
Appendix B – 2024

DOWNTOWN SPOKANE BUSINESS IMPROVEMENT DISTRICT Special Assessment Matrix

I. 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 \$110.00 per tenant.*

<u>Type of Tenant</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4*</u>
Retail Tenants -Ground floor and skywalk	\$0.33	\$0.19	\$0.16	-0-
Office Tenants -Ground floor and skywalk	\$0.19	\$0.18	\$0.15	-0-
Office and Retail Tenants -Upper floors and basement	\$0.15	\$0.14	\$0.12	-0-
Manufacturing Tenants	\$0.15	\$0.14	\$0.12	-0-
Commercial Parking -per space assessment	\$4.56	\$3.80	\$3.04	-0-
Commercial Theaters -per seat assessment	\$3.80	\$2.89	\$2.44	-0-
Apartments -per unit assessment	\$6.09	\$5.32	\$4.56	-0-

<u>Combined Tenant/Owner</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone4</u>
Hotels and Motels -per room assessment	\$30.42	\$30.42	\$30.42	-0-

II. PROPERTY OWNER 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 \$110.00 per property parcel.*

<u>Type of Owner</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone4</u>
Private Property	\$1.10	\$1.10	\$0.70	-0-
Government	\$0.80	\$0.80	\$0.60	-0-
Residential/Condominiums -per unit assessment	\$0.60 up to a max of \$215	\$0.60 up to a max of \$215	\$0.40 up to a max of \$215	-0-
Public Facilities District	\$0.31	\$0.31	\$0.31	-0-

III. GOVERNMENT PARK PROPERTY ASSESSMENT FORMULA

Type	Zone 4*
Public Parks -per acre assessment	\$181.98

IV. GENERAL EXEMPTIONS

The following will be exempt from special assessments:

1. Organizations and property owners recognized under Section 501(c)(3) of the Internal Revenue Code as a tax exempt non-profit charitable organization;
2. Government agencies exempt from taxation pursuant to state or federal law;
3. Organizations conducting business in the BID less than 30 days per year.

V. TENANT EXEMPTIONS

The following tenants will be exempt from special assessments:

1. Businesses in the district less than 30 days per year.

ASSESSMENT GUIDELINES

Chapter 4.31 of the Spokane Municipal Code (SMC), as originally adopted in Ordinance No. C-32923 and as subsequently amended by the City Council, provides for the levy of special assessments upon businesses and properties within the area designated as the Downtown Business Improvement District (BID). The BID Ratepayer Advisory Board submits to City Council an annual BID Management Plan including a proposed budget and special assessment matrix. In early December, City Council holds a public hearing to approve the next year's assessment rolls.

The following guidelines are provided as a supplement to the assessment matrix:

- Assessment rates are annual and are based upon gross leasable space (including storage) except where noted. If a ratepayer elects to pay the assessment in two installments there will be a \$10.00 service charge levied on each installment.
- A pro-rated assessment shall be available to tenant ratepayers upon request.
 - The pro-rated assessment shall be based on a full month, i.e. If a ratepayer leaves the district March 15th they will be invoiced for three full months.
 - A pro-rated assessment shall be available only to tenant ratepayers who move out of the district. When a tenant moves within the district, 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.
- A pro-rated assessment shall be available to property owners upon request.
 - If the property is sold during the first half of the calendar year (Jan-Jun) the owner will be responsible for the first half assessment only.
 - If the property is sold during the second half of the calendar year (Jul-Dec) the owner will be responsible for the full year's assessment.

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- Assessments are based upon four “benefit zones”, each of which pays a different level of assessment based upon the services it receives.
 - A minimum assessment of \$110.00 is levied for each tenant and/or property parcel.
 - The following will be exempt from assessment: Organizations and property owners recognized under Section 501 (c)(3) of the Internal Revenue Code as a tax exempt non-profit charitable organization; Governmental agencies exempt from taxation pursuant to State and Federal law, and organizations conducting business in the BID less than 30 days per year.
 - 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.
 - The Downtown Spokane Partnership office should be contacted immediately to discuss any situations not covered in the above guidelines.
 - Manufacturing businesses should have their businesses classified, and assessments applied, consistent with other uses in the District. Business classifications (i.e., office/manufacturing) should not be prorated for a single business operation. Per Section 4, Part E, “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 that has the greatest proportional square footage of a building compared to other uses.

DISPUTES

The majority of assessment questions are quickly resolved by the City of Spokane or the Downtown Spokane Partnership. 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 BID Ratepayer Advisory Board. An Assessment Resolution Policy, which fully outlines the appeal process, is available at the Downtown Spokane Partnership office.

SPECIAL ASSESSMENTS

The City of Spokane will levy a special assessment on each business, organization, building and a property within the area by applying an assessment rate according to the current assessment formula approved by City Council.

Assessment Rate Increases

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

Subsequent increases of the amount of the special assessments for all flat-fee assessments will be adjusted based on the increase, if any, of the Consumer Price Index of the Western U.S. City Average for all urban consumers (CPI-U). The percentage increase in the assessment formula shall be computed as follows:

$$\frac{[(\text{Ending CPI-U} - \text{Beginning CPI-U}) \div \text{Beginning CPI-U}] \times 100}{1} = \text{Percentage Increase}$$

$$\frac{[(\text{July Present Year} - \text{July Previous Year}) \div \text{July Previous Year}] \times 100}{1} = \text{Percentage Increase}$$

Assessment Policies

1. Hotels and motels will be assessed for both property and tenancy at one rate per number of rooms.
2. All parking that is open and accessible to the public, including hotel lots and garages, for which a fee is charged shall be assessed on the same basis as commercial parking. For purposes of this assessment, commercial parking is defined as a parking space that is open and accessible to the public for which a charge is assessed for the privilege of parking a vehicle in the parking space for a set period of time.
3. Public parks will be assessed for both property and tenancy at one rate per number of acres.
4. A minimum assessment of one hundred and ten dollars (\$110.00) will be applied to every business or property parcel within the boundaries.
5. Square footage will be combined for office or retail tenants occupying multiple spaces in one building.