

**Programming and Maintenance of Public and Publically Accessible Spaces Workshop  
Background Information**

**Model #1: Business Improvement Area (BIA)**

**FORMING A BUSINESS IMPROVEMENT AREA**

A Business Improvement Area (BIA) provides a mechanism for businesses, property owners or a combination to collectively obtain the improvements they want to see in their district. There are currently 6 BIA districts in the city, each with a unique set of goals and programs:

- Broadway
- Metropolitan Improvement District
- International District/Chinatown
- Pioneer Square
- West Seattle Junction
- University District

The BIA funds can be used for parking, joint marketing, cleanup and maintenance, security, special events, beautification and management and administration.

BIA assessments can be calculated based on square footage, assessed land value and/or B & O taxable revenue. The assessments are collected by the City and disbursed to the BIA, which is responsible for the financial management of the funds. The BIA is overseen by a ratepayer's board, which is responsible for developing the program and budget. You may use Neighborhood Matching Fund (NMF) monies to plan for a potential BIA. Once the BIA is established, BIA assessments can be used as a match for NMF applications.

The process of getting a BIA: you must have a petition signed by potential ratepayers representing 60% of the assessable value in the district. For example, if B & O revenue will be used for the BIA assessments, businesses that comprise 60% of all revenues generated in the district would need to sign the petition. The petition is then submitted to the Department of Executive Administration and approved by City Council.

**The Office of Economic Development Can Help**

The Office of Economic Development (OED) assists business areas interested in initiating a BIA and serves as a liaison to help address and resolve issues involving the City. OED will provide a staff person to attend BIA meetings as necessary, assist with planning, contracting and technical advice, hold quarterly meetings or other forums for BIA staff or representatives to attend and discuss issues of concern to their locality.

**Frequently asked questions:**

***If a potential ratepayer doesn't support the BIA, does he/she have to pay the assessments?***

If 60% of the area's ratepayers have signed the petition and City Council approves, all ratepayers must pay the assessments.

***If businesses are paying the assessments, what happens when a storefront is vacant?***

If the assessment formula is based on business B&O taxable revenue only, the vacant storefront would not be assessed because there is no business. However, the formula can be set up so that property owners pay fees for vacant space.

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***Can businesses be excluded from paying assessments?***

Yes. For example, most BIA districts specify exemptions for charitable organizations and temporary uses.

**Benefits and challenges of BIAs:**

**BENEFITS**

- Offers flexibility: the program is controlled by businesses and/or property owners and can be modified to meet each district's specific needs.
- Allows for new services or higher service levels than those provided by the City.
- Increases equity: assessments are collected from every business and/or property owner included in the area, unlike membership organizations.

**CHALLENGES**

- Requires a time commitment. The petitioning process requires a dedicated group able to research the data collection necessary and contact every business in the proposed BIA boundaries.
- Has some limitations. Assessments are based on a set formula; therefore, funds available to the BIA are dependent on the factors influencing this formula such as changes in property values, fluctuations in business revenues, total square footage, etc.

[http://www.seattle.gov/economicDevelopment/biz\\_district\\_guide/BIA.htm](http://www.seattle.gov/economicDevelopment/biz_district_guide/BIA.htm)

**Model #2: Public Development Authorities (PDAs)**

Public Development Authorities (PDAs) are unique, independent entities of Seattle government, which are legally separate from the City. This allows accomplishment of public purpose activities without assuming them into the regular functions of City government. Each PDA is governed by a volunteer council, commonly called a governing board, which sets policies and oversees activities and staff. Thus, the success or failure of a public corporation is dependent on its council's abilities.

State and federal law require PDA contracts to contain language to the effect that liabilities incurred by the corporation must be satisfied exclusively from their own assets, and that no creditor or other person shall have a right of action against the City due to any debts, obligations, or liabilities of the public corporation.

*Did you know...*

- There are currently eight PDAs in Seattle
- The first PDA was chartered in 1972.

*PDAs have flexibility to get community projects done.*

- They provide efficient services with streamlined procedures.
- They allow direct community participation in their projects.
- They have flexibility under State law to administer federal funds.
- They can combine public taxes and private donations.

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- They may qualify for tax-exempt borrowing rates.

*PDA's have a big impact:*

- They have more than \$192 million in assets.
- They have built 13 new buildings.
- They have remodeled 52 buildings.
- They own and manage more than 1,287 housing units (mostly low-income), health clinics, community space, commercial and office space, and parking garages.

*PDA's are virtually all self-sufficient.*

- PDA's require no City funding from the General Fund. They are typically funded by other public and/or private sources.
- As public agencies, PDA's revenues and expenses are developed with their budget in a public process.
- The City has never needed to make a bond payment for a PDA.

*PDA's rely heavily on volunteers.*

- Volunteers provide the PDA's with management and design expertise worth thousands of dollars.
- PDA's have many volunteer groups who help them achieve their public purposes

Example: Pike Place Market PDA

The Pike Place Market Preservation & Development Authority (PDA) is a not-for-profit, public corporation chartered by the City of Seattle in 1973 to manage the properties in the nine-acre Market Historic District. The PDA is required to preserve, rehabilitate and protect the Market's buildings; increase opportunities for farm and food retailing in the Market; incubate and support small and marginal businesses; and provide services for low-income people. 12 members, 4 appointed by Mayor, 4 appointed by PDA Council, 4 by constituency, 4-year term

<http://www.seattle.gov/html/citizen/pda.asp>

**Model #3 example: Fremont Sunday Market**

<http://www.fremontmarket.com/FremontWelcome.html>

**Model #4 example: Youngstown Cultural Arts Center**

<http://www.youngstownarts.org/about>