

BUSINESS IMPROVEMENT DISTRICT MANAGEMENT PLAN



2017

ADMINISTRATION

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID)

The Spokane City Council created the downtown Business Improvement District (BID) in July 1995 and reauthorized it in 2001 at the request of the area's business and property owners. The BID is authorized by Washington State law to aid general economic development and neighborhood revitalization. The current City Ordinance for the BID will sunset on December 31, 2021.

Comprising approximately 80 blocks of the Central Business District, the BID boundaries are Maple to Browne, and the Railroad Viaduct to North River Drive. More than 850 business owners and 350 property parcels are contained within the area.

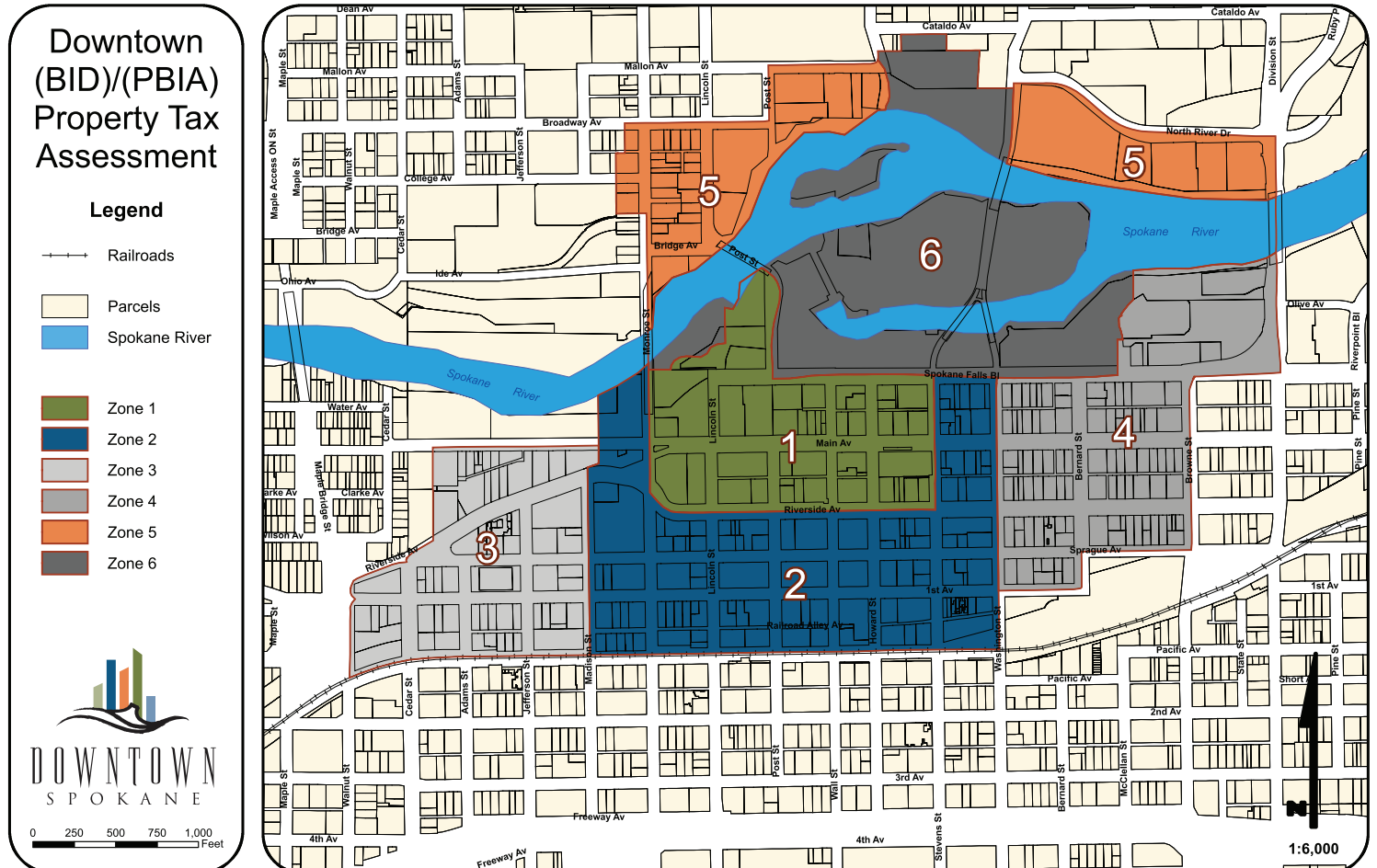
The Ratepayer Advisory Board (RAB) represents the interests of Ratepayers by establishing operating procedures, developing budgets, advising the City regarding assessments, monitoring service delivery and planning for the future of the BID in an advisory capacity. Furthermore, it is the responsibility of the RAB to review all assessment issues and recommend appropriate resolutions.

RAB positions are designated by geography, business, and property type to ensure that the BID's interests are well represented and

served. The RAB meets monthly to discuss budget, management, and program delivery issues on behalf of the BID Ratepayers. The RAB guides the day-to-day function of the BID service delivery.

The BID programs of clean, safe, parking and promoting positive experiences have been fundamental since 1995, stabilizing Downtown Spokane and stimulating new investment. The BID encourages investment by providing the revenue and influence to keep our commercial streets clean, safe, and economically vibrant.

BID Ratepayers continue to value BID services and endorse the current program allocations. The BID will continue to enhance the streetscape, while carefully considering new opportunities including, but not limited to, expansion of the BID boundaries, emphasis on downtown safety and hospitality, parking management, beautification services, wayfinding, encouraging activation of public spaces, and housing and business development opportunities. The BID is sensitive to the needs of all Ratepayers and careful to select additional services to meet the changing demands of an evolving downtown.



CITY OF SPOKANE

DOWNTOWN SPOKANE PARTNERSHIP (DSP)

[Downtown Spokane Development Association 501 (c) 6 DBA DSP Private Non-profit Membership Organization]
 DSP is contracted by the City of Spokane to manage the BID (1995-2021)

The Downtown Spokane Partnership (DSP) is hired by the City of Spokane to administer the BID. Under this agreement, the DSP provides planning efforts for Downtown, and oversees the implementation of downtown enhanced public services. The DSP Board of Directors sets the strategic agenda, guides and manages the revitalization program, and administers various implementation entities.

DSP BOARD OF DIRECTORS

DSP President
 DSP Membership
 DSP Staff

PARKING AND BUSINESS IMPROVEMENT DISTRICT (BID)

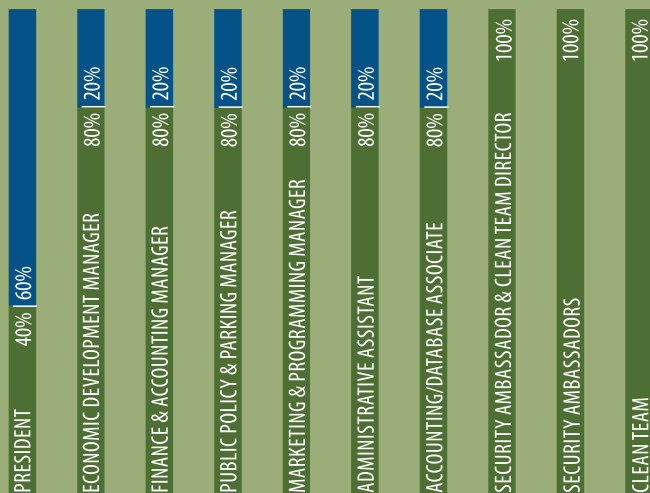
Funding Mechanism for Enhanced Services
 [Authorized by Washington RCW 35.87A & Spokane SMC 04.31]

BID RATEPAYER ADVISORY BOARD

Directed by DSP President as the BID Program Administrator. The BID Board Advises, Recommends and Monitors Budget & Services.

STAFF ALLOCATION

■ BID ■ DSP



DSP ORGANIZATION MANAGEMENT and ADMINISTRATION

The DSP assigns staff resources based on annual business plan requirements to maximize an effective resource mix between the DSP and BID. The graph to the left represents the percentage of time allocated to BID or DSP activities for each staff resource.

FOCUSED MANAGEMENT

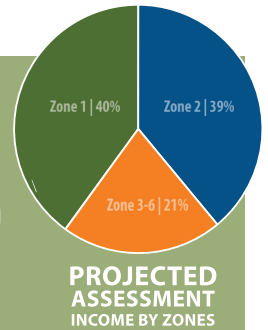
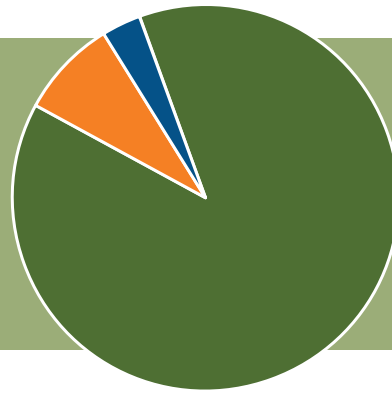
DSP staff provide focused management to oversee tasks listed in the City BID contract, including:

- Staff Management and Development
- Board Support and Relations
- Contract Management
- City Relations
- Business Recruitment and Retention
- Adoption of Annual Budget and BID Management Plan
- Implementation of an Annual Staff Work Plan

2017 BUDGET

INCOME SUMMARY

Projected Assessment Income	\$1,075,802	88.48%
City Services Contract	\$100,000	8.23%
Earned Income	\$40,000	3.29%
TOTAL INCOME	\$1,215,802	

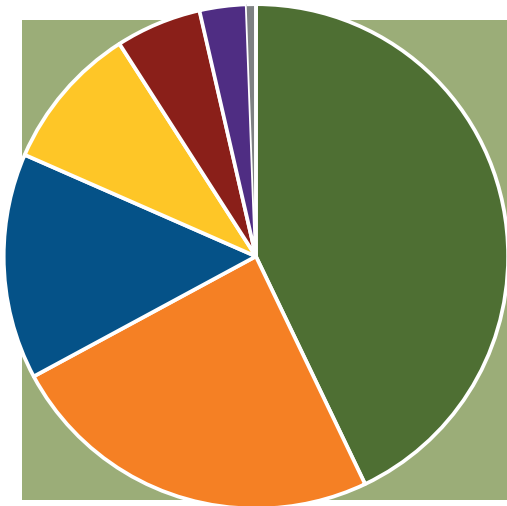


INCOME SUMMARY

The BID is funded by \$100,000/year from the City of Spokane and approximately \$1,115,802, in private investment, including Ratepayer assessments, business contributions to parking validation, event sponsorships, and other private contributions. The funds from the City exclusively support a portion of the Clean Team and the Security Ambassador programs. Assessment income is relatively static, with an average growth rate over the past 8 years of 3%. Major influences are property values, new construction and occupancy. Assessment rates for preexisting categories have not been increased since the formation of the BID, however, a housing category was added in 2005.

EXPENSE SUMMARY

Common Area Services	\$586,000	42.89%
Marketing Communications & Events	\$330,957	24.22%
BID Administration	\$197,856	14.48%
Operations & Transportation	\$127,500	9.33%
Business Development	\$75,000	5.49%
Planning & Development	\$41,000	3.00%
City Administrative Fee	\$8,000	0.59%
TOTAL EXPENSES	\$1,366,313	



EXPENSE SUMMARY

BID programs focus on key areas that make downtown a desirable location for businesses, residents, shoppers, and visitors. The Ratepayer Advisory Board (RAB) establishes a draft budget for how the money is spent and allocations are reviewed annually by the DSP and BID boards prior to being submitted to the City Council for approval. Similar to other BIDs across the country, programs focus on clean, safe, marketing, growth, and transportation.

Budget tightening in 2016 brought ongoing expenses within anticipated revenues. The 2017 budget reflects the recommendation of the RAB and the DSP Boards to deploy resources to one-time priority investments in order to make

significant headway toward achieving priority goals of downtown safety and economic development. Investments will utilize funds from the built-up undedicated fund balance without impacting the three-month operating risk reserve of \$270,000.

Proposals with regards to assessment rate changes (including minimums, maximums, exemptions, and increases) are subject to approval by City Council per RCW 35.87A.

ASSESSMENTS

1. Assessments are based upon gross leasable space (including storage) except where noted.
2. Assessments are based upon six "benefit zones," each of which pays a different level of assessment based upon the services it receives.
3. Hotels and motels will be assessed for both property and tenancy at one rate per number of rooms.
4. Public parks will be assessed for both property and tenancy at one rate per number of acres.
5. Square footage will be combined for office or retail tenants occupying multiple spaces in one building.
6. No historic tax credit or other exemptions that would decrease the assessed value of land or improvements will be used to calculate the annual property assessment.
7. If multiple activities or uses are undertaken in a single business space, the predominant activity or usage shall determine the business classification. The predominant usage is that use which has the greatest proportional square footage of a building compared to other uses.
8. A minimum assessment of ninety dollars (\$90.00)

will be applied to every business or property parcel within the boundaries.

BILLING

1. Assessments are annually billed in December for the following year, with a January due date. If a Ratepayer elects to pay the assessment in two installments there will be a \$10.00 rebill fee.
2. A pro-rated assessment is available to tenant Ratepayers upon request.
 - The pro-rated assessment shall be based on a full month, i.e. if a Ratepayer leaves the BID March 15 they will be invoiced for three full months.
 - A pro-rated assessment shall be available only to tenant Ratepayers who move out of the BID.
3. When a tenant moves within the BID, that tenant will be responsible for the assessment based on their previous location until the change is made for the next year's assessment roll.

EXEMPTIONS

1. Property owners recognized by the State of Washington as Religious, charitable, or social welfare non-profit organizations.
2. Businesses recognized by the State of Washington

- as non-profit organizations.
- 3. Governmental agencies exempt from taxation pursuant to State and Federal law;
- 4. Concessionaires at public events.
- 5. Vendors or entertainers in the district streets and parks.
- 6. Theaters which principally present live performances and not video or film shows.
- 7. Businesses conducting business in the district less than 30 days per year.
- 8. Emergency City services such as fire, police, and medical care.

DISPUTES

The majority of assessment questions are quickly resolved by the Downtown Spokane Partnership office. If a satisfactory conclusion is not reached, a Ratepayer aggrieved by the amount of an assessment or delinquency charge shall request, within sixty (60) days of the assessment or charge, a hearing before the Ratepayer Advisory Board. An Assessment Resolution Policy, which fully outlines the appeal process, is available from the Downtown Spokane Partnership office.

TENANT ASSESSMENT FORMULA

All tenant assessments are based upon square footage of space per lease, except where noted. There is an annual minimum assessment of \$90.00 per tenant.

PROPERTY ASSESSMENT FORMULA

Property owner assessments are based upon current values for land plus improvements, no exemptions, and are calculated at a rate per \$1,000 of total assessed value. Each property, including its tenants, shall be assessed under both the tenant and property owner formulas. There is an annual minimum assessment of \$90.00 per property parcel.

TYPE OF TENANT	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6*
Retail Tenants						
Ground floor and skywalk	\$0.22	\$0.12	\$0.10	\$0.10	\$0.10	-0-
Office Tenants						
Ground floor and skywalk	\$0.12	\$0.11	\$0.09	\$0.09	\$0.09	-0-
Office and Retail Tenants						
Upper floors and basement	\$0.09	\$0.08	\$0.07	\$0.07	\$0.07	-0-
Manufacturing Tenants						
Outside a C-1 zoning district	\$0.09	\$0.08	\$0.07	\$0.07	\$0.07	-0-
Within a C-1 zoning district	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	-0-
Commercial Parking						
Per space assessment	\$3.00	\$2.50	\$2.00	\$2.00	\$2.00	-0-
Commercial Theaters						
Per seat assessment	\$2.50	\$1.90	\$1.60	\$1.60	\$1.60	-0-
Apartments						
Per unit assessment	\$4.00	\$3.50	\$3.00	\$3.00	\$3.00	-0-
Combined Tenant/Owner						
Hotels and Motels (per room assessment)	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	-0-

TYPE OF OWNER	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6*
Private Property	\$1.10	\$1.10	\$0.70	\$0.70	\$0.70	-0-
Government	\$0.80	\$0.80	\$0.60	\$0.60	\$0.60	-0-
Non-Profit	\$0.60	\$0.60	\$0.40	\$0.40	\$0.40	-0-
Residential/Condos	\$0.60	\$0.60	\$0.40	\$0.40	\$0.40	-0-
Public Facilities District	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31	-0-

*GOVERNMENT PARK PROPERTY ASSESSMENT FORMULA
 TYPE Zone 6
 Public Parks \$150.00 per acre





YOUR BID

CREATE A UNIQUE AND POSITIVE DOWNTOWN EXPERIENCE

Improve safety and feeling of safety

- Request increase in police resources
- Develop a youth outreach/engagement strategy to reduce the frequency of aggressive/threatening behavior
- Partner with Spokane Police Department (SPD) in delivering safety environment training for property owners and managers throughout downtown
- Continue advancing SPD neighborhood policing strategies
- Improve effectiveness of Ambassador and Clean Team programs
- Educate the community on initiatives and outcomes

Reduce crime and nuisance activity

- Drive and support initiatives coming from Mayors Task Force
- Engage with SPD leadership, City, service providers and School District to implement on a comprehensive strategy toward reducing crime and nuisance behaviors
- Connect individuals in need with services
- Partner with stakeholders to launch employment services program for panhandlers
- Expand decorative lighting and complete replacement of railroad underpass lighting with LED lights

Expand BID services

- Explore the potential for contract or service related structure for identified business or property owners outside the current boundary
- Pursue requests for pocket expansion into interested properties

Enhance the downtown experience through activation

- Sustain, improve and expand programming opportunities
- Work with property owners to create space activation plans
- Increase collaboration between downtown event organizations
- Hire temporary/seasonal event/space programming staff

Improve parking perceptions and address long term deficiencies

- Design communication strategy to address parking perceptions and challenges
- Implement City parking add-back program
- Develop strategy for funding public parking structures where gaps exist

Coordinate and launch downtown beautification

- Continue management of Parking Advisory Committee (PAC) to provide City with stakeholder driven strategies for leveraging parking revenues into downtown
- Provide PAC input on build-out of entryway improvements at Lincoln and Maple off-ramps
- Execute Phase 1 of intuitive downtown wayfinding signage system
- Work with Ratepayers, City and Spokane Transit Authority (STA) to develop additional revenue streams for making critical repairs and aesthetic improvements with priority along the Central City Line route
- Finalize neighborhood planning efforts in E/W Main and West End, promote the outcomes and build support for LID or similar funding tool in the West End
- Develop blight plan for public/private improvements at Otis and Ridpath
- Partner with Spokane Regional Health District, Fox and others on urban forestry and cultural trail grant initiative

AT WORK

SERVE AS A CATALYST FOR ECONOMIC DEVELOPMENT

Encourage infill development

- Work with the City to find financing to support storefront improvement grants, demolition/waste removal grants, and alternative transportation incentives

Support the brokerage community in the recruitment of retail, housing and commercial office uses

- Collaborate with Visit Spokane, Greater Spokane Incorporated and others on a regional marketing plan and strategies
- Produce video showcasing downtown market and investments
- Execute low cost communication strategies to reach prospective commercial, housing and retail investors
- Continued support for Creative Enterprise, startup businesses and the local business community

Enhance delivery of services to existing business

- Create a downtown development guide
- Acquire and implement Buxton integrated data-driven software system with community partners
- Research value of launching downtown purchasing rewards program
- Create a robust, web based portal for enhanced Ratepayer services

Planning

- Work with City to launch 10 year Downtown Plan update process



ENHANCE ORGANIZATIONAL STRENGTH

Strengthen relationships with partners, Ratepayers and Members

- Sustain and enhance networking opportunities for Ratepayers and Members
- Continue regional collaboration meetings

Enhance community awareness and organizational visibility of services and programs

- Continue cultivating relationships with local media to leverage opportunities
- Leverage Ratepayer and Member communications to broaden our reach
- Increase email contact list

Increase revenues to sustain and expand on the reach and effectiveness of the organization

- Pursue grant and alternative revenue opportunities
- Increased program underwriting
- Explore major annual fundraising event

Update technology to better reach and serve organizational audiences

- Strengthen data collection to improve our access to and communications with Ratepayers, property owners and to facilitate economic investment
- Launch updated database
- Complete redesign of website

Enhance internal financial analysis structure and reporting

- Monthly Budget vs Actuals P&L analysis
- Improvement of analysis structure for a more accurate forecasting and cash flow
- Implement dashboard reporting to provide Boards with high level overview of financials

SUPPORT CAPITAL PROJECTS AND INFRASTRUCTURE THAT DRIVE ECONOMIC DEVELOPMENT

Support development of a multipurpose SportsPlex facility on North bank of Riverfront Park

Support and provide downtown input into build-out of Riverfront Park renovations

- Continue gathering board, Member, and Ratepayer input on park redevelopment
- Complete participation in design review committee

Manage communications on behalf of businesses regarding public works projects

- Continue and refine communications management initiative

Support advancement of STA Central City Line and related transit improvements

- Facilitate stakeholder input to ensure project meets future needs of downtown



**DOWNTOWN
SPOKANE
PARTNERSHIP**

**BUSINESS
IMPROVEMENT
DISTRICT**

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