflict of interest. A conflict of interest shall be deemed to occur if the action or business of the Board provides an undisclosed benefit to a Board Member, a family Member of such Board Member or any company in which the Board Member has an economic interest. Failure to disclose actual or potential conflicts of interest before action is taken may reasonably be regarded as cause for dismissal of the errant Board Member.

ARTICLE VII. BOOKS AND RECORDS

The Board shall keep: correct and complete books and records of account; minutes of the proceedings of its Board Members; and at its registered office a Record of its Board Members, including names, addresses, and contact information.

ARTICLE VII. INDEMNIFICATION

As volunteers, Board Members are automatically indemnified from claims and lawsuits arising in the scope and course of their assignments and in their service to the City pursuant to City Ordinance No. 112997 (1986) and Seattle Municipal Code 4.64.100, "Defense of Claims Against Volunteers."

ARTICLE IX. PROGRAM MANAGER

The Program Manager shall have general administrative and management responsibility for the operations of the Board and to carry out the annual work plan and budget of the Ballard BIA as directed by the Board. The Program Manager shall hire or contract with such staff as is necessary to fulfill the purposes of the annual work plan, supervise such staff and perform such other duties. The Program Manager will attend all Board meetings and shall regularly report to the Board regarding the operations of the Ballard BIA or on any topic related to the Ballard BIA as requested by the Board.

ARTICLE X. RESOLUTIONS AND ACTIONS OF THE BOARD

The Board may, through a simple majority (except in cases stated explicitly otherwise within the Bylaws), approve any resolution of opinion or commit to any action reserved to the Board by its governing documents and legislation. Resolutions or actions of the Board must be documented in the form of a typed manuscript, must contain a Record of the vote for approval, and will be considered in effect only with the signature of the Co-Chairpersons. Resolutions or action documents may be drafted by any Board Member, and must be subject to a first and second readings process. First readings shall consist of a presentation of the subject material, either digitally (at least 48 hours beforehand) to all Board Members, or in person during a convened meeting of the Board. Second readings shall consist of discussion, consideration of amendments, voting, and signing, of the final document at a convened Board meeting.

ARTICLE XI. PUBLIC TRANSPARENCY COMMITMENT

Board Members shall be held accountable to the Open Public Meetings Act, Chapter 42.30 RCW, as it applies under the governing Ordinance (Exhibit A) establishing this Ballard BIA. Meeting minutes shall be kept by the Program Manager and posted, in a timely fashion, on a publicly available electronic medium. Furthermore, the Board is both permitted and mandated to promote the public dissemination of information regarding the Board, its policies, and its discussions. Board Members are instructed to formulate modes for improving public transparency and accountability, cooperating to improve public awareness of Ballard BIA business, and promoting public comment on non-trivial Board affairs.

ARTICLE XII. GRIEVANCES/COMPLAINTS

Ratepayers have a right to file grievances/complaints regarding the Ballard BIA or the Program Manager in writing, via electronic communication, or at a Ballard BIA Board meeting. Upon receipt of a grievance/complaint, the Co-Chairpersons shall designate a Board Member or the Program Manager, as appropriate, to contact the Ratepayer that filed the grievance/complaint to arrange a meeting between the Ratepayer, one of the Co-Chairpersons, and the Program Manager. Ratepayers also have the right to file a complaint with the City, which should be directed to Ryna Britto at the City's Department of Finance and Administration, at Ryna.Britto@seattle.gov.

ARTICLE XIII. AMENDMENTS

These Bylaws may be amended only by a two-thirds super majority of the votes cast by voting Board Members represented in person or by proxy at any regular meeting or any special meeting of the Board at which a quorum is present. The notice of such meeting shall state the specific proposal to amend these Bylaws.

ARTICLE XIV. DEFINITIONS

14.1 Electronic transmission. Electronic transmission means an electronic communication (a) not directly involving the physical transfer of a record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient thereof, and that may be directly reproduced in a tangible medium by a sender and recipient.

14.2 Record. Record means information inscribed on a tangible medium or contained in an electronic transmission.

14.3 Sign. Sign means a present intent to authenticate or adopt a record by (a) executing an electronic signature, written signature, or adopting a tangible symbol; or (b) attaching to or logically associated with the record an electronic sound or symbol.

CERTIFICATE OF ADOPTION

The undersigned, being the Co-Chairpersons of the Ballard BIA, hereby certify that the foregoing is a true and correct copy of the Amended and Restated Bylaws of the Ballard BIA and was properly adopted by the Board on the ____ day of _____, 2020.

By
Chairperson, Ballard BIA

EXHIBIT A – Copy of Ordinance

CITY OF SEATTLE
ORDINANCE 126911

COUNCIL BILL 120634

AN ORDINANCE relating to Ballard Business Improvement Areas; establishing a new 12-year Business Improvement Area to be known as the Ballard Improvement Area; levying special assessments upon owners of commercial property, multifamily residential property, and mixed-use property within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the existing Ballard Business Improvement Area that was established by Ordinance 125151 ("2017 BIA"); suspending the issuance of assessments and providing for the continuity of services under the 2017 BIA; providing for the transfer of any remaining funds from the 2017 BIA Account; and ratifying and confirming certain prior acts.

WHEREAS, chapter 35.87A RCW authorizes the City to establish business improvement areas to provide special benefits to business and property owners within a defined geographic area through the imposition of special assessments; and

WHEREAS, the owners of commercial, multifamily residential, and mixed-use properties located within the area and representing nearly 65 percent of the total special assessments levied by this ordinance filed a petition with The City of Seattle ("City") to establish a new Ballard Improvement Area pursuant to chapter 35.87A RCW, a copy of which is filed in Clerk File 322710; and

WHEREAS, to gauge the percentage of special assessments that were reflected in signed petitions, City staff followed RCW 35.87A.010, and calculated the dollar amount of the special assessment that each commercial, multifamily residential, or mixed-use property would pay, and compared the dollar amount represented by signed petitions and letters of support to the estimated total for the entire proposed Ballard Improvement Area, and the

1 result was nearly 65% percent (64.3%) in approved and validated petitions, which
2 exceeds the threshold of 60 percent stated in RCW 35.87A.010; and

3 WHEREAS, the City Council adopted Resolution 32101, initiating the Ballard Improvement
4 Area via the resolution method instead of the petition method as provided for in RCW
5 35.87A.030; and

6 WHEREAS, pursuant to RCW 35.87A.040, the City Council on August 15, 2023, adopted
7 Resolution 32102 entitled “A RESOLUTION of intention to establish a new Business
8 Improvement Area to be known as the Ballard Improvement Area (BIA) and fix a date
9 and place for a hearing thereon,” which stated its intention to establish the new Ballard
10 Improvement Area, the proposed boundaries, and the proposed programs, and which set
11 the date and time for a public hearing; and

12 WHEREAS, pursuant to RCW 35.87A.180, the City Council adopted Resolution 32103, which
13 stated its intention to disestablish the current Ballard Business Improvement Area
14 established in 2016 by Ordinance 125151 (“2017 BIA”) and set a date and place for a
15 public hearing; and

16 WHEREAS, the purpose of the Ballard Improvement Area is to enhance conditions for the
17 commercial, multifamily residential, and mixed-use properties by performing activities
18 that go beyond the basic services provided by the City; and

19 WHEREAS, as provided by Resolution 32102 and Resolution 32103, the City Council, through
20 its Economic Development, Technology, and City Light Committee, held a public
21 hearing regarding disestablishing the 2017 BIA and establishing a new Ballard
22 Improvement Area at 9:30 a.m. on September 13, 2023, at City Council Chambers, City
23 Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington, 98104; and

1 WHEREAS, the testimony received at that public hearing resulted in the Council determining
2 that establishing a new Ballard Improvement Area is in the best interest of the owners of
3 commercial, multifamily residential, and mixed-use properties within the Ballard
4 Improvement Area's boundaries; NOW, THEREFORE,

5 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

6 **Section 1. Disestablished.** The current Business Improvement Area known as the Ballard
7 Business Improvement Area ("2017 BIA") established by Ordinance 125151 shall be
8 disestablished at 12:01 a.m. on Jan 1, 2024.

9 **Section 2. 2017 BIA assessments to cease.** No further BIA assessments from Ordinance
10 125151 shall be made after December 31, 2023.

11 **Section 3. Winding up of operations.** The Director of the Office of Economic
12 Development or designee ("OED Director") is authorized to enter into an agreement with the
13 Program Manager of the 2017 BIA to provide for continuity of services and winding up of
14 operations of the 2017 BIA. All 2017 BIA program and management operations shall cease
15 effective December 31, 2023, and all remaining funds in the 2017 BIA Account shall
16 immediately be transferred to the account described in Section 9 of this ordinance.

17 **Section 4. Area established.** As authorized by chapter 35.87A RCW, there is established
18 a Business Improvement Area to be known as the Ballard Improvement Area ("BIA"), within the
19 following boundaries as shown on the map attached to this ordinance as Attachment A and
20 described in this section. When a street or alley is named, the area boundary is the centerline of
21 the right-of-way including vacated portions unless otherwise specified in the description.

The Ballard Improvement Area:

- Beginning at the intersection of NW Market St and 28th Ave NW, proceed north along 28th Ave NW to the northern boundary of the property at the northeast corner of 28th Ave NW and NW Market St, continuing east along this northern boundary of adjoining parcels to 26th Ave NW
- Proceed north along 26th Ave NW to NW 56th St
- Proceed east along NW 56th St to the western boundary of the property at the northwest corner of NW 56th St and 24th Ave NW; proceed north along this western boundary to the property's northern boundary, then continue east to the western boundary of the property at the southwest corner of NW 57th St and 24th Ave NW; proceed north along this western boundary to NW 57th St
- Proceed north of NW 57th St to the western boundary of the property at the southwest corner of NW 58th St and 24th Ave NW; continue along this western boundary to NW 58th St
- Proceed east along NW 58th St to the intersection at 22nd Ave NW; then continue east along NW 58th St to the second property (relative to this intersection) located on the southside, proceeding along its eastern boundary to its southern boundary; then west along this southern boundary to property's western boundary; then directly south to NW 57th St
- Proceed east along NW 57th St to the intersection at 17th Ave NW; then south along 17th Ave NW to NW 56th St
- Continue east along NW 56th St to the intersection at 15th Ave NW; then south to the intersection at NW 54th St

1 • Proceed west along NW 54th St to the intersection at 17th Ave NW; proceed
2 south along 17th Ave NW to NW Dock Pl

3 • Proceed southwest along NW Dock Pl to the intersection at Ballard Ave NW;
4 then proceed northwest along Ballard Ave NW, including all properties abutting the west side of
5 Ballard Ave NW (not including parcel 2767702591), to the intersection at NW Market St

6 • Proceed west along NW Market St to 24th Ave NW, including parcels
7 2767702830 and 2767702831

8 • Proceed south along 24th Ave NW to the intersection at NW 54th St

9 • Proceed west along NW 54th St to 28th Ave NW; then continue north along 28th
10 Ave NW to NW Market St

11 Secondary Service Area

12 Non-Contiguous Parcels - Secondary Services Area (Ballard Blocks; not to include
13 parcels 2768303135 and 2768303225)

14 • Beginning at the intersection of Shilshole Ave NW and 15th Ave NW, proceed
15 north along 15th Ave NW to the intersection of NW Ballard Way

16 • Proceed east along NW Ballard Way to intersection of 14th Ave NW; then
17 proceed south along 14th Ave NW to the intersection of NW 45th St

18 • Proceed west along NW 45th St to the intersection of Shilshole Ave NW and 15th
19 Ave NW

20 In case of a conflict between the descriptions of the areas and the map, the descriptions
21 shall control.

22 **Section 5. Programs.** Special assessment revenues shall be used for the following
23 component programs within the Business Improvement Area:

- 1 A. Public Safety and Public Health Enhancement;
- 2 B. Clean Environment and Public Realm;
- 3 C. Advocacy, Urban Design and Transportation;
- 4 D. Marketing and Promotions;
- 5 E. Business Development and Retention; and
- 6 F. Organizational Management.

7 All such activities are supplemental to programs and services provided by the City and
8 are not intended to displace any services regularly provided by municipal government. The total
9 projected cost of BIA programs that will be paid for with the proposed BIA's assessments in the
10 fiscal year of 2024 is estimated to be approximately \$990,190. This will also be the approximate
11 amount in subsequent years as adjusted by various factors including, but not limited to, inflation
12 and other impacts to the total level of assessment due to factors discussed in the assessment
13 formula.

14 **Section 6. Levy of special assessments.** To finance the programs authorized in Section 5
15 of this ordinance and as described in the Ballard Alliance Renewal and Business Plan, a 12-year
16 special assessment shall be levied upon and collected from all owners of commercial property,
17 multifamily residential property (buildings containing four or more residential units), and mixed-
18 use property (multifamily residential and commercial) located within the boundaries of the
19 Ballard Improvement Area (BIA) described in Section 4 of this ordinance and shown in
20 Attachment A to this ordinance. Initial assessment calculations will be based on property
21 information from the King County Assessor's Office for Value Year 2021/Tax Year 2022, as
22 accessed on November 30, 2022, and the BIA shall annually update records based on data and
23 information from King County and the City. Ratepayers shall be assessed by the City in 12

annual installments to be billed semi-annually beginning with the base year of authorization (2024), by applying the following assessment rates to each ratepayer:

A. First Year Assessment: $(\$0.60 \times (\text{Total Appraised Value}/\$1,000)) + (\$0.14 \times \text{Total Lot Square Feet})$. Total Appraised Value in these calculations shall be based on Land + Improvements. This calculation is called the “Base Formula.” Modifications or limitations to the First Year Assessments are described below. To the extent that ratepayers are eligible for multiple assessment ceilings, the lowest applicable rate applies.

B. If the Total Appraised Value (Land + Improvements) and Total Taxable Value (Land + Improvements) in the King County Assessor’s records are not equal due to tax exemption status, the following rules apply:

1. If the Total Taxable Value is zero, then the First Year Assessment = $[(\$0.60 \times (\text{Total Appraised Value}/\$1,000)) + (\$0.14 \times \text{Total Lot Square Feet})] \times 25\%$.

2. If the Total Taxable Value is not zero, then the First Year Assessment = $(\$0.60 \times (\text{Total Taxable Value} / \$1,000)) + (\$0.14 \times (\text{Total Lot Square Feet} \times \text{Total Taxable Value} / \text{Total Appraised Value})) + ((\$0.60 \times (\text{Total Appraised Value} - \text{Total Taxable Value})/\$1,000) \times 25\%) + ((\$0.14 \times \text{Total Lot Square Feet} \times (\text{Total Appraised Value} - \text{Total Taxable Value})/\text{Total Appraised Value}) \times 25\%)$.

C. Multifamily Tax Exemption (MFTE) Residential Properties.

1. Residential properties receiving an MFTE tax exemption do not qualify for the 25 percent non-profit reduced assessment rate and assessments will be calculated using the Base Formula.

2. If a property is owned by a for-profit entity and qualifies for the MFTE from the City, the First Year Assessment will be calculated using the Total Appraised Value upon 100 percent completion of the building and/or authorization of MFTE.

D. Additional modifications or limitations to assessments are described below:

1. Residential Ceiling: The benefit ceiling for owned and rental multifamily residential units is \$130 per unit per year.

2. Building Square Foot Ceiling: The benefit ceiling for building square footage is \$0.25 per square foot for any property with an FAR that is 0.5 or more.

3. Special consideration will be given to a multifamily residential building containing four or more residential units. This applies whether that building is located on one or multiple property parcels. The intent is that the residential ceiling benefit would apply to all multifamily residential buildings containing four or more residential units whether or not the ratepayer has combined, or intends to combine, multiple parcels when the base year for BIA assessments is established. This includes buildings located on more than one property parcel owned by the following ratepayers:

a. "PPF AMLI 2428 NW Market Street" for the properties known as "AMLI Ballard Jacobsen Site";

b. "EQR—R E TAX DEPARTMENT" for the properties known as "Urbana Apartment"; and

c. "EQR Tallman LLC" for the properties known as "Ballard Tallman."

4. The following five parcels (listed by King County parcel number) will be assessed at 50 percent of the Base Formula, as these will benefit from secondary rather than primary BIA services: 2768303229, 2768303247, 2768303190, 2768303245, and 2768303315.

1 These parcels, known as the Ballard Blocks, are non-contiguous with the rest of the BIA and are
2 designated as a secondary service area. Due to this designation, the non-contiguous parcels will
3 receive all BIA benefits excluding clean and safe services.

4 E. Assessment Installments and Annual Increments.

5 1. Ratepayers will be assessed by The City of Seattle for 24 biannual installments
6 beginning with the base year of authorization (2024).

7 2. For each year following the first year of authorization, the following
8 assessment escalations will apply to the assessment formulas:

9 a. Year 2: Year 2 assessments will equal Year 1 assessments times the
10 percentage change in the Consumer Price Index (CPI) for All Urban Consumers in Seattle-
11 Tacoma-Bellevue ("CPI-U-Seattle"), October 2022 to October 2023 unless there is an increase in
12 Building Square Feet for a given parcel. If CPI-U-Seattle is less than two percent, use two
13 percent. If CPI-U-Seattle is more than six percent, use six percent.

14 If there is an increase in Building Square Feet for a given parcel, then that
15 parcel will be recalculated using the latest available King County Assessor's data with the Land
16 Area Factor, Building Square Foot Ceiling, and Residential Ceiling escalated by CPI-U-Seattle
17 (between two and six percent).

18 b. Years 3 through 12: Use the same annual escalation scheme as for Year
19 2, with the percentage change of no more than 6% as the ceiling and no less than 2% as the floor,
20 which is dependent on the CPI-U-Seattle between October 2022 and October of the year prior to
21 the assessment year.

22 G. New benefit areas shall be added to the assessment roll on an annual basis, as follows.

23 A "new benefit area" is created when a parcel's net building square footage increases as a result

of either a new building or expansion of an existing building. A new benefit area shall be added to the BIA assessment roll following its inclusion in the King County Assessor assessment roll during the preceding year. The new benefit area shall be assessed according to the Base Formula factors and assessment ceiling rates in effect during the assessment year. A new benefit area will continue to have its value updated to the most current year value until it is designated as 100 percent complete and no new dollars are added by the King County Assessor's Office. The formula for a new benefit area will be calculated using the new King County Assessor's values in the Base Formula multiplied by the annual CPI Factor in effect. New BIA assessments will be billed at the next regularly scheduled billing period established by the Director of Treasury Services.

H. Rate Changes. Changes in assessment rates other than as described in this section shall only be authorized by ordinance consistent with RCW 35.87A.140 and with the approval of the BIA Advisory Board and shall not occur more than one time per year.

Section 7. Assessments shall commence as of January 1, 2024, or on the effective date of this ordinance, whichever is later.

Section 8. Billing schedule. Special assessments shall be billed on a semi-annual basis. The Treasury Director may change the billing frequency by directive to an interval no more frequent than quarterly. The Treasury Director shall mail a copy of a directive issued under this section to all ratepayers not less than 90 days before the new billing due date is to take effect.

Section 9. Deposit of revenues. There is in the City Treasury's Business Improvement Area Fund a separate subaccount designated the Ballard Improvement Area Account (called "the Account"). The following monies shall be deposited in the Account:

A. All revenues from special assessments levied under this ordinance;

1 B. All income to the City from public events financed with special assessments;

2 C. Gifts and donations;

3 D. Interest and all other income from the investment of Account deposits;

4 E. Reimbursements due to the Account; and

5 F. All revenues from special assessments levied under Ordinance 125151 pursuant to
6 Section 3 of this ordinance.

7 **Section 10. Administration.** The Treasury Director shall administer the program for the
8 City with authority to:

9 A. Collect the special assessments; refund special assessments when overpaid or
10 otherwise improperly collected; extend the deadline for payment; and waive delinquency
11 charges, processing fees, and interest whenever the delinquency results from extenuating
12 circumstances beyond the ratepayer's control, such as a casualty loss causing premature closure
13 of the business or bankruptcy, or the total payment due to the City (exclusive of delinquency
14 charges and interest) is \$10 or less;

15 B. Calculate and collect the interest, delinquency charges, and processing fees for late
16 payments; and

17 C. Accept and deposit advance payment of assessments by ratepayers; accept donations
18 from governmental agencies, the public, and owners and operators of businesses on property that
19 is developed or redeveloped during the existence of the Ballard Improvement Area.

20 **Section 11. Delinquent payments.** If an assessment has not been paid within 30 days
21 after its due date, the Treasury Director shall send a reminder notice and add a \$5 processing fee.
22 If the assessment is not paid within 60 days after its due date, a delinquency charge shall be
23 added in the amount of ten percent of the assessment. All assessments that are not paid within 60

1 days of the due date shall also bear interest from the due date at 12 percent per annum. The
2 Treasury Director is authorized to refer any unpaid assessments to a collection agency or to bring
3 an action to collect any unpaid assessments in any court of competent jurisdiction in King
4 County.

5 **Section 12. Notices.** Notices of assessment, installment payments, or delinquency, and all
6 other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the
7 City to the address shown on the records of the Treasury Director, and, if no address is shown
8 there, to the address shown on the records of the King County Assessor's Office. Failure of the
9 ratepayer to receive any mailed notice shall not release the ratepayer from the duty to pay the
10 assessment on the due date and any interest, delinquency charges, and processing fees.

11 **Section 13. Disputes.** Any ratepayer aggrieved by the amount of an assessment or
12 delinquency charge may upon request obtain a meeting with the Treasury Director or the
13 Treasury Director's designee. If not satisfied, the ratepayer may appeal the matter to the City's
14 Hearing Examiner in the manner provided for a contested case under Seattle Municipal Code
15 Chapter 3.02. The ratepayer has the burden of proof to show that the assessment or delinquency
16 charge is incorrect.

17 **Section 14. Audit.** The City may conduct random audits of ratepayers to ensure that
18 assessments are being properly calculated and reported.

19 **Section 15. Expenditures.** Expenditures from the Account shall be made upon demand
20 and presentation of documentation of allowable expenses to the Treasury Director by the BIA
21 Program Manager and shall be used exclusively for the purposes as defined in Section 5 of this
22 ordinance.

1 **Section 16. Program Manager.** The Director of the Office of Economic Development or
2 designee (“OED Director”) is authorized to contract with a local non-profit entity operating
3 primarily within the City with experience in BIA management to act as the Program Manager.
4 The Program Manager’s duties, subject to the approval of the ratepayers at each annual meeting,
5 will be to manage the day-to-day operations of the Ballard Improvement Area and to administer
6 the projects and activities. The Program Manager shall exercise fiduciary responsibility to spend
7 the special assessment revenues exclusively for the benefit of the Ballard Improvement Area and
8 only for the purposes identified in Section 5 of this ordinance. The Program Manager shall abide
9 by City ordinances and state law related to business improvement areas.

10 Meetings of the Program Manager’s board or committee at which Ballard Improvement
11 Area activities are anticipated to be discussed shall be open to the public, with at least five days’
12 advance notice posted by the Program Manager on its website and also disseminated by any
13 other means that the Program Manager generally uses to communicate.

14 **Section 17. BIA Advisory Board.** The OED Director shall, within 30 days of the
15 effective date of this ordinance, appoint an interim BIA Advisory Board comprised of ratepayers
16 representative of the entire geography and variety of sizes within the Ballard Improvement Area.
17 The OED Director shall solicit recommendations from the ratepayers and shall appoint the
18 interim board from that list. The interim BIA Advisory Board will, within 90 days of the
19 effective date of this ordinance, recommend an inaugural BIA Advisory Board (“Board”).

20 The composition of the Board shall be representative of the varying sizes and types of
21 property owners, residents, and business tenants, within the geographic area of the Ballard
22 Improvement Area and may include public agencies.

1 The OED Director shall appoint the inaugural Board members from the list recommended
2 by the interim BIA Advisory Board. The OED Director may appoint additional members to the
3 Board beyond those recommended by the interim BIA Advisory Board to ensure a broad
4 representation of ratepayers.

5 As a prerequisite to serving on the Board, each member shall sign an acknowledgment,
6 prepared by the OED Director, that they will abide by City ordinances and state law related to
7 business improvement areas.

8 The Board shall be responsible for: adopting bylaws consistent with the City's BIA
9 policies; adopting policy guidelines; recommending approval of budgets, expenditures, and
10 programs; and providing advice and consultation to the OED and Treasury Directors and to the
11 Program Manager.

12 The Board shall meet at least once quarterly; recommend an annual work program and
13 budget; address and discuss ratepayer concerns and questions regarding the Ballard Improvement
14 Area programs; and sponsor an annual ratepayers' meeting. Meetings of the Board shall be open
15 to the public and subject to the Open Public Meetings Act, with at least five days' advance notice
16 posted by the Program Manager on its website and disseminated by any other means that the
17 Program Manager generally uses to communicate.

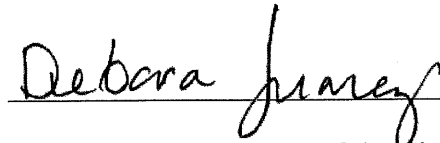
18 At the annual ratepayers' meeting, the Board shall present its proposed work plan and
19 budget for the next year, and its recommendation regarding whether to continue with the current
20 Program Manager. The work plan, budget, and recommendation regarding whether to continue
21 with the current Program Manager must be approved by a vote of the ratepayers and submitted to
22 the OED Director for review and approval.

1 **Section 18. Request to disestablish.** The Ballard Improvement Area shall have a term of
2 12 years and will expire 12 years after the date that the area is established. Upon a petition
3 signed by ratepayers that would pay 60 percent of the proposed special assessments, the BIA
4 Advisory Board shall request that the City Council disestablish the Ballard Improvement Area in
5 accordance with chapter 35.87A RCW.

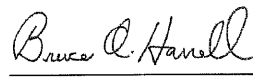
6 **Section 19. Ratification and confirmation.** The making of contracts and expenditures
7 and the sending of assessment notices consistent with the authority of this ordinance taken after
8 its passage and prior to its effective date are ratified and confirmed.

Section 20. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.


Passed by the City Council the 19th day of September, 2023,
and signed by me in open session in authentication of its passage this 19th day of
September, 2023.


President _____ of the City Council

☒ Approved ☐ returned unsigned ☐ vetoed this 4th day of October, 2023.


Bruce A. Harrell, Mayor

Filed by me this 4th day of October, 2023.


Scheereen Dedman, City Clerk

(Seal)

Attachment:
Attachment A - Proposed BIA Boundaries



NW 59th St
Att A – Proposed BIA Boundaries
V1

NW 59th St

NW 58th St

26th Ave NW

NW 56th St

NW Market St

~~45-944-1-800~~

22nd Ave NW

NW 59th St

NW 58th St

11365-523-000

NW 56th St

NW Market St

17th Ave NW

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

NW 53rd St

NW 51st St

Tallman Ave NW

Russell Ave NW

Leary Ave NW

Ballard Ave NW

Shilshole Ave NW

NW 10th Pl

Leary Ave NW

Ballard Ave NW

Shilshole Ave NW

NW 49th St

15th Ave NW
15th Ave NW

Wm Leary

MIN

15th Ave NW

V

WFOK 25

M

BIA Boundary

Expanded Areas

Secondary Service Area

