

Downtown Olympia Downtown Improvement District: Operational Plan

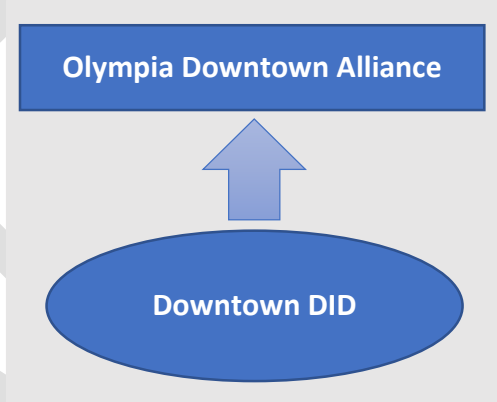
DRAFT July 15, 2019 (Prepared by Progressive Urban Management Associates, Inc.)

DID Objectives	<p>The Downtown Olympia Downtown Improvement District (DID) is intended to be a private sector led and managed district improvement program pursuant to Washington Statute Chapter 35.87A with the following objectives:</p> <ul style="list-style-type: none"> • Provide advocacy, leadership, and services that improve the downtown experience and quality of life, such as enhancing cleanliness, improving public safety, activating and beautifying public spaces, and advancing economic development. • Help support small businesses to grow and prosper in downtown. • Attract new investment that creates jobs, businesses and housing. • Enhance property values, increase sales and occupancies. • Offer accountability to ratepayers through a property and business owner-managed governance structure. • Create a mechanism for championing and sustaining downtown improvement efforts for the long term. 																
DID Boundaries	<p>The Downtown Olympia DID will encompass a large area of the downtown bounded roughly by Market Street NE to the north, West Bay and Capitol Lake to the west, Union Avenue SE to the south and Plum Street and East Bay to the east.</p> <p>Two boundaries are being considered for the DID – Option A is stated above and Option B more concentrated in the core of downtown. Maps of both proposed DID boundaries are attached.</p>																
Estimated Operating Budget	<p><u>Option A:</u> For the initial year of DID operation, an annual operating budget of \$850,000 is projected. A summary Year 1 budget for Option A boundary is provided below:</p> <table> <tr> <td>Clean & Safe (appx 400 hours of weekly deployment + ops manager + equipment)</td><td>\$600,000</td></tr> <tr> <td>Promotion & Special Projects</td><td>\$122,500</td></tr> <tr> <td>Management (15%)</td><td>\$127,500</td></tr> <tr> <td>TOTAL</td><td>\$850,000</td></tr> </table> <p><u>Option B:</u> For the initial year of DID operation, an annual operating budget of \$600,000 is projected. A summary Year 1 budget for Option B boundary is provided below:</p> <table> <tr> <td>Clean & Safe (appx 250 hours of weekly deployment + ops manager + equipment)</td><td>\$400,000</td></tr> <tr> <td>Promotion & Special Projects</td><td>\$100,000</td></tr> <tr> <td>Management (16.7%)</td><td>\$100,000</td></tr> <tr> <td>TOTAL</td><td>\$600,000</td></tr> </table>	Clean & Safe (appx 400 hours of weekly deployment + ops manager + equipment)	\$600,000	Promotion & Special Projects	\$122,500	Management (15%)	\$127,500	TOTAL	\$850,000	Clean & Safe (appx 250 hours of weekly deployment + ops manager + equipment)	\$400,000	Promotion & Special Projects	\$100,000	Management (16.7%)	\$100,000	TOTAL	\$600,000
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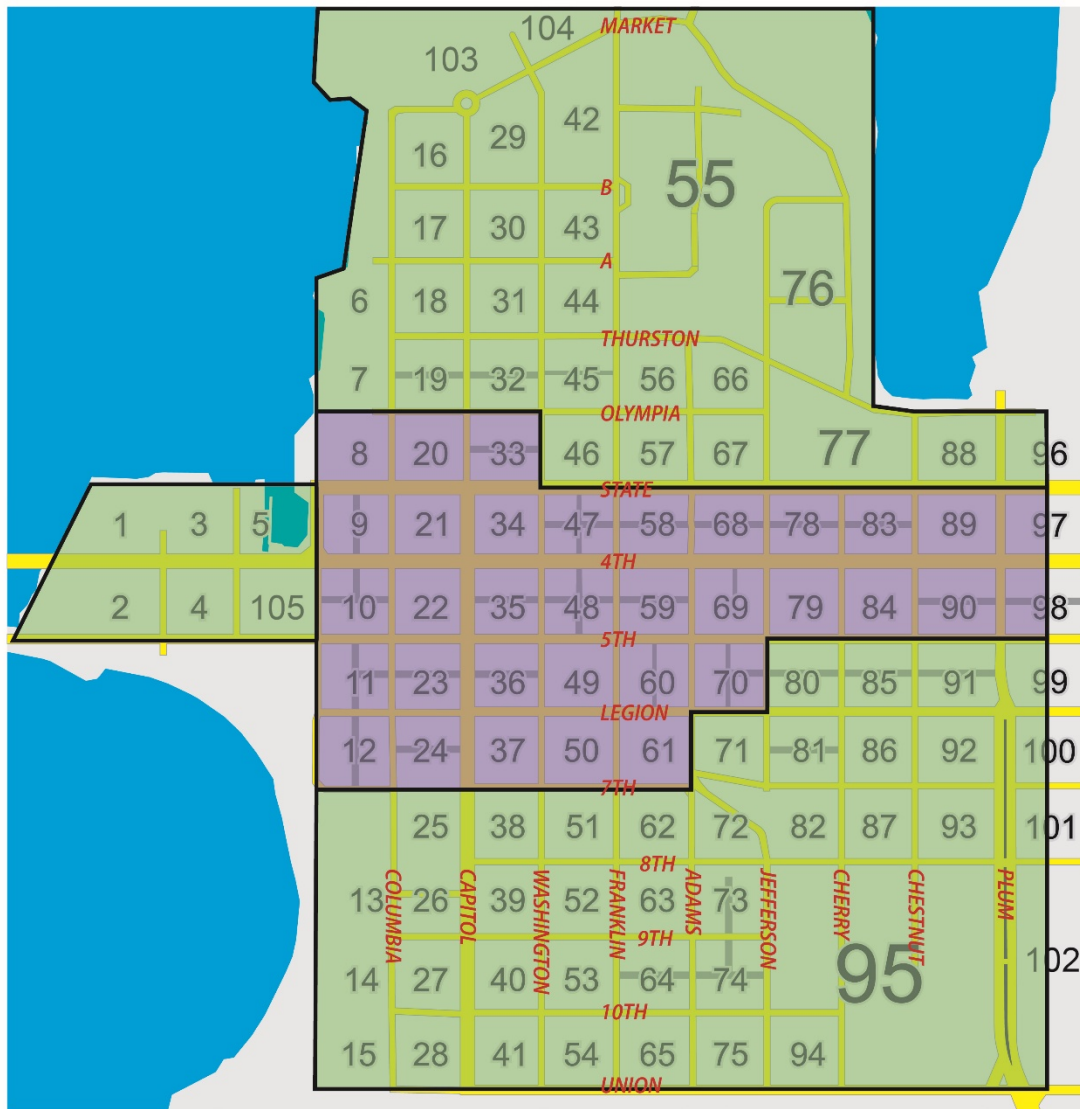
<p>DID Services</p>	<p>The DID will support enhanced services and improvements as determined by an annual work program developed by the DID board of directors. Initial service and improvement options will fit within the following general categories:</p> <p>Clean & Safe</p> <ul style="list-style-type: none"> • Contract and/or direct services for enhanced maintenance that may include cohesive and consistent sidewalk sweeping, scrubbing, and power washing, litter and graffiti removal, and landscaping maintenance (including tree pruning and weed removal) to make the downtown experience consistently clean and inviting for residents, workers, and visitors. • Contract and/or direct services for a hospitality/safety ambassador program. Ambassador services include: offering information, directions, assistance, and safety escorts to downtown visitors, workers, and residents; outreach and case management for downtown’s street dependent population; and management of nuisance and vagrancy issues in close coordination with local law enforcement. • Other initiatives that enhance the cleanliness, safety, and overall appearance of downtown Olympia. <p>Promotion & Special Projects</p> <p><i>The promotion & special projects category is intended to give the DID flexibility with a portion of its funds. This will allow the DID board of directors to adapt to changing market dynamics in downtown, and to capitalize on market and/or project opportunities as they arise. Special projects may include:</i></p> <ul style="list-style-type: none"> • Beautification and capital improvements, including street furniture, banners, wayfinding signage and gateways, lighting, landscaping, and cosmetic improvements to make downtown more welcoming, walkable, and attractive. • Special events production and promotion to attract residents and visitors to experience downtown and drive sales in small businesses. • Strategic programming and animation to activate and reimagine underutilized public spaces. • Retail, dining, and living promotions to attract consumers to small businesses and encourage new residential and amenity development in downtown. • Holiday décor and seasonal promotions to attract consumers and increase sales during Christmas, Thanksgiving, and other peak shopping and dining periods. • Parking management activities to improve the utilization of existing on- and off-street parking to support a variety of economic activities in downtown, including retail and dining destinations, office leasing and the development of new housing and other uses. • Other initiatives intended to attract jobs, small independent businesses, and new investment to downtown Olympia, in coordination with the City’s economic development efforts.
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	<p>Management & Administration</p> <ul style="list-style-type: none">• Administrative support, including contract with the Olympia Downtown Alliance (i.e. office, services, audit, etc.), DID program insurance, bookkeeping, and administrative support to ensure that DID initiatives are managed effectively and maximize accountability to ratepayers.• Strategic planning and professional development to make sure that DID “best practices” are employed in Olympia.• Reserve for delinquencies, operations and repayment of start-up costs.																					
<p>Estimated Annual Costs</p>	<p>The DID operating budget is distributed on a cost allocation basis to a database that contains assessed value and lot characteristics (i.e., linear frontage). According to Washington Statute Chapter 35.87A, assessments can be constructed based on “any reasonable factor relating to the benefit received.”</p> <p>Based on national best practices and to distribute service benefits in the most fair and equitable manner, two assessment variables are proposed:</p> <ul style="list-style-type: none">• Assessed Value, which is the most common assessment variable for DIDs nationwide, provides a measure of benefit allocated to the value of the property as determined by the county assessor.• Frontage, which is measured by all linear feet along a lot, acknowledges the benefit from clean and safe services that will be largely experienced at the street and/or sidewalk level. <p>50% of the assessment is allocated to assessed value, and 50% to lot frontage. Estimated annual assessments for properties are as follows:</p> <p><i>Lot Frontage + Assessed Value Methodology</i></p> <table><tr><th>Annual Rates</th><th>Boundary Option A</th><th>Boundary Option B</th></tr><tr><td>Total Commercial Rate</td><td>\$ 8.45 + 0.00115</td><td>\$ 8.76 + 0.00119</td></tr><tr><td>Total Residential Rate</td><td>\$ 6.34 + 0.00087</td><td>\$ 6.57 + 0.00089</td></tr><tr><td>Total Non-Profit Rate</td><td>\$ 4.23 + 0.00058</td><td>\$ 4.38 + 0.00059</td></tr><tr><td>Commercial Rate – Non-Core</td><td>\$ 4.23 + 0.00058</td><td>n/a</td></tr><tr><td>Residential Rate – Non-Core</td><td>\$ 3.17 + 0.00043</td><td>n/a</td></tr><tr><td>Non-Profit Rate – Non-Core</td><td>\$ 2.11 + 0.00029</td><td>n/a</td></tr></table> <p>Assessment considerations:</p> <ul style="list-style-type: none">• Residential properties are charged at 75% of full assessment rates since they will not experience the same benefits as commercial properties (i.e. commercial leases, retail sales, etc.)• Non-profits, including properties with subsidized affordable housing, are charged at 50% of full assessment rates since they will not experience the same benefits as commercial or residential properties (i.e. value appreciation, commercial leases, retail sales, etc.)	Annual Rates	Boundary Option A	Boundary Option B	Total Commercial Rate	\$ 8.45 + 0.00115	\$ 8.76 + 0.00119	Total Residential Rate	\$ 6.34 + 0.00087	\$ 6.57 + 0.00089	Total Non-Profit Rate	\$ 4.23 + 0.00058	\$ 4.38 + 0.00059	Commercial Rate – Non-Core	\$ 4.23 + 0.00058	n/a	Residential Rate – Non-Core	\$ 3.17 + 0.00043	n/a	Non-Profit Rate – Non-Core	\$ 2.11 + 0.00029	n/a
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	<ul style="list-style-type: none"> Under Boundary Option A, the core of downtown pays twice the rate as the periphery of downtown due to a higher frequency of services and benefits expected in the core.
City Services	The City of Olympia will establish a documented base level of pre-DID City services. The DID will not replace any pre-existing general City services.
Impact on Existing PBIA	To come...
Collection & Enforcement	<p>To come...</p> <p>It is likely that DID assessments will be billed directly by the City of Olympia.</p>
Term of the District	The DID will be established with an initial term of 10 years. In Year 5, the DID will undergo a formal evaluation to determine that the services and assessment methods are consistent with the needs of the district. Any adjustments may be considered at that time. To extend the DID beyond the initial 10-year term, a new operating plan will need to be developed and property owner petition process consistent with Washington Statute Chapter 35.87A undertaken to affirm support for the district.
Annual Assessment Adjustments	Annual assessments may increase no more than 5% per year consistent with the increase in consumer price index (CPI) and increases in program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the DID board of directors. The board will develop annual budgets, and an independent audit will be performed each year.
Boundary Adjustments	For Boundary Scenario A, boundaries for the core service area of the district may be adjusted from year-to-year based upon service demands and/or requests from property owners outside of the core that would seek to be added to it. Boundary adjustments must be approved by the DID board of directors. The outer boundary of the district cannot be changed until the renewal of the district.
District Formation	DID formation requires petition support from property owners representing more than 60% of the total assessments to be paid in the district. Petitions are submitted to the City of Olympia, a public hearing is held, and the DID is established by an ordinance of the Olympia City Council.
District Governance	<p>The DID will be governed by a board of directors comprised of property and business owners representing a wide variety of geographic sub-districts and use-types within downtown. An 11- to 15-member DID board is anticipated with the following considerations:</p> <ul style="list-style-type: none"> Geographic representation Use-type representation, including office, retail, hospitality, non-profit, residential, and civic A mix of small and large property owners At least three business tenants that are not property owners, ideally with one overlapping member of the ODA board(?) One representative of the Mayor and/or City Council

	<p>Board members will serve staggered 3-year terms and can serve a maximum of two successive terms.</p> <p>The initial board of directors, including terms of service, will be submitted to the City Council as part of the petition requesting formation of the DID from property owners. When vacancies on the DID board occur, the Executive Committee of the DID will serve as a Nominating Committee, seeking interest from DID ratepayers for board service.</p>
Management Structure	<p>The DID will usher in a new downtown management model that is commonly found in peer cities to Olympia throughout the nation. The organizational elements include:</p> <ul style="list-style-type: none"> • The Downtown DID will be an assessment district that finances the services specified within this plan. It will be governed by an 11- to 15-member board of directors as specified above. The DID board will establish an annual work program, budget, assessment rates, and monitor delivery of services. • The non-profit, Olympia Downtown Alliance (ODA) will serve as the district management corporation for the DID. All staff and overhead will be housed in the ODA. This structure will allow the DID to leverage ODA's existing staff and services, and will establish a unified and cohesive approach to the management, marketing, and maintenance of downtown Olympia. • To ensure coordination across both organizations the chair of the DID board of directors will also sit on the board of ODA.  <pre> graph BT ODA[Olympia Downtown Alliance] DID([Downtown DID]) DID --> ODA </pre>

Boundary Option A



Boundary Option B

