



## City Council

### Briefing on the Olympia Downtown Alliance Downtown Improvement District (DID) Process

**Agenda Date:** 8/13/2019  
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#### **Title**

Briefing on the Olympia Downtown Alliance Downtown Improvement District (DID) Process

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee

##### **City Manager Recommendation:**

Receive a briefing from the Olympia Downtown Alliance on the Downtown Improvement District (DID) process. Briefing only; no action requested.

#### **Report**

##### **Issue:**

Whether to receive a briefing from the Olympia Downtown Alliance on the Downtown Improvement District (DID) process.

##### **Staff Contact:**

Amy Buckler, Strategic Projects Manager, Community Planning & Development, 360.570.5847

##### **Presenter(s):**

Amy Buckler

Todd Cutts, Executive Director, Olympia Downtown Alliance

Kate Joncas, Director of Urban Strategy and Development, MIG

##### **Background and Analysis:**

Downtown property owners are exploring the notion of a Downtown Improvement District (DID), which would be a property-owner based assessment in downtown Olympia. The Olympia Downtown Alliance (ODA) is helping to facilitate this process.

The attached Quick Facts describes the DID, and the proposed boundaries, services, management and assessment rates. Also attached is the draft business proposal.

A DID is a private-sector funding mechanism designed to improve the environment of a designated area with new services. The proposed DID would contribute \$850,000 to clean and safe, promotions

and special projects in the downtown. Olympia's Downtown Strategy identifies these categories as priorities to move forward the community's vision for downtown.

The proposal is for the DID to be governed by a board made up of property and business owners in the district, with day-to-day management provided by a non-profit business entity (likely the ODA). Each year the DID Board would present a recommendation to the City Council for use of the assessment funds. This model is typical of most business improvement districts in the nation.

DID's are authorized under Washington State law by RCW 35.87A. The City's current business-based improvement district, the Parking and Business Improvement Area (PBIA), is authorized under the same law. Under the law:

- Formation requires a petition process, with support required from more than 60 percent of the total assessments to be paid in the district
- If there is sufficient support through the petition process, the legislative authority (City or County) may establish the DID through ordinance
- It is legal to have both a property-owner based assessment (DID) and business-based assessment (PBIA) in the same area; however, two assessments may not be desired by the downtown community.

#### PROCESS/TIMELINE

March-Aug	ODA outreach to stakeholders
Aug 13	Council Study Session
Aug 19	The Alliance mails petitions
Aug 19-Oct 1	Petition drive
Sept 16	City/ODA jointly host neighborhood information meeting, 6:00-7:30 p.m., City Hall Council Chambers
Oct/Nov	City Council public hearing and decision

#### **Neighborhood/Community Interests (if known):**

The Downtown Alliance has been doing outreach with downtown stakeholders, and met with the PBIA Board to discuss the DID proposal on May 7 and June 26. Notes from a PBIA Board roundtable discussion about the DID are attached. The PBIA also released a survey about the DID to ratepayers in July; results are attached.

In sum, the discussion among downtown stakeholders reveals that some are in support, some are opposed, and would like more information.

SUPPORT	
	Big potential for betterment of downtown, bu
	Brings in more resources/money to support

	No cost to taxpayers
	More streamlined, efficient
	ODA is more nimble than City, can use more
	Will help bring in more visitors, people who
	Assessment rates are reasonable
	Perfect timing
<b>CONCERN</b>	
	Impact to small businesses when assessment
	Invites corporate investment/gentrification
	More bureaucracy
	Loss of representation/control
	Lack of trust in ODA to administer
	Putting power in hands of property owners
	City might curtail services
	Shifting focus from marketing and promotion
	Having two improvement districts

**Options:**

Briefing only; no action requested.

**Financial Impact:**

If the DID is approved as proposed:

- This private sector led and managed DID would contribute \$600,000-\$850,000 (boundary options B and A, respectively) to clean and safe, promotions and special projects in the downtown.
- The City may consider signing onto the DID. The City's annual assessment would be around \$49,000.
- The City might consider disestablishment of the Parking & Business Improvement Area (PBIA) (business based), which provides about \$100,000 per year; this would impact the City's operating budget through loss of the \$43,500 contribution to the Ambassador program that PBIA provides each year.

**Attachments:**

DID Quick Facts  
DID Draft Business Plan  
Small Business FAQ  
PBIA discussion notes  
PBIA survey results