



March 11, 2026

City of Olympia

PBIA Evaluation

Parking & Business Improvement Area

INTRODUCTION

In 2005, at the request of a broad range of future ratepayers, the City of Olympia established an assessment on downtown businesses to fund services that would improve and vitalize the area. This is known as the **Parking and Business Improvement Area (or PBIA)**. From then through 2024, these assessments paid for a variety of services and activities, including cleaning, public safety, marketing, streetscape beautification, and administration. Unfortunately, the amount collected did not keep up with rising costs. Additionally, the amount of city staff time required to administer the program, changes to downtown's vitality, and other factors undermined the program's performance and credibility. In 2024, the Olympia City Council suspended assessments (collecting \$0) for 2025 and 2026, pending the results of an independent evaluation of the PBIA's structure and effectiveness compared to regional and national best practices. This report is a summary of that evaluation.

BACKGROUND

Place management districts are funding mechanisms that assess properties and/or tenants in specified districts to help pay for services that will help the area thrive. Nationally, place management districts fund placemaking and economic development organizations that provide services for the mutual benefit of district stakeholders. Place management districts go by many different names, including Business Improvement Districts (BIDs), Business Improvement Areas (BIAs), Parking and Business Improvement Areas (PBIAs), Economic Improvement Districts (EIDs), Community Benefit Districts (CBDs), Public Improvement Districts (PIDs), and so forth. Washington's enabling legislation for these districts calls them Parking and Business Improvement Districts, while individual districts in Washington deploy public-facing branding with many different names.¹

There are many reasons to create a place management district. Common motivations include increasing the area's activity, vitality, occupancy, cleanliness, and safety, as well as improving the area's image and effective voice in civic affairs. Perhaps the most attractive thing about a mandated assessment district is cost-sharing for these services. In a mandated assessment district, everyone pays their share, rather than individual businesses and/or property owners shouldering disproportionate costs. Most commonly, districts are conceived, designed, and managed locally by those who pay the assessments for their mutual benefit, with everyone in the district required to pay a share of the cost commensurate with their individual benefit. These districts reflect successful community and economic development, supported by local stakeholders collaborating toward shared goals and priorities.

National experience shows that place management districts add value to urban environments by providing a wide range of services, including leadership, public space management, planning and design, economic development, policy formation, and advocacy.

Olympia's Parking & Business Improvement Area (PBIA)

Olympia's Parking and Business Improvement Area (PBIA) was established by the Olympia City Council in 2005 at the request of local businesses to self-assess funds benefiting the downtown area. Businesses representing 60% of the initial assessment signed a petition of support for establishing the PBIA. The PBIA is governed by Olympia Municipal Code (OMC 3.62) and Washington State law (RCW 35.87A).

¹ There is no requirement that PBIAs do anything related to "parking" (despite the name).

The PBIA includes three zones, with varying assessment rates as shown on the map below.



About 500 businesses are currently assessed through the PBIA. In 2024, the City of Olympia sent PBIA assessment invoices totaling \$114,575. This amount has remained relatively consistent throughout the life of the PBIA, with typically 5-10% of the businesses assessed not paying.² The PBIA assessment fee structure is based on the Full-time Equivalent (FTE) employees of each establishment (Small: 1-3 FTEs; Medium: 4-6 FTEs; Large: 7+ FTEs). PBIA rates per OBC 3.62 are shown in the table below.

Business Type	Zone A			Zone B			Zone C		
	Large	Medium	Small	Large	Medium	Small	Large	Medium	Small
Restaurant/Retail	\$750	\$500	\$250	\$600	\$400	\$200	\$300	\$200	\$150
Professional/Service	\$400	\$300	\$200	\$300	\$200	\$150	\$200	\$150	\$150
Financial Institutions	\$750			\$600			\$300		
Lodging/ Apartments	30 or less rooms: \$200; 31–50 rooms: \$300; 51+ rooms: \$400								
Personal Care Services	Minimum: \$150 Per station (above 2): \$75; Maximum: \$500								

² In Washington, PBIA assessments are not lienable, and a certain amount of nonpayment is typical. Though no accurate accounting of nonpayment rates is available, anecdotal evidence is that nonpayment usually runs at about 3-5%.

The PBIAs have a diversity of ratepayers among the categories above. The City's assessment roll for 2024 included 470 individual ratepayers, paying ten different rates from the assessment table on the previous page. Two-thirds of ratepayers pay \$200 per year or less. Three-quarters pay \$300 or less per year.

The PBIAs assessment rates were unchanged from 2005 through 2024, despite a 77% increase in consumer prices over that time.³ Adjustments to the PBIAs rates require public notice, a public hearing, and City Council Approval. In addition to no automatic adjustment for inflation, Olympia's PBIAs ordinance has no provision for formal recertification or sunset.

A sampling of recent PBIAs budgets for 2016, 2022, and 2023 show consistent total budgets (2023 includes at \$20,000 carryover from unspent funds in 2022), with an average of 42% spent on Clean & Safe services, 30% on Marketing, 22% on Streetscape Beautification, and 6% on Administration and Contingency. These figures do not include the City of Olympia's costs for collecting assessments, supporting the PBIAs ratepayer board, or managing services.

Category	Rate	# of Ratepayers	Total by Category
P1	\$ 150	148	\$ 22,200
P2	\$ 200	166	\$ 33,200
P3	\$ 225	5	\$ 1,125
P4	\$ 250	51	\$ 12,750
P5	\$ 300	34	\$ 10,200
P6	\$ 375	2	\$ 750
P7	\$ 400	29	\$ 11,600
P8	\$ 500	12	\$ 6,000
P9	\$ 600	13	\$ 7,800
P0	\$ 750	10	\$ 7,500
		470	\$ 113,125

	2016	2022	2023	Average
Clean & Safe	74,500	46,200	46,200	42%
Marketing	17,500	43,000	58,000	30%
Streetscape Beautification	9,500	38,900	38,900	22%
Admin & Contingency	8,500	6,900	6,900	6%
	\$ 110,000	\$ 135,000	\$ 150,000	100%

Over time, rising costs coupled with flat revenue, as well as the program's administrative burden and disagreements about the most effective use of the funds collected, brought the program under increasing criticism. Issues identified are summarized in the following table.

Issues Identified with PBIAs Effectiveness ⁴			
Equity & Fairness	Sustainability	Duplication of Effort	Governance
<ul style="list-style-type: none"> Uniform fees may disproportionately impact smaller businesses. Classification and fee schedules do not reflect modern work realities (e.g. gig economy, remote work). Records are outdated, causing billing and voting discrepancies. 	<ul style="list-style-type: none"> Annual revenues do not cover City administrative and staffing costs. Significant City resources are spent on manual recordkeeping, meeting support, finance, and complaint handling. 	<ul style="list-style-type: none"> Inefficient overlaps between Olympia Strong, Olympia Downtown Alliance, PBIAs, and Chamber of Commerce. Business owners often serve on multiple boards, leading to duplicated work. Multiple entities focusing on similar missions can cause confusion and division. 	<ul style="list-style-type: none"> Advisory Board's scope and purpose have drifted beyond its funding advisory role. Tensions exist due to unmet expectations and program changes (e.g., discontinuation of Downtown Ambassadors).

As a result of these concerns, the Olympia City Council unanimously passed Resolution M-2580 in November 2024, which reduced assessment rates to \$0 for all ratepayers and committed to a full program reevaluation in 2025.

³ Based on the Consumer Price Index – Urban for the Seattle-Bellevue-Tacoma region (which includes Olympia)

⁴ Internal PBIAs Board and City discussions leading up to this evaluation.

Evaluation Purpose & Scope of Work

In October of 2025, the City of Olympia retained Uncommon Bridges⁵ to conduct a comprehensive evaluation of its PBIA program. The purpose of this effort is to evaluate Olympia's PBIA in comparison to regional and national best practices, recommend improvements to the program, and offer a roadmap for implementation. The evaluation included a review of program documents, as well as engagement with city staff, the PBIA board, board and staff of the Olympia Downtown Alliance, PBIA ratepayers, and other downtown stakeholders. This report accompanies slide presentations to the PBIA board and Olympia City Council.

BIA BEST PRACTICES

The place management industry has its origins in the decline and revitalization of America's downtowns in the decades following the Second World War. Downtowns declined in response to an explosion of suburban development driven by post-war economic prosperity, the G.I. Bill, and the Interstate Highway Project, as well as the proliferation of enclosed shopping centers. Downtowns began organizing to stay relevant and soon began to adopt coordinated common area improvement activities much like shopping centers. The need for ongoing beautification, maintenance, activation, and safety programs also created a need for sustainable funding for these services. Thus, the rise of assessment districts like Olympia's PBIA.

According to the International Downtown Association, the industry today consists of 4,000+ place management organizations globally with 2,500 in North America employing 100,000 people and paying \$3 billion in wages. On average, each organization provides \$1.2 million in services in its district to help businesses thrive and make the district a great place for workers, residents, and visitors.⁶

There are at least 25 place management districts in Washington state, with budgets ranging from \$50,000 to more than \$20 million annually. There are eleven districts in Seattle, two in Spokane, Yakima, Everett, and Richland, with a single district in at least eight other cities, including Olympia's PBIA.

Place management districts have different names in different states, and many use their own unique brand, but they are all funding mechanisms for locally based place management and share many characteristics, including:

- They are enacted by the City Council
- They are managed in and by the district itself
- Assessments are on properties and/or tenants for mutually beneficial services
- Assessment calculations are based upon local preferences (i.e., square footage, value, sales, etc.)
- Services provided are also based upon local preferences. Typical services include cleaning, safety, marketing and promotions, business development, and professional management.

⁵ Uncommon Bridges is a Seattle-based consulting firm specializing in urban place management and assessment districts like Olympia's PBIA. The firm has helped plan, create, renew, expand, and/or evaluate most of these districts in Washington state, as well as in Oregon, Idaho, California, and across the country, supporting districts that collect and deploy more than \$75 million annually.

⁶ International Downtown Association, <http://downtown.org>

Services

Each place management district is unique and provides its own bundle of services based on local needs and ratepayer preferences. Public area cleaning and day-to-day maintenance, as well as a friendly uniformed presence on the street offering assistance and a sense of safety, are by far the most common place management services. An informal survey of place management programs nationally shows a wide range of activities, including but not limited to the following:

Marketing, Promotions & Events	Economic Development	Beautification	Parks & Public Spaces	Clean & Safe	Homeless Services	Transportation
Signs & Banners	Market Opportunities	Hanging Flowers	Park Activation & Management	Street Sweeping	Outreach	Connectivity
Festivals	Real Estate Development	Planters & Street Furniture	Storefronts	Pressure Washing	Care Centers	Pedestrian Safety Improvements
Farmers Markets	Development Loans – Small Business Grants	Landscaping	Green Spaces	Litter & Graffiti Removal	Mental Health Services	Parking Improvements
Advertising Campaigns	Data & Research	Seasonal Décor	Streetscapes	Ambassadors	Skill Development	Non-motorized initiatives
Business Directory	Affordability	Public Art	Emergency Preparedness	Lighting	Workforce Development	Encourage Public Transit

Assessment Methodology

As noted earlier, the vocabulary and specific requirements for place management districts are different in each state. Similarly, assessment methodology varies from one city to another and often even from one district to another in the same city. Nationally, there are two broad categories of place management districts: those that assess properties and those that assess tenants (which might be businesses, nonprofits, public agencies, residents, and so forth). These two types of districts have many similarities but are quite distinct in important ways.

Property-Based Districts: Most property-based districts assess each property parcel within a specific boundary to pay for services that benefit all properties in the district. Some districts vary the assessment rates for certain uses and/or ownership types. For example, some districts do not assess owner-occupied residential properties; others don't assess residential uses at all or assess residential uses at a different rate than commercial properties. Similarly, some districts do not assess government properties or assess such properties at a different rate. The same goes for properties that are owned by nonprofits and/or occupied by nonprofit uses. How the assessments are calculated is also unique to each district. The most common metrics are land area, building square footage, land and/or improvement value. The most important distinguishing characteristic of property-based districts is that property data is almost always public information and kept up to date by the local tax assessor because it is a primary factor in levying general government taxes. This means that place management district assessments can be based on widely available public information that anyone can look up to confirm the accuracy of an assessment invoice.

Tenant-Based Districts: Tenant-based districts generally operate on similar principles, with all tenants within a specific boundary paying for services that benefit all establishments in the district. Variations are common for certain types of businesses, residential uses, nonprofits, government uses, and so forth. Common metrics for calculating tenant-based assessments include total square footage, occupied square footage, number of employees, gross sales, and others. Discounts or exemptions for nonprofit, government, and/or community service uses are common. The primary challenge with tenant-based assessments is that there is no accurate data available for what tenants exist, how many square feet they occupy, how many employees they have, and/or what their gross sales are. Some of these metrics are known by individual landlords or tax

assessors but are rarely public information and often quite closely guarded. As a result, building and maintaining a schedule of who is required to pay the assessment how much they need to pay is exceedingly labor intensive and time-consuming.

Some observers note that property owners are likely to pass property-based assessments through to their tenants as added charges on top of lease payments and/or through higher rents. Despite the truth in this observation, the benefits of simplicity and accuracy of property-based assessment remain. As the place management industry evolved over the last several decades, many tenant-based districts were replaced by property-based districts for the reasons noted above. Some places have both property- and business-based districts performing complementary functions. Some districts assess both properties and tenants. In general, ***the best practice in the place management industry is to base assessments on publicly available information, which usually means property assessments using county assessor data to calculate individual payments.***

The Olympia PBI uses a tenant-based assessment methodology which has many of the associated challenges noted above.

Governance & Operations

How place management districts are governed and operated is as varied as the way their assessments are calculated. Several issues frame these variations:

- Who calculates the assessments, invoices ratepayers, and collects payments? (This is usually the city.)
- Who provides the services?
- Who supervises service delivery operations?
- Who holds the operators accountable to ratepayers?
- How does the city mitigate its risks? (Assessments, collections, and services are all under the city's authority.)
- How do ratepayers ensure that their payments are being appropriately used?
- How do local citizens follow these public services being undertaken under their city government's authority?

Over time, the place management industry has evolved toward a best practice in which three entities are involved in governing and operating a district. The **city government** levies assessments, collects funds, and ensures compliance with local regulations. A **Ratepayer Advisory Board** represents the ratepayers to establish annual priorities, oversee operations, and ensure accountability to ratepayers. A **Program Manager** delivers the appropriate services, either directly or through one or more contractors.

City Government: It is the city council's authority that allows mandatory assessments for special purposes that make place management districts possible. With the city council's authorization, the city government calculates assessments on, sends invoices to, and collects payments from individual ratepayers according to the assessment formula in the ordinance. The city then contracts with the Program Manager as advised by the Ratepayer Advisory Board. The City Council also receives annual reports from the Ratepayer Advisory Board on the district's performance and adjusts assessment amounts when needed.

Ratepayer Advisory Board: In most cases, a Ratepayer Advisory Board establishes priorities for services within the parameters of the ordinance, approves an annual budget for use of assessment revenues, monitors service delivery, and advises the City Council on whether the program is meeting ratepayer expectations.

Program Manager: The organization that administers the operations of the district. The Program Manager is recommended by the Ratepayer Advisory Board to the City Council, and the city administration contracts with the Program Manager operate the programs of the district in alignment with the ordinance. The Program Manager administers the funds in accordance with the approved budget through direct expenditures and/or contracts with service providers. The Program Manager's administration must comply with all applicable provisions of law, resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

The most common type of Program Manager is a nonprofit organization whose mission is dedicated to the betterment of the area, like the Olympia Downtown Alliance. It is also common for the Program Manager entity to have additional sources of revenue for programs beyond the scope and/or budget of the assessment district. Such funds often come from membership fees, grants and donations, service contracts, and/or voluntary assessments from properties or tenants outside the district's

boundaries or otherwise exempt from assessment. The use of those funds is not determined by the Ratepayer Advisory Board, but rather by the board of directors of the Program Manager entity.

FINDINGS

A fundamental best practice in the formation and amendment of place management districts is engaging with the community, particularly current and potential ratepayers. Buy-in from those who are paying is important as their feedback and support are key to ensuring the success and longevity of the organization. For a new district or a major restructuring of an existing district, many jurisdictions require documented support from the affected ratepayers. As such, while it is useful to look to comparable districts to better understand the types and levels of services provided, each district has its own unique collection of ratepayers, stakeholders, and resources that shape priorities. Soliciting and integrating ratepayer input is critical to the success of any district. In Uncommon Bridges’ experience, this input is most effectively gained through an iterative process in which various scenarios for services and assessments are tested with influential ratepayers to find the right fit for local conditions and priorities.

The findings and recommendations provided here offer comparisons to regional and national best practices, as well as reflections of interviews, focus groups, and informal discussions with dozens of stakeholders in downtown Olympia, including many of those paying into, managing, and impacted by the existing PBIA. It is not, however, the product of a thorough, iterative process of testing and evaluating options with key stakeholders to refine a specific structure for assessment, services, governance, and operations for a place management district that would be the best fit for downtown Olympia. That iterative process is the logical next step.

Olympia’s current PBIA structure does not align with best practices

PBIA rates are unchanged since 2005

As noted earlier, Olympia’s PBIA rates are based largely on the number of employees of individual ratepayers, as well as a flat fees for residential rooms and personal care workstations. None of these metrics inherently keep up with inflation. Best practices are that if constant metrics are the basis of assessment, then rates should be adjusted regularly to reflect rising costs.

The amount assessed in 2024 would be \$200,231 if the 2005 rates had been adjusted for inflation, as shown in the table on the right.

Category	2005	# of Ratepayers	2005 Totals	2024 CPI Adjusted	
	Rate			Rate	2024 Totals
P1	\$ 150	148	\$ 22,200	\$ 266	\$ 39,294
P2	\$ 200	166	\$ 33,200	\$ 354	\$ 58,764
P3	\$ 225	5	\$ 1,125	\$ 398	\$ 1,991
P4	\$ 250	51	\$ 12,750	\$ 443	\$ 22,568
P5	\$ 300	34	\$ 10,200	\$ 531	\$ 18,054
P6	\$ 375	2	\$ 750	\$ 664	\$ 1,328
P7	\$ 400	29	\$ 11,600	\$ 708	\$ 20,532
P8	\$ 500	12	\$ 6,000	\$ 885	\$ 10,620
P9	\$ 600	13	\$ 7,800	\$1,062	\$ 13,806
P0	\$ 750	10	\$ 7,500	\$1,328	\$ 13,275
		470	\$ 113,125		\$ 200,231

Tenant-based assessments are problematic

As noted earlier, the problem with tenant-based assessments is that there is no accurate data available for what tenants exist, nor verifiable metrics on which to base an equitable assessment. Tenants also change much more often than property owners. This means that building and maintaining a schedule of who is required to pay how much is difficult and time-consuming. The best practice in the place management industry is to base assessments on publicly available information, which usually means property assessments using county assessor data.

Conversations with ratepayers, PBIA board members, and city staff in Olympia highlighted challenges with the calculation and collection of assessments from ratepayers. With a tenant-based assessment, the work of developing and maintaining an accurate list of ratepayers is an ongoing and time-consuming process that consumes considerable district resources.

Burnout due to failed property-based district effort

For the reasons noted, a group of downtown property and business owners organized by the Olympia Downtown Alliance attempted to create a property-based district a few years ago. The proponents formulated a proposal for a *Downtown Improvement District* or *DID* and circulated a petition of support to property owners. They documented support from property owners representing a majority of the assessment, but failed to meet the 60% threshold required and eventually gave up. When asked about making another effort to replace the existing tenant-based PBIA with a property-based assessment, downtown opinion leaders expressed considerable burnout from the earlier effort and showed little enthusiasm for trying again.

Olympia’s PBIA doesn’t raise enough money to be effective

The level of services and corresponding assessment that are appropriate for downtown Olympia is clearly a local decision that should be guided by iterative engagement with influential ratepayers, as noted earlier. Nevertheless, it is instructive to compare Olympia’s current levels of services to those of nearby districts with similar characteristics. Place management districts in the Puget Sound region vary significantly, with budgets ranging from \$100,000 to more than \$20 million annually, but this evaluation offers two useful comparisons.

Downtown Everett has had a BIA in place since 1990, renewing and adjusting its boundaries and rates every five years since then. The City of Everett collects slightly more than \$600,000 each year from a property-based assessment that is based on the total value and land area of individual properties. The City contracts with the Downtown Everett Association (DEA) to manage and deliver services. The DEA also gets revenue through donations, grants, and service contracts that bring its total budget to about \$1.2 million per year. Everett’s PBIA (known locally as the Downtown Improvement District) provides cleaning and beautification services, marketing and events, business development, and professional management.

The **West Seattle Junction** Business Improvement Area assesses businesses like Olympia’s PBIA. The City of Seattle formed the WSJBIA in 1987 and has made several adjustments to boundaries and rates since then. The City contracts with the West Seattle Junction Association to manage and deliver services. The Association also generates revenue through donations, grants, and service contracts, bringing its total budget to about \$1.3 million annually. The West Seattle Junction district provides clean and safe services, as well as marketing and events, repairs and maintenance, business support, and professional management.

While neither downtown Everett nor West Seattle is just like downtown Olympia, they are of a similar scale, as shown here.

Downtown Everett and West Seattle have somewhat more and somewhat less total real estate value than downtown Olympia, respectively. Both have substantially less land area. Everett has about the same building square footage, while West Seattle has just over half as much. Both have somewhat more value per building square foot (150% and 130% respectively).

	Downtown Olympia	Downtown Everett	West Seattle Junction
PBIA Assessment	\$114,575	\$510,249 (400% of Olympia)	\$570,000 (500% of Olympia)
Real Estate Value	\$800 million	\$1.3 billion 150%	\$600 million 75%
Land Area (Lot Square Feet)	7.5 million	4.5 million 60%	1.7 million 20%
Building Area (Building Square Feet)	4.3 million	4.5 million 105%	2.5 million 58%
Value / Square Foot (of land)	\$186	\$288 150%	\$240 130%

The major takeaway from this table is that downtown Everett and West Seattle Junction are assessing four and five times as much as downtown Olympia. As such, this simple peer comparison would suggest that downtown Olympia may benefit from a substantially larger assessment.

Another relevant observation on the amount collected is that with a tenant-based assessment with collections, governance, and operations all managed by the city itself, the administration costs will be high in relation to the total amount collected and value of services delivered. Raising and deploying additional resources would not increase administrative costs proportionately to the amount collected, and therefore, the proportion of collections dedicated to administration would go down.

Perceptions

PBIA Services may not align with ratepayer priorities

Ratepayers in Olympia have expressed their interest in services focused on a clean and safe downtown environment, along with more support in advocacy. Historically, due to the limited assessment revenue, funding has gone to beautification and arts-related services such as flower baskets. During this evaluation process, stakeholders said that a clean and safe downtown is a priority for them, primary services including Trash pickup and removal, glass recycling, addressing pests/rodents, and public restroom availability. They also expressed the value of investments in public safety, such as non-police crisis response and homelessness response services being available in the city. Stakeholders showed their appreciation for programming such as the ArtWalk and said their hope is that the expansion of the footprint of those programs to better reach all businesses in the PBIA zone would enhance their satisfaction. Scaling up service delivery so that all businesses in the PBIA zone feel they are served by the board's work would be a strategy to move the work forward. Ratepayers want the benefits received to be equitably distributed across the area.

A review of the PBIA's 2024 workplan and notes from its 2024 advisory board retreat (at right) show recent emphasis on physical improvements, beautification, and lighting, with less on direct cleaning and safety services (though lighting is certainly a safety improvement).

Public perceptions of PBIA are quite poor

The perception of a place management district is important to its success. Ratepayers are choosing to pay for services that go beyond essential government services and directly benefit their business and community. People want to know that they are getting the best value for their money and have faith in the individuals they are entrusting to deploy those funds.

During community engagement for this evaluation, downtown Olympia ratepayers shared their dissatisfaction with the relationship between City of Olympia employees who were

2024 PBIA Work Plan Priorities & Considerations

Recap of the 2024 PBIA Advisory Board Retreat

In 2024, the PBIA Advisory Board is seeking to prioritize projects, activities, and budget recommendations that:

- Improve perceptions of Downtown
- Invest in tangible benefits that enhance the experience of Downtown
- Strengthen Downtown's unique character and culture
- Ensure the voices of Downtown businesses are heard
- Connect Downtown businesses with valuable information and resources (especially for those who don't feel like they have access)
- Build community and foster connection among Downtown businesses
- Strengthen the relationship between downtown businesses and the City
- Create and strengthen partnerships and collaborations that benefit Downtown
- Engage in the democratic process
- Cultivate Downtown community pride, loveability, and resiliency (placemaking)
- Promote and support Downtown's small and independent business network

Additional criteria PBIA Advisory Board may seek to consider in developing the 2024 Work Plan:

- Opportunities that require minimal staff lift so that staff efforts can also go toward addressing equity issues and process improvements
- Opportunities to "right-size" investments and projects so that impact is aligned with the size of the PBIA Fund (budget)
- Opportunities that are meaningful and effective (e.g. investments that make a difference for Ratepayers, not duplicating efforts of others, etc.)

PBIA Workplan 2023

Title	Board	Staff	Budget
	Hours	Hours	
Annual Ratepayer Meeting	3	3	\$ 2,000
PBIA Projects			
Event Sponsorship	2	3	\$ 7,000
Public Art	1	5	\$ 6,000
Special Project (Night Market RFP)	4	20	\$ 37,500
Lighting	2	5	\$ 10,000
Murals	1	1	\$ 18,000
Alley Lighting	1	1	\$ 15,000
Mural Tours	1	1	\$ 3,500
Board Activities			
Monthly Meetings	20	20	\$ -
Business Survey			\$ -
Downtown Imp. District discussions	2	2	\$ -
Updates			
Public safety & homelessness	0.5	1	\$ -
Garbage pick-up	0.5	1	\$ -
Other	0.5	0.5	\$ -
Administration	2	2	\$ -
	40.5	65.5	\$ 99,000

managing the PBIA and the PBIA Board they were supporting. Much of the dissatisfaction was centered on individuals who are no longer working on the PBIA, and ratepayers expressed a much more positive view of the current working relationship between the PBIA and the city.

There were also comments about the PBIA funding the wrong services, being ineffective, and/or inefficient. In Uncommon Bridges experience with many place management districts, these perceptions probably hold some truth but are likely also very much influenced by how well the PBIA communicates what it is doing. In our experience, most city employees have many responsibilities, with the PBIA as only a small part of their job description. As such, the reality and perceptions of PBIA effectiveness are only a small part of that city employee's overall job performance. This provides little motivation to put in extra effort either on PBIA services or on communicating with ratepayers. A Program Manager entity whose mission and very existence are dependent on effective services and communication with stakeholders has a much higher motivation to get the services right and make sure everybody is aware of the work being done.

Public perceptions of the Olympia Downtown Alliance are strong

While many downtown stakeholders expressed frustrations with the PBIA, most spoke quite highly of the Olympia Downtown Alliance (ODA). ODA's mission is to act as a catalyst for a vibrant and thriving downtown through service to businesses and property owners. Its goals are advocacy, clean, safe & healthy, economic development, branding, and financial health.

ODA is an active member of the Washington Main Street Program and uses meaningful donations from the Main Street Tax Credit Program toward its mission. The ODA also provides quite a few services to downtown that are funded by the City of Olympia. It also receives funds through memberships, donations, and other service contracts. One of ODA's most visible programs is the Downtown Guide program, which plays an ambassadorial role to visitors while also working with Olympia's most vulnerable street populations. Funded by the city and private contracts, the program serves downtown seven days a week and employs four full-time guides.

Several stakeholders said they think the ODA is oriented to serve property owners, while the PBIA is more for businesses. A review of each entity's activities and conversations with their leaders does not support this perception, however, with both being dedicated to the overall health of downtown and all of its stakeholders.

Efficiencies

PBIA board meets more often than needed to do its job

In alignment with industry best practices, the purpose of a Ratepayer Advisory Board is to set priorities, approve budgets, monitor program delivery, and advise the City Council about future rates and the effectiveness of the Program Manager. Most Ratepayer Advisory Boards defer operations decisions to the Program Manager, and many find quarterly (or bi-monthly) meetings to be adequate to do their jobs. More frequent meetings are time-consuming for both volunteer board members and staff, and they also increase the board's temptation to get involved in decisions and activities that go beyond their primary purpose. This might include micro-managing operational decisions, inventing new initiatives without resources to carry them out, and taking on an advocacy role with the city that is beyond the board's charge. This evaluation heard quite a few examples of each of these digressions from the PBIA board's primary functions.

City staffing of the PBIA board and services is cost-inefficient

Government agencies are well known for their substantial administrative overhead costs. This is because governments operate in an environment of intense public scrutiny at every level, with expectations of transparency, documentation, oversight, and detailed public accountability that exceeds most private and nonprofit organizations. Government employees are also comparatively well compensated in both salary and benefits, especially at the lower and middle ranges. All of this means that using city staff to support the PBIA board and manage service delivery is more expensive than using a nonprofit partner for these functions. Most place management district boards are supported by the Program Manager entity that also manages and deploys district services.

Strengths | Weaknesses | Opportunities | Threats Summary (SWOT)

To summarize the findings above, it may be useful to organize them as internal strengths and weaknesses, and external opportunities and threats. That is, strengths and weaknesses reflect things the PBIA board and staff can control, while opportunities and threats reflect developments in Olympia and the larger world that are less within PBIA's control but will nevertheless impact its success.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Robust business base • Solid history of services • City commitment to downtown • Passionate PBIA board • Reputation of strong performance by the Olympia Downtown Alliance 	<ul style="list-style-type: none"> • Thin business mix & economic base • Persistent issues with street disorder • Not enough money to get much done • Inefficient staffing • Out-of-date assessment model • No provision to keep up with inflation
Opportunities	Threats
<ul style="list-style-type: none"> • Property-based assessment • More revenue and services • Cost-effective management & operations • Partnership with ODA 	<ul style="list-style-type: none"> • Erosion of credibility • Ratepayer revolt • Termination of the PBIA • Downtown stagnation

RECOMMENDATIONS

Despite current challenges with its current structure, downtown Olympia has enjoyed many benefits from its Parking and Business Improvement Area and continues to do so. Many physical improvements, clean and safe services, events, and marketing activities exist because the PBIA provided start-up, catalytic, and/or operational funding. Olympia still needs stable funding for place management and would benefit from more of it. This will be even more beneficial if the district's structural, governance, and operational weaknesses are corrected.

For reasons that have already been explained, Olympia will be best-served by a property-based assessment district that relies on publicly available data from the Thurston County Assessor. Because the recent attempt to create a property-based district (DID) is still fresh in people's minds, it may be too soon to launch another effort. Nevertheless, this should still be the goal.

In the meantime, the City Council should 1) substantially increase PBIA assessments and budgets to fund more robust services; and 2) reconfigure PBIA administration and services for cost-efficiency and effectiveness.

Substantially increase PBIA assessments & budgets

As noted earlier, simply catching up with inflation would mean doubling the PBIA budget to something like \$200,000 per year. A simple peer comparison with other communities in Washington, and especially with PBIA's and PBIA's in similar areas, suggests that downtown Olympia might consider assessments and services with an annual budget on the order of \$500,000. This is four to five times the last PBIA annual budget, and such a change will require support from a substantial number of ratepayers. Getting that support will require an iterative outreach process led by a small group of influential downtown stakeholders. An increase in budget should be accompanied by the administrative and services reconfigurations outlined in the following section.

The simplest way to increase the PBIA assessments to provide resources for more robust services would be to increase the rates within the current structure. This table shows rates to reflect inflation since 2005 (~ \$200,000 budget) and rates to produce a budget of about \$500,000. This is just simple arithmetic and does not reflect agreement by ratepayers on priorities or levels of service. Regardless, it may offer a place to start in building consensus around a more robust PBIA program.

Category	2005		2005 Totals	2024 CPI Adjusted		\$500k Budget	
	Rate	# of Ratepayers		Rate	2024 Totals	Rate	Budget
P1	\$ 150	148	\$ 22,200	\$ 266	\$ 39,294	\$ 663	\$ 98,122
P2	\$ 200	166	\$ 33,200	\$ 354	\$ 58,764	\$ 884	\$ 146,740
P3	\$ 225	5	\$ 1,125	\$ 398	\$ 1,991	\$ 994	\$ 4,972
P4	\$ 250	51	\$ 12,750	\$ 443	\$ 22,568	\$ 1,105	\$ 56,354
P5	\$ 300	34	\$ 10,200	\$ 531	\$ 18,054	\$ 1,326	\$ 45,083
P6	\$ 375	2	\$ 750	\$ 664	\$ 1,328	\$ 1,657	\$ 3,315
P7	\$ 400	29	\$ 11,600	\$ 708	\$ 20,532	\$ 1,768	\$ 51,271
P8	\$ 500	12	\$ 6,000	\$ 885	\$ 10,620	\$ 2,210	\$ 26,519
P9	\$ 600	13	\$ 7,800	\$1,062	\$ 13,806	\$ 2,652	\$ 34,475
P0	\$ 750	10	\$ 7,500	\$1,328	\$ 13,275	\$ 3,315	\$ 33,149
		470	\$ 113,125		\$ 200,231		\$ 500,000

1) Increase residential assessments to be equitable with other uses

Another issue with downtown Olympia’s existing PBIA rates is that residential uses are assessed at very low rates. When the PBIA was launched in 2005, there was very little housing in downtown Olympia, and most of what was there was subsidized for residents with limited resources. Today there are hundreds of market rate apartments in downtown Olympia. As of 2024, the residential rates for the PBIA were \$200/year for hotels or apartment buildings with 30 rooms or less; \$300 for hotels or apartment buildings with 31–50 rooms; and \$400 for hotels or apartment buildings with 51 or more rooms. These numbers are very small in contrast to the \$100-\$200/year per unit assessed in other districts in the Puget Sound region.

Residents gain considerable benefit from place management services because a clean, safe, and vibrant district is as desirable to residents as it is to workers and visitors.

Some observers worry about PBIA assessments making housing less affordable. It is worth noting that these are annual assessment rates for apartments renting for something like \$2,000/month. As such, an annual assessment of \$100 is less than ½ of 1% of the rent. Some of Olympia’s downtown housing continues to be subsidized for lower-income residents, and the city may want to offer a discount for those residences. The most common discount for subsidized housing and other tax-exempt uses in the Puget Sound region is to assess those ratepayers at 25% the rate of for-profit ratepayers.

If assessments on residences were increased to rates comparable to similar districts in the region, it would impact the calculations in the previous table. The table below shows the resulting rates and total assessments for both residential and non-residential properties if a budget of \$500,000 were the goal and the 1,501 residential units were assessed at \$100/year.

Category	2005		2005 Totals	2024 CPI Adjusted		\$500k Budget		Residential Properties	Non-res. Ratepayers	\$500k w/Residential @ \$100	
	Rate	# of Ratepayers		Rate	2024 Totals	Rate	Budget			Rate	Budget Totals
P1	\$ 150	148	\$ 22,200	\$ 266	\$ 39,294	\$ 663	\$ 98,122		148	\$ 464	\$ 68,665
P2	\$ 200	166	\$ 33,200	\$ 354	\$ 58,764	\$ 884	\$ 146,740	26	140	\$ 619	\$ 102,689
P3	\$ 225	5	\$ 1,125	\$ 398	\$ 1,991	\$ 994	\$ 4,972		5	\$ 696	\$ 3,480
P4	\$ 250	51	\$ 12,750	\$ 443	\$ 22,568	\$ 1,105	\$ 56,354		51	\$ 773	\$ 39,436
P5	\$ 300	34	\$ 10,200	\$ 531	\$ 18,054	\$ 1,326	\$ 45,083	9	25	\$ 928	\$ 31,549
P6	\$ 375	2	\$ 750	\$ 664	\$ 1,328	\$ 1,657	\$ 3,315		2	\$ 1,160	\$ 2,320
P7	\$ 400	29	\$ 11,600	\$ 708	\$ 20,532	\$ 1,768	\$ 51,271	9	20	\$ 1,237	\$ 35,879
P8	\$ 500	12	\$ 6,000	\$ 885	\$ 10,620	\$ 2,210	\$ 26,519		12	\$ 1,547	\$ 18,558
P9	\$ 600	13	\$ 7,800	\$1,062	\$ 13,806	\$ 2,652	\$ 34,475		13	\$ 1,856	\$ 24,126
P0	\$ 750	10	\$ 7,500	\$1,328	\$ 13,275	\$ 3,315	\$ 33,149		10	\$ 2,320	\$ 23,198
		470	\$ 113,125		\$ 200,231		\$ 500,000	44	426		\$ 349,900
										Residential Units:	1,501
										Residential Rate:	\$ 100
										Residential Assessment:	\$150,100
											\$ 500,000

As an example, the table below highlights a “P2” ratepayer. This P2 ratepayer has been assessed at \$200/year since 2005. If rates were adjusted for CPI to 2024, a P2 ratepayer would pay \$354/year. If the total budget were set at \$500,000, a P2 ratepayer would pay \$884/year. If residential units were assessed at \$100/year each and the total budget was \$500,000, then a non-residential P2 ratepayer would be assessed at \$619/year.

Category	2005		2005 Totals	2024 CPI Adjusted		\$500k Budget		Residential Properties	Non-res. Ratepayers	\$500k w/Residential @ \$100	
	Rate	# of Ratepayers		Rate	2024 Totals	Rate	Budget			Rate	Budget Totals
P1	\$ 150	148	\$ 22,200	\$ 266	\$ 39,294	\$ 663	\$ 98,122		148	\$ 464	\$ 68,665
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P3	\$ 225	5	\$ 1,125	\$ 398	\$ 1,991	\$ 994	\$ 4,972		5	\$ 696	\$ 3,480
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P5	\$ 300	34	\$ 10,200	\$ 531	\$ 18,054	\$ 1,326	\$ 45,083	9	25	\$ 928	\$ 31,549
P6	\$ 375	2	\$ 750	\$ 664	\$ 1,328	\$ 1,657	\$ 3,315		2	\$ 1,160	\$ 2,320
P7	\$ 400	29	\$ 11,600	\$ 708	\$ 20,532	\$ 1,768	\$ 51,271	9	20	\$ 1,237	\$ 35,879
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P9	\$ 600	13	\$ 7,800	\$ 1,062	\$ 13,806	\$ 2,652	\$ 34,475		13	\$ 1,856	\$ 24,126
P0	\$ 750	10	\$ 7,500	\$ 1,328	\$ 13,275	\$ 3,315	\$ 33,149		10	\$ 2,320	\$ 23,198
		470	\$ 113,125		\$ 200,231		\$ 500,000	44	426		\$ 349,900
										Residential Units:	1,501
										Residential Rate: \$	100
										Residential Assessment:	<u>\$150,100</u>
											\$ 500,000

2) Use an easier metric to calculate assessments

There is nothing inappropriate with Olympia’s current practice of basing assessments on the number of employees for individual businesses, but it is very hard to establish an assessment roll and keep it up to date. The only real source of how many employees each business has is to ask the businesses themselves. Experience with many place management organizations (including reported experience in Olympia) shows that individual ratepayers often do not respond to requests for information, provide inaccurate information, and/or challenge their PBIA invoices.

The matrix of formulas used for Olympia’s PBIA have not changed since 2005 and no longer reflect the mix of uses in the district (as noted above regarding residential uses). Administrative burden has also been a significant challenge for city staff in administering the PBIA. Building square footage is a more transparent and predictable metric because overall building square footage is publicly available from the Thurston County Assessor, which provides a basis for estimating individual unit size. Those individual unit sizes will remain more consistent from year to year than the employee count.

According to the Thurston County Assessor, the buildings within the PBIA’s boundary collectively have approximately 4.3 million building square feet (BSF). \$500,000 divided 4.3 million BSF equals approximately 12¢ / BSF. That calculation assumes that ratepayers would be assessed for every building square foot in the district, which is not realistic. During ratepayer engagement and consensus building, there are certain to be many adjustments, which are likely to include non-leasable space (hallways, etc.), vacant space, storage space, certain uses (i.e., subsidized housing, places of worship, etc.), and others. As such, considering an initial rate of 15-20¢ / building square foot might be a good place to start.

It is also worth noting that the arithmetic in the previous paragraph assumes that all uses pay the same rate. If rates are to be lower in zones 2 and 3, they will need be comparatively higher in zone 1. Similarly, if residential uses are assessed at a per-unit rate, that would have an impact on other rates if the total budget were the same. According to the Assessor, there are 1,501 residential units within the PBIA boundary, with about 1.6 million building square feet in residential properties. If those 1.6 million BSF were assessed at 12¢/BSF, it would equal \$192,000, which divided by 1,501 equals \$128/unit. If the per-unit rate were lower, then the rates on other uses would need to be a bit higher to achieve the same total budget.

Of course, all of these recommendations assume agreement among a majority of ratepayers that a more robust portfolio of PBIA services is something they want to invest in. The process for building that consensus is addressed in the Roadmap section.

Reconfigure PBIA administration and services for cost-efficiency and effectiveness

3) Designate an independent Program Manager to streamline PBIA operations and administration

Olympia needs both a Ratepayer Advisory Board and a Program Manager (operating entity). As described earlier, this aligns with regional and national industry standards and will be more efficient and cost-effective. Uncommon Bridges recommends that the Olympia Downtown Alliance be designated as the Program Manager for the PBIA. Of course, doing so is only feasible if the ODA agrees, and there should be robust conversations including the PBIA board, city staff, ODA staff, and ODA board. Everyone knows about this recommendation, and all parties appear willing to work out the details.

In its role as Program Manager, ODA should be expected to support the PBIA board, deliver or contract for PBIA services, and report progress regularly to the PBIA board and City Council. It is appropriate and recommended that ODA be paid an administrative fee in addition to the direct costs of these services because taking on these additional duties will place a meaningful administrative burden on the organization.

4) Have fewer PBIA meetings with better reporting

The PBIA board should meet 4-6 times a year, as well as hold an annual meeting for all ratepayers. The bi-monthly or quarterly board meetings should be limited to setting annual priorities, approving annual budgets, monitoring performance, and reporting results to ratepayers and the city council.

Based on recommendations from the Program Manager, the PBIA board should adopt a consistent set of clear performance metrics and expect consistent tracking and reporting by the Program Manager. These performance metrics should cover services performed, outcomes from those services, and the health of downtown.

5) Transfer day-to-day operations to a nonprofit program manager

In addition to supporting the PBIA board as described above, day-to-day operations should be executed by the Program Manager (i.e., Olympia Downtown Alliance). This will include professional staff to create and deploy marketing and communications strategies, contract for physical improvements and advertising, and supervise clean and safe programs. In addition to environmental design strategies (i.e., lighting) clean and safe programs are likely to include uniformed personnel to provide cleaning, maintenance, and ambassadorial services. These services may be deployed directly by employees of the Program manager and/or by paid contractors. A skilled Program Manager will be able to augment PBIA-funded services with complimentary services that are paid for by contracts with other public, private, and/or nonprofit funders. For example, the Olympia Downtown Alliance is already providing on-the-street services that are paid for from multiple sources.

ROADMAP

In Uncommon Bridges' experience, ratepayer input into new or reinvented districts is most effectively gained through an iterative process in which various scenarios for services and assessments are tested with influential ratepayers to find the right fit for local conditions and priorities. The recommendations provided here reflect regional and national best practices, as well as input from interviews, focus groups, and informal discussions with dozens of stakeholders in downtown Olympia. The next logical step is an iterative process to find agreement on what is best for Olympia at this time. The following roadmap outlines just such a process.

1) Final Presentations & Report (March 2026)

This Evaluation Report is being distributed to interested parties and presented to the City Council, PBIA Board, and Olympia Downtown Alliance Board in March 2026.

2) Agreement to Proceed (City; PBIA Board; ODA) (< 1 month)

The first step in updating the PBIA is agreement between the City of Olympia, PBIA Board, and Olympia Downtown Alliance that they are open to significant changes to the current program and willing to actively participate in designing and implementing a mutually agreeable structure and assessment mechanism.

3) Form a “Leadership Group” to Build Consensus (< 1 month)

The creation, renewal, expansion, and/or reinvention of place management districts is usually led by a small group of influential stakeholders who have the respect of those who will be expected to pay into the resulting assessment district. This group (6-10 people is ideal) should include some of the largest ratepayers, as well as others who have the respect of the various types of future ratepayers. The group should plan to meet half a dozen times and be prepared to do a fair amount of individual outreach to their peers.

4) Revenue & Services Budgets (3-6 months)

The first task of the Leadership Group is to agree on a program of services and assessment mechanism that they can get ratepayers to support. As noted earlier, this is best done through an iterative process of scenarios, one-on-one engagement with thought leaders, refinement, and agreement. This task should produce a specific assessment mechanism, a budget estimate, and a general idea of priority services and their costs.

5) Operations Plan with ODA (2 months, overlapping with tasks before and after)

Once there is general agreement on the desired services and budget, a detailed Operations Plan is needed to finalize the proposal to the City Council. This Operations Plan should include details about how, when, how much, and by whom services will be delivered. For example, if cleaning services are part of the proposal, how often will sidewalks be swept, how often will they be pressure washed, will graffiti be removed and how often, will these services be provided by employees of the Program Manager entity or by outside contractors, are all questions that will need to be answered in the Operations Plan. The same would apply to ambassadors, as well as marketing programs and physical improvements.

6) Community Open Houses (1 month)

Once the Leadership Group agrees that the Assessment Mechanism and Operations Plan are supported by key ratepayers and thought leaders, one or more Community Open Houses should share these plans with ratepayers, other stakeholders, and the public. The Leadership Group should be ready to answer questions and potentially make adjustments based on feedback.

7) ODA & PBIA Approval (< 1 month)

After final adjustments are made, the PBIA and ODA boards should formally endorse the proposal for approval by the Olympia City Council.

8) Council process on PBIA (2-3 months)

With PBIA and ODA endorsement, the city should proceed with a formal City Council process, which is likely to include one or more Council committee meetings and at least one public hearing before final approval.

9) Launch new PBIA assessment / collection / oversight / services

Once the City Council passes an ordinance updating the PBIA, the city administration will move forward with calculating assessments, sending invoices, and collecting payments. The city will likely benefit from the help of the Program Manager in building the assessment roll if this continues to be a tenant-based district. Concurrent with the city's collection effort, the Program Manager will proceed with ramping up and launching services, including hiring employees or entering into outside contracts, building service schedules, and so forth. It will also include updating the PBIA Board if needed and developing a meeting schedule.