ORDINANCE NO. 27696

AN ORDINANCE reestablishing a Downtown Business Improvement Area for a ten-year period; approving the budget, program, and special assessment upon real property (and the owners thereof) within the area; and providing for the deposit of revenues in a special account, and expenditures therefrom.

WHEREAS the owners of property subject to 50 percent or more of the special assessment levied filed a petition with the City of Tacoma to reestablish a Downtown Business Improvement Area ("BIA"), pursuant to RCW 35.87A, a copy of the petition being on file with the City Clerk and contained in this ordinance file, and

WHEREAS the City Council, pursuant to Resolution No. 37376, adopted January 22, 2008, declared its intent to reestablish a Downtown BIA, pursuant to RCW 35.87A, and

WHEREAS, as provided in Resolution No. 37376, the City Council held a public hearing on February 12, 2008, concerning the formation and continuation of the Downtown BIA and the imposition of special assessments on real property (and property owners) within such Downtown BIA, prior to the adoption of this ordinance; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. District Established.

A. That, as authorized by RCW 35.87A, there is hereby reestablished a Downtown Business Improvement Area within the following described boundaries (when a street or alley is named, the district boundary is the center line of the right-of-way unless otherwise stated):
Beginning at Court D at South 7th, then south on Court D to South 15th, east on South 15th to Market Street, south on Market Street to Jefferson Avenue, southwest on Jefferson Avenue to South 21st Street, east on South 21st to the Northern Pacific Railway Depot yard, then north parallel to Pacific Avenue to South 15th Street, then northeasterly to South 14th Street and Cliff Street extended, then north on Cliff Street extended to South 12th Street and the west right-of-way line of Schuster Parkway, then northwesterly along Schuster Parkway to its connection to Stadium Way, then south on Stadium Way to South 7th Street, (Spanish Stairs), then west on South 7th Street to beginning at Court D.

said area being hereinafter called the “District” or “BIA” (Business Improvement Area).

The BIA District may be expanded to contiguous areas within the planning boundaries for Working Definition of Downtown upon the petition of property owners representing more than 50 percent of assessed valuation of an area, and pursuant to the procedures outlined in RCW 35.87A.075.

B. Termination of District

1. The BIA and the special assessment upon properties shall continue for a period of ten years (commencing May 1, 2008) unless at least 180 days prior to such termination, a petition is submitted to the City requesting the continued existence of the BIA, with such petition documenting approval of the owners of the property in the BIA who will pay 50 percent or more of the annual special assessment for the District.

2. The BIA and the special assessment therefore shall terminate within one year (or such longer period as set forth in the termination petition) from
the date of submission to the City of a petition containing the signatures of the
owners of the property in the BIA who pay 50 percent or more of the annual
special assessment requesting termination of the BIA and levy.

Section 2. District Assessment.

A. That all real property, inclusive of land and buildings (and the owners
thereof), within the boundaries of the District, will be specially benefited by the
purposes for which the District is being established; and such property (and the
owners thereof) shall be subject to a special assessment as authorized by
RCW 35.87A.010, this ordinance, and amendments thereto.

B. That the benefit to the property (and the owners thereof) subject to the
special assessment, and to the BIA as a whole, is a special benefit which would
not otherwise be available but for the activities, programs, and special services
carried out with funding provided by the special assessments authorized herein;
and that such special benefits, and the increase in value of the property in the BIA
resulting therefrom, and the increased opportunity which is created for each
property (and the owners thereof) within the BIA to benefit from the BIA programs,
activities, and special services, are hereby found to be commensurate with, or in
excess of, the amount of the assessment under this ordinance.

Section 3. Purposes and Programs. Special assessment revenues shall
only be used for the following types of purposes, programs, services, and
administrative and collection costs associated therewith in accordance with the
Work Plan, attached as Exhibit "A":

-3-
A. The operation of a security and public relations program to: (1) provide enhanced security for common areas and for people, which may include, but is not limited to, dissemination of information relative to security and for the purpose of generating favorable publicity, and to promote the District and the property and businesses therein as a clean, safe, and inviting area; and (2) provide additional security through a combination of public and private personnel and facilities; and such other measures or activities as will accomplish the above-stated objectives, and also assist in changing the perception that the District is an undesirable or unsafe area.

B. Maintenance and appearance enhancement of common areas, such as the sweeping and cleaning of sidewalks, the removal or covering of graffiti, the removal or prevention of litter, and such other related activities or services which would enhance the appearance of the area and encourage the general public to increasingly visit and do business in the District.

C. Provide professional management, planning, and promotion for the area, including the management and promotion of retail trade activities in the area as deemed appropriate and approved by the ratepayers.

This listing of programs is illustrative and not exclusive. All such activities are to be supplemental to street maintenance and normal police staffing or security, at the level previously and regularly provided by the City, and are not to displace any services previously and regularly provided by the City. The specific programs, activities, and services to be funded with the special assessment will be determined annually at the time the City Council approves the annual budget for
the District for the ensuing year, in the manner as more specifically set forth in
Section 12 below. The budget, programs, activities, and services for the first
annual period of the renewed BIA shall be approved pursuant to Section 13 below.

Section 4. **Levy of Special Assessment.** To finance programs and services
authorized in Section 3 above, there is levied and shall be collected an annual
special assessment upon the buildings and other real property within the District
(and the owners thereof), at the following rates, in accordance with the rates and
budget established in Exhibit "B":

   A. Property improved with buildings containing office, retail, residential, and
   commercial uses (unless such building or use falls within another classification as
   below provided), shall be assessed up to the annual rate of $0.165 for each
   square foot of the total gross square footage of such building used for office and
   commercial uses. "Gross square footage," as used herein, shall mean all floor
   area within the exterior surfaces of the exterior walls, including lobbies,
   washrooms, janitor's closets, building stairs, fire towers, elevator shafts, flues,
   vents, stacks, pipe shafts, vertical ducts, basement areas, areas of exterior exit
   stairways and balconies, and those parts of other exterior balconies and walkways
   under roof overhangs.

   B. Unimproved land, surface parking lots, parking garages, warehouse and
   storage facilities, churches, or similar buildings which are only substantially
   occupied for the intended use once or twice a week; those portions of buildings
   used for transient lodging use; and buildings which are vacant and unable to be
   occupied without major renovation may be assessed at the annual
rate of up to $0.095 per square foot of the gross square footage of such building or
of the surface area of the land or surface parking lot. Pursuant to RCW 35.87A,
the ordinance, or amendments thereto, may provide for reasonable classification
of businesses for purposes of determining the rate to be charged, which rates may
be lower than those set forth herein, and may provide for exemptions from
assessments as may be appropriate. (See Section 6.)

C. That portion of a building used by a nonprofit school or college for
educational purposes, and which is exempt from property taxes under
RCW 84.36.050, shall be assessed at the lower rate per square foot of the gross
square footage of the portion of the building so used for educational purposes.

D. That portion of a building or land owned and used by a nonprofit
organization for the purpose of maintaining and exhibiting art, scientific, or
historical collections for the benefit of the general public and not for profit, and
which is exempt from property taxes under RCW 84.36.060, shall be assessed at
the lower rate per square foot of the gross square footage of the portion of the
building and land so used for such purpose.

E. That portion of a building or land owned and used by a nonprofit
organization for character-building, benevolent, protective, or rehabilitative social
services directed at persons of all ages, and which is exempt from property taxes
under RCW 84.36.030(1), shall be assessed at the lower rate per square foot of
the gross square footage of the portion of such building or land so used for such
purpose.

-6-
F. That portion of a building which is vacant, not rented or used, or unable to be occupied in excess of two years:

1. Due to applicable building and fire codes for a use permissible under the City's Land Use Regulatory Code, unless substantial cost is incurred to correct existing code deficiencies, as necessary to obtain an occupancy permit or otherwise allow such vacant portion of the building to be occupied in compliance with applicable codes, shall be assessed at the lower rate per square foot of the gross square footage area of such vacant portion of the building; or

2. Due to such space not being reasonably tenantable or occupiable in its present condition, unless substantial cost is incurred to correct its present condition, shall be assessed at the lower rate per square foot of the gross square footage of such vacant area until such time as such area is occupied or rented. "Substantial cost," as used herein, shall mean an amount of at least $15 per square foot of the gross square footage of the vacant portion.

G. A vacant area which is being assessed at the lower rate per square foot under Section 4(F) shall be deemed to be occupied and assessable at the occupied rate at the commencement of the next annual assessment period unless, prior thereto, the owner of the building or owner's representative shall give written certification to the City that the space in question still remains untenantable or unoccupiable due to code deficiencies or due to its present condition.

H. That portion of a building which has been vacant in excess of two years, and is not assessable at the lower rate per square foot under any of the preceding subsections, shall be assessed at the higher rate per square foot of the gross
square footage of such vacant portion of the building if the majority (50 percent or more) of the remainder of the gross floor area of the building is assessable at the higher rate per square foot. If less than 50 percent of the building is occupied and assessable at the higher rate, only that portion of the building that is occupied shall be assessed at the higher rate per square foot of the gross square footage. The remaining unoccupied portion of the building shall be assessed at the lower rate per square foot of the gross square footage.

I. That portion of a building or land owned and used by a nonprofit fraternal organization to conduct its meetings or other noncommercial activities shall be assessed at the lower rate per square foot of the gross square footage of the portion of such building or land so used for such purpose.

Section 5. Calculation of Assessments.

A. The gross square footage and use shall be initially determined from the records of the Pierce County Assessor-Treasurer, subject to adjustment thereafter upon a finding that the actual gross square footage on which the assessment is to be calculated or the use thereof is different from that shown on the Pierce County Assessor-Treasurer’s record. It is presumed that the higher rate per square foot of gross square footage applies unless adequate evidence is made available to the appropriate City official that the lower rate per square foot of gross square footage is applicable. The burden of proof shall be on the ratepayer questioning the higher rate assessment to prove that the lower rate is applicable.

B. The initial assessment and subsequent annual assessments showing the rate of the special assessment, the gross square footage on which it is
calculated, and the total assessment for each separate ownership shall be mailed to the owner or reputed owner whose name appears as the owner on the tax rolls of the Pierce County Assessor-Treasurer and at the address for such owner as shown on the tax rolls of the Pierce County Assessor-Treasurer. Subsequent annual assessments, with the applicable rate, gross square footage, and total assessment for each separate ownership, may be sent by regular mail or delivered by the City to the owner or reputed owner as contained in the records of the City Treasurer and at the address for such owner or reputed owner as contained in the records of the City Treasurer, and if no addresses is shown there, to the address shown in the tax records of the Pierce County Assessor-Treasurer. It will be presumed that ownership and the address of any owner or reputed owner remains the same as at the time of mailing of the initial annual assessment, unless the City Treasurer receives written notice of a change in the address of the owner to which the assessment notice is to be mailed. Duplicate notices will be mailed upon request of the owner to the owner's named representative at the address given in such written request by the owner.

C. In the event the approved annual budget is greater or less than the funds which will be available from the total of all assessments within the District for such annual period, calculated at the assessment rates as set forth in Section 4 above, then such rates shall be adjusted on a pro rata basis (i.e., for every one cent change in the higher rate per square foot, there would be a one-third of a cent change in the lower rate per square foot) in an amount which, when multiplied by the total assessable square footage in the District, will produce a total sum equal
to the approved total budget amount for the annual period for which the special
assessment is being made. Any increase of the assessment rate in order to
produce a total assessment equal to the approved annual budget will not exceed
the maximum assessment rates as set forth in Section 4 above, and as Section 4
may be amended, except to the extent that such excess amount is equal to or less
than the inflation in prices which has occurred since the date of the first annual
assessment, as measured by the Consumer Price Index more specifically defined
in Section 14 below. Any unexpended and unobligated budgeted amount
remaining at the end of any annual assessment period, and any assessments or
funds collected and deposited in the District Fund in excess of the amount
authorized to be expended for the annual assessment period in which such excess
amounts are received, may be expended as authorized by: (1) the next annual
BIA budget approved by the City Council, or (2) amendment to the current annual
budget, as approved by the City Council, pursuant to Section 20 below.

Section 6. Exemptions. Public rights-of-way and property owned by the
state and federal government shall be exempt from the special assessment,
provided that nothing herein shall preclude the state or federal government from
agreeing to make payment for any such assessment. Property owned by the City
and leased to the federal government for an initial term of at least ten years shall
be exempt from the special assessment for the term of the lease and any
extension thereof, except such exemption shall not apply if the federal government agrees to pay or voluntarily pays the special assessment as to such property.

Section 7. **Collection Schedule.** Insofar as is consistent with this ordinance and RCW 35.87A, special assessments shall be collected on an annual basis, with payments due on May 1 (or the first City business day thereafter) or within 30 days after mailing to the property owner the first notice of the amount of the annual special assessment due, whichever date is later. A property owner may elect to make payment in two equal, semiannual installments, the first due on May 1 (or the first City business day thereafter) or within 30 days after mailing to the property owner the first notice of the amount of the annual special assessment due, whichever date is later, and the next installment to be due on November 1 (or the first City business day thereafter), provided: (a) failure to make timely payment in May (unless such date be extended by late mailing of notice) makes the entire annual assessment due and payable, and (b) a charge of $15 shall be added to semiannual payments to cover the cost of processing. The special assessment upon property (and the owner thereof) which becomes assessable by reason of loss of exemption, or which becomes assessable at a different rate by reason of a change in occupancy or use, shall be adjusted to reflect such rate change as of the date the loss of exemption or change in occupancy or use occurs, and such increase or decrease to the amount previously assessed shall be added to or deducted from the next annual payment of semiannual installment to be made.

Upon termination of the BIA, pursuant to Section 19 below or otherwise, no refunds for overpayments of assessments shall be made to persons paying such
overpayments, unless there are sufficient funds in the District Fund to pay such
overpayments after payment of all other costs, debts, or liabilities incurred on or
payable from the District Fund. If there are sufficient funds remaining to refund
some of the overpayments, but not all, such refunds shall be prorated among
those who have made timely claims pursuant to Section 16 below, and are entitled
to such refunds.

Section 8. Deposit into Fund. A special fund is hereby created, to be called
the Downtown Business Improvement Area Fund, hereafter called the "District
Fund," into which shall be deposited:

A. All revenues from special assessments levied under this ordinance;
B. Interest, late charges, penalties, and income from the investment of fund
deposits;
C. Gifts and donations to the fund; and
D. Restitution monies for expenditures made from the fund and
reimbursement due the fund.

Section 9. Expenditures. Expenditures from the District Fund, as may be
authorized by the City Council, shall be used exclusively for the purposes specified
in this ordinance and shall not be used for any other purpose.

Section 10. Administration. The City Manager, or such other City officer(s)
as the City Manager may designate to act in his or her stead, shall administer the
District for the City, with authority to:

A. Classify property and ratepayers within the types of use under Section 4
above, determine the gross square footage of buildings and land for assessment

-12-
purposes, determine the rate applicable to a ratepayer when classifications
overlap, and resolve ambiguities in the application of rates. In determining gross
square footage, the designated City official may rely on figures supplied by the
Pierce County Assessor, the Local Development Council of Tacoma (hereinafter
"LDC"), or a lease agreement, without making measurements directly.

B. Collect the special assessments, refund special assessments when
overpaid, and extend the deadline for payment and/or waive delinquency charges
and interest whenever the delinquency is the result of the failure by the City to
provide a statement of the amount due, or nonpayment results from extenuating
circumstances beyond the ratepayer’s control, such as a casualty loss, causing
permanent closure of the business or bankruptcy.

C. Determine and apply the interest rate for late payments contemplated by
Section 17.

D. Establish a schedule of proportionate payments for new ratepayers first
becoming subject to the assessment after May 1 of the year.

E. After consultation and with the advice of the LDC, or its successor, take
such other action as is necessary and appropriate to carry out contemplated
programs with special assessments.

F. Refer for initial determination and recommendations thereon questions
pertaining to determination of gross square footage, rates, building use, and other
questions pertaining to an application of the special assessment on a particular
property or property owner to the LDC, or its successor, in accordance with the
contract to be approved between the LDC and the City. Such initial determination
and recommendation by the LDC shall be advisory, and the City Manager or the
designated City official may adopt, amend, or reject such recommendation in
making administrative determinations hereunder. Any determination hereunder by
the City Manager or the designated City official may be appealed to the Hearing
Examiner, and from the Hearing Examiner to the City Council, in the manner
authorized pursuant to Section 16 below.

G. Direct the appropriate officers of the City to pursue collection
procedures, including bringing legal civil actions in district or superior court, to
collect any unpaid assessments and to collect such unpaid assessments by
foreclosure action against the property on which it is assessed in accordance with
laws applicable to foreclosure of local improvement district liens, and/or to collect
by civil action such unpaid assessment by judgment against the owner.

Section 11. Advisory Board. The Board of Directors of the LDC, or its
successor, shall serve as an advisory board in carrying out a contract for program
management of activities and programs to be funded through special
assessments. The advisory board shall contain members representative of the
classifications subject to assessment. The City Manager may appoint City
representatives in a nonvoting capacity to the advisory board.

Section 12. Annual Budget/Annual Assessment Amount. On or before
February 10 of any year, after consultation with the LDC (or its successor) and any
established ratepayers' advisory board (as may be provided in the management
contract), the City Manager, or his designee, shall submit to the City Council the
following: (a) a statement of the proposed programs and activities to be
conducted during the ensuing fiscal year (May 1 through April 30); (b) the proposed annual budget; and (c) a statement of any adjustment to the assessment rates required for financing the proposed activities and budget for the ensuing fiscal year. See attached Exhibit "A" for the 2008-2009 Work Plan, and Exhibit "B" for the 2008-2009 Budget.

After receipt of the proposed budget, the City Council will adopt a resolution setting the time and place for a hearing to be held by the City Council to consider the proposed activities and budget. Notice of the hearing shall be given by:
(a) one publication of the notice of hearing in a newspaper of general circulation in the City; and (b) mailing a copy of the proposed activities, budget, and assessment rates for the ensuing fiscal year to the owner or reputed owner of property in the District whose names appear as the owners on the records of the City Treasurer, at the address for such owners as shown on the records of the City Treasurer, or at such other address for a particular owner as such owner may have previously requested in writing; or, if no address is shown there, to the address shown in the tax records of the Pierce County Assessor/Treasurer. At the time fixed for the hearing, and at the times to which the hearing may be adjourned, the City Council may correct, revise, modify, and amend the proposed activities, budget, and assessment; and, thereafter, the City Council may approve, by ordinance or resolution, said activities, budget, and assessment as proposed or as modified. Upon City Council approval, the assessment roll shall be filed with the City Treasurer and billings for the ensuing annual assessment shall be mailed to the
property owners in the District. Any property owner wishing to object to the special assessment billed shall file, within 30 days from the date of mailing of the annual assessment billing, an objection thereto stating the grounds of the objection, with the City Clerk. Objections not so made within the required time shall be conclusively presumed to have been waived.

Filed with the office of the City Clerk prior to the adoption of this ordinance is a map showing the boundaries of the BIA and a list showing each lot and parcel to be assessed and the rate and amount assessed, as authorized herein, against each lot and parcel (and the owner thereof), together with improvements thereon. Such list, together with the assessments as shown, is referred to as the "Annual Assessment Roll," which is hereby approved and confirmed. Initial assessments shall be made in accordance with the approved Annual Assessment Roll; and subsequent annual assessments shall be made in accordance with subsequent Annual Assessment Rolls as may be amended to reflect changes in the per-square-foot rate of the assessment, amended to reflect correction of errors in the computation of an assessment as to a particular property, or as may otherwise be amended by the City Council. The City Treasurer or other City official, as authorized herein, is hereby directed to collect the initial annual assessments as shown on the Annual Assessment Roll and collect subsequent annual assessments, as may be shown on subsequent Annual Assessment Rolls, as the same may be amended or corrected.

Section 13. Approval of Expenditures/Contract for Program Management.
The first annual budget for the first year of the renewed BIA and activities,
services, and projects to be funded with the special assessment proceeds, as set forth in the materials on file with the City Clerk, are hereby approved. There is hereby appropriated and authorized to be expended from the District Fund the sum of $839,750, or so much thereof as may be necessary, for the purposes, projects, activities, and services approved for the first year of the renewed BIA.

The Downtown Business Improvement Area Budget for 2008-2009 is recommended at $839,750, compared to a total budget of $752,503 for the previous year. Almost all of this increase in expenditure (11.6 percent) is attributable to cover costs associated with police on bikes (salaries, benefits) and is contingent upon a yet-to-be-developed, mutually agreed upon contract with the City (budgeted cost of $95,000). Revenues are correspondingly increased to cover expenses. The high and low assessment rates to cover expenses are set to increase from 0.1042 to 0.1094 (5 percent), and 0.500 to 0.0535 (7 percent) respectively. These new assessment rates will provide an additional $104,963 over the previous year.

Unless otherwise authorized by the City, the total amount to be specially assessed and expended in subsequent years shall be as set forth in the annual budget approved by the City. The particular programs and services to be provided for each subsequent annual period and the amount of funding thereof shall be approved by resolution or ordinance of the City Council, after notice and hearing as provided by Section 12 above. The City may enter into a contract, subject to approval by the City Council, with the LDC to administer the projects and activities for the first year of the renewed BIA and each annual period thereafter, the term of
which contract to be effective from May 1 through April 30 of each BIA year,
unless a suitable successor organization is recommended by (a) a majority of the
votes of the ratepayers at their annual meeting weighed by the dollar value of their
assessments, (b) a petition signed by ratepayers paying a majority of the
assessments, or (c) by the association itself.

Section 14. Rate Changes. Any change in the assessment shall only be
made by ordinance and as authorized in RCW 35.87A.130-140. Upon the
recommendation of the advisory board, the City may, from time to time by
ordinance, increase or reduce assessment rates to reflect changes in programs or
program costs. The maximum for the high rate shall be $0.165 per square foot,
and the maximum for the low rate shall be $.095 per square foot. These rates
may only be exceeded to reflect changes in the purchasing power of money as
measured by the Seattle-Tacoma Consumer Price Index for All Urban Consumers
(CPI-U), published by the United States Department of Labor, Bureau of Labor
Statistics (on or about October of each year), or a suitable, comparable index
recommended by the advisory board.

Section 15. Nontransferability. Ratepayers shall not transfer the payment
responsibility for BIA assessments to the tenants; provided, however, ratepayers
are not precluded from recovering assessment costs through their normal lease
negotiation processes.

Section 16. Notices. Notices of assessments, installment payments, or
delinquency, and all other notices contemplated by this ordinance, may be sent by
regular mail or delivered by the City to the address shown on the records of the
City Treasurer, and, if no address is shown there, to the address shown in the tax records of the Pierce County Assessor-Treasurer. Failure of the ratepayer to receive any mailed notice shall not release the ratepayer from the duty to pay the assessment or pay said assessment on the due date, together with any delinquency charges, except as authorized by Section 10.B above.

Section 17. Disputes/Appeals.

A. Correction of Assessment/Initial Appeal. Any person having been issued a notice of assessment, interest, and/or penalties may petition the City in writing for a correction in the amount of the assessment and a conference for examination and review of the assessment. The petition shall be filed in the office of the City Clerk within 30 days after issuance of the original notice or the period covered by any extension of the due date thereof granted by the City Manager, or his designee (referred to in this Section 17 as the "City official"). The petition shall set forth the amount of assessment, interest, and/or penalties, if any, which the petitioner believes should be reduced or refunded and the reason such correction should be granted.

The City official shall promptly consider the petition and may grant or deny it. If denied, the petitioner shall be notified by mail thereof, together with the reasons for such denial. If a conference is granted, the City official shall fix the time and place therefor and notify the petitioner thereof by mail. Prior to the date set for the conference, the City official may also request, but not require, the petitioner to meet with a board of arbitrators (which may be provided for under the contract with the LDC) in order to receive recommendations from the board on

-19-
such matter. After the conference with the City official, the City official may make
such determinations as may appear to be just and lawful and consistent with the
provisions of this ordinance, and shall mail a copy of such determination to the
petitioner. If no such petition is filed within the 30-day period specified in this
Section 17, the assessment covered by the notice shall become final and any right
to contest or appeal such assessment amount shall be deemed conclusively
waived.

B. Appeal to Hearing Examiner. Any person having received a notice of
denial of a petition or a notice of determination made under subsection A above
may appeal the same to the City's Hearing Examiner within 20 days from the date
of the notice of such denial or determination. In the notice of appeal, the petitioner
shall set forth the amount of the assessment, interest, and/or penalties which he or
she contends should be reduced or refunded and the reason for such reduction or
refund. The appeal shall be perfected by filing a copy of the notice of appeal in
the office of the City official making the denial or determination and filing the
original thereof in the office of the Hearing Examiner within the time specified
herein. The appeal before the Hearing Examiner shall be conducted in
accordance with the rules of practice and procedure as set forth in Chapter 1.23 of
the Tacoma Municipal Code (hereinafter "TMC"). In such proceeding, the
petitioner shall be deemed the plaintiff and the City official denying the petition or
making the determination being appealed shall be deemed the defendant. The
burden shall rest on the plaintiff to prove that the assessment, together with any
interest or penalties thereon, is incorrect, either in whole or in part, and to establish
the correct amount thereof.

C. Appeal to City Council. Either party designated in subsection B above
as plaintiff or defendant may appeal the decision of the Hearing Examiner to the
City Council. Such appeal shall be within the time and in accordance with the
rules and procedures as set forth in TMC 1.23 and 1.70. The burden of proof shall
remain upon the plaintiff (ratepayer) to prove that the assessment in question is
incorrect, either in whole or in part, and to establish the correct amount of the
assessment and any interest or penalties thereon.

D. Extension of Time. The time for payment of any assessment, interest,
or penalties payable under this ordinance shall not be extended by reason of any
claim by the ratepayer that the amount thereof is incorrect or by reason of the filing
of a petition or appeal hereunder. If the City official finds that the nonpayment by
a petitioner to pay any assessment by the due date was the result of
circumstances beyond the control of the petitioner, interest or penalties imposed
under this ordinance, with respect to such assessment, may be waived.

Section 18. Delinquent Payments. If an assessment has not been paid
within 30 days after its due date and the ratepayer has been making prompt
payments in the past, the City official in charge of assessment collections shall
send a reminder notice and add a $25 processing fee. If: (a) the assessment is
not paid within 60 days after its due date; or (b) the assessment was not paid
within 30 days, and the ratepayer has been late on one of the previous two
payments, a delinquency charge shall be added in the amount of 10 percent of the
assessment, in addition to the processing fee. All assessments which are not paid when due shall also bear interest at the rate of 12 percent from the payment due date.

Section 19. Collection/Foreclosure. Whenever any annual assessment which the ratepayer has elected not to make in two semi-annual payments, or any semi-annual installment of an assessment under this ordinance shall be delinquent for more than 30 days, the entire annual assessment shall be due and payable and shall constitute a lien on the property assessed. The collection thereof may be enforced through foreclosure action on the property assessed in the manner as provided for collection and foreclosure of local improvement district assessments, pursuant to RCW 35 (including, but not limited to Chapters 35.44, 35.49, and 35.50), and applicable provisions of the Tacoma Municipal Code.

Alternatively, or as a cumulative remedy, the delinquent assessment may be collected from the ratepayer liable therefor by civil action in either district or superior court.

Section 20. Termination of BIA. The BIA and the special assessment levy therefor shall terminate within one year (or such longer period as set forth in the termination petition) from the date of submission to the City of a petition requesting termination of the same, which contains the signatures of the owners of property in the BIA who pay 50 percent or more of the annual special assessment amount for the BIA. The BIA and the special assessment levy therefor shall continue for a period of ten years, unless a petition is submitted to the City, at least 180 days
prior to such termination, requesting the continued existence of the BIA, with such
petition containing the signatures of the owners of property in the BIA who will pay
50 percent or more of the annual special assessment for the BIA.

Section 21. Changes in Budget. If the City Council finds that: (a) by
reason of changed condition or unanticipated circumstances it is in the best
interest of the participants in the BIA to provide changes to the approved annual
budget; (b) changes in the approved annual budget are necessary in order to best
meet the objectives or purposes for which the BIA was formed; or (c) the total
assessments collected are greater or less than anticipated, or the actual cost of a
particular program or service is greater or less than anticipated, then the City
Council may, by resolution or ordinance, amend the annual budget and reallocate
the funding for the particular programs or services to be provided and to provide
funding for such other purposes as may be necessary, as determined by the City
Council, to best serve the purposes for which the BIA was formed, in light of the
conditions or unanticipated circumstances which then exist.

Section 22. Disestablishment of Area - Assets and Liabilities. Upon
disestablishment or termination of the BIA and in accordance with
RCW 35.87A.190, any proceeds of the special assessments or assets acquired
with such proceeds, or liabilities incurred as a result of the formation of such BIA,
shall be subject to disposition as the City Council shall determine; provided,
however, that any liabilities, either current or future, incurred as a result of action
taken to accomplish the purposes of RCW 35.87A.010 or the purposes of the BIA
shall not be an obligation of the General Fund or any special fund of the City, but such liability shall be provided entirely from available revenues generated from the special assessments under this ordinance.

Section 23. Severability. If any provision of this ordinance, or its application to any person or circumstance, is held invalid, the remainder of this ordinance or the application of the provision to other persons or circumstances is not affected.

Section 24. Ratification and Confirmation. The making of contracts and the sending of assessment notices pursuant to the authority and prior to the effective date of this ordinance are hereby ratified and confirmed.

Passed FEB 19 2008

Mayor

Attest:

City Clerk

Approved as to form:

Assistant City Attorney
EXHIBIT "A"

Downtown Business Improvement Area
Work Plan - 2008-2009

The downtown Business Improvement Area was approved on April 15, 1988 under Substitute Ordinance 24058, reestablished on March 10, 1998 under Ordinance 26205, and reestablished on _____ xx, 2008 under Ordinance xxxxx. The following is the twenty-first year work plan for the district, effective from May 1, 2008 to April 30, 2009, implementing the BIA program for 2008-2009. It includes the administration of the program, appeals process, board and committees, and plans for maintenance, security and marketing.

PLAN OF ACTION

I. CITY OF TACOMA

The City of Tacoma will collect funds and deposit those funds in an interest bearing account that will be reflected in a separate ledger. The City will contract with the Downtown Tacoma BIA (Local Development Council) for management services, which contract is hereafter called the BIA Agreement. No provision of this work plan shall relieve the BIA from carrying out the annual program in accordance with the terms and conditions of the BIA Agreement.

II. DOWNTOWN TACOMA BIA

A. The BIA membership consists of representatives designated by the owners of record of properties subject to paying assessments into the district. This group elects a Board of Directors to review BIA programming and determine if the funds are being spent in a proper manner, and each year this representative body prepares a new budget and work program for the following year based on identified needs, recognition of problem areas and experience from the previous year. The plan calls for an administrative team from the BIA to manage services, see that there is adequate insurance coverage, oversee all functions and report directly to the Board. The BIA will make an annual report available to all ratepayers and will be ready to respond to any issue or emergency.

B. The BIA will rent or purchase all equipment and materials needed to manage the district in accordance with City Ordinance xxxxx and Chapter RCW. 35.87A. It will provide all personnel or subcontract all services and personnel necessary for its operation.

C. The BIA will enter into an agreement with the Tacoma-Pierce County Chamber (Chamber) for use of office space and staff.
D. All equipment purchased with funds generated from the BIA will be returned to the City should the district be discontinued.

E. Appeals
   1. The BIA will provide appeal forms and information to ratepayers relative to the process for correction or appeal of assessments pursuant to City Ordinance xxxxxx. When requested by the City, BIA staff will provide administrative assistance in determining factual issues pertaining to application of the assessment to a particular property such as square footage, rates and building use.
   2. The BIA Maintenance Supervisor will inspect properties and turn in reports as requested.

III. MANAGEMENT
   The BIA will administer the basic program with staff from the Chamber as needed to implement the program, with an approved budget as established by Tacoma City Ordinance No. xxxxxx.

IV. COMMITTEES
   A. Advisory committees will be made up of ratepayers and other interested parties that will advise the BIA Board in its management of the district.
   B. Maintenance Advisory Committee
      1. The committee will review all aspects of BIA common area maintenance.
      2. It will meet on call and be ready to respond to any issue or request.
      3. The Advisory Committee may include the following:
         a. City of Tacoma representative
         b. Two board representatives
         c. One or more additional ratepayer
   C. Security Advisory Committee
      1. The committee will review all aspects of the BIA security program.
      2. The committee will provide regular coordination for all security activities within the BIA.
      3. It will meet on a monthly basis and be ready to respond to any issue or request.
      4. The Advisory Committee may include the following:
         a. Sector one police lieutenant
         b. Contractor supervisor
         c. City Manager representative
         d. Two board representatives
         e. One or more other ratepayers
         f. Representatives from other agencies
   D. Marketing Advisory Committee
      1. The committee will review all aspects of the BIA marketing program.
      2. It will meet on call and be ready to respond to any issue or request.
      3. The Advisory Committee may include the following:
a. City of Tacoma representative  
b. Two board representatives  
c. One or more other ratepayers  
d. Representative from real estate community

V. SECURITY PLAN

A. Downtown Police

1. Police officers may patrol a larger area than the BIA. BIA assessments may also fund maintenance, supplies and equipment for bicycles used by police officers in the BIA.

2. The BIA will fund selected operations of Special Emphasis Teams (SET) when the Tacoma Police Department and the BIA mutually arrange such operations.

B. Private Security

1. **Service Standard:** To provide a community service representative (CSR) patrol through every block within the BIA at least once per day. Radio-directed patrols will be available on call each day from 12 Noon to 11:00 p.m. at a minimum. Services will be coordinated with police and other public safety agencies to provide maximum flexibility in response to BIA needs.

2. The Tacoma Financial Center has agreed to provide (at no cost to the BIA) finished space for use by the BIA Security Program.

3. Downtown Security Patrol or CSR (Community Service Representatives)

   a. CSRs will wear readily identifiable uniforms and will be trained as public relations people for the downtown area, assisting people with directions and providing related services. CSRs will not carry weapons but will be equipped with a radio and cellular telephone for communication with the Tacoma Police Department.

   b. The proposed coverage for the 2007-2008 year is:

<table>
<thead>
<tr>
<th>CSRs</th>
<th>Hours</th>
<th>Days</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>0600 – 1400</td>
<td>Monday - Friday</td>
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<tr>
<td>4</td>
<td>1400 – 2200</td>
<td>Monday - Friday</td>
</tr>
<tr>
<td>2</td>
<td>1900 – 0200</td>
<td>Friday</td>
</tr>
<tr>
<td>2</td>
<td>1300 – 2100</td>
<td>Saturday/Sunday</td>
</tr>
</tbody>
</table>

   c. The proposed coverage includes CSR patrol on bicycles that allows more frequent and effective coverage of the area.

   d. The hours may be adjusted to meet current district needs.

   e. The BIA will approve programming for training of the CSRs.

   f. Any CSR objected to by the City or through the Tacoma Police Department will be removed from the program.
VI. MAINTENANCE PLAN

A. Service Standard: To clean sidewalks and other common areas throughout the BIA at least once per week. Higher traffic areas will be cleaned more frequently as conditions warrant.

B. Proposed staffing levels for sidewalk cleaning call for continuation of a supervisor and three full-time employees, plus a temporary staff person to assist during peak times (up to 3 months) in order to meet the Service Standard.

C. The City has agreed to provide (at no cost to the BIA) the finished space located at the foot of the Broadway hill climb (12th & Commerce) for use by the BIA Maintenance Program. Staff will continue to do routine cleaning of the public rest rooms at 12th & Commerce as agreed with the Public Works Department.

D. The crew will attempt to inform ratepayers or their representatives of any graffiti noticed on their property. Educational information on removal procedures and organizations that will assist with graffiti removal will be given. In the event that the business or property owner has been informed and does nothing about the graffiti, crews will offer to remove it at time and resources permit. Crews will not clean any graffiti that cannot be reached from a standing position on street level.

E. The supervisor will coordinate cleaning activities with the City Maintenance Supervisor and crews.

F. The clean-up crew will respond as possible to calls from city officials, ratepayers, the general public or CSRs for clean-up matters needing immediate attention.

G. The clean-up crew is not able to clean snow off all sidewalks in the downtown area. The crew will first shovel snow out of water drains and out into the street so that people will not have to step in water puddles created by trapped melting snow. After that, the crew will remove snow to the best of their ability.

H. The BIA will coordinate with the City and other downtown agencies to help install and/or maintain common area improvements recommended in the Tacoma Downtown Streetscape Study and Design Concepts.

VII. PROMOTION AND MARKETING PLAN

A. Service Standard: To maintain regular, effective communication with district ratepayers and to support the ratepayers' goal of preserving and enhancing their property values by highlighting the BIA as a desirable area in which to work, shop, live and visit.

B. Funds for general marketing may be expended on providing and disseminating information to ratepayers, as well as for brochures, print or electronic advertising, and websites for ratepayers and for more general audiences in order to promote the enhanced services provided through the BIA.
C. Vertical street banners are being incrementally purchased and installed on several north-south arterials within the BIA. Funds are budgeted for 2008-2009 for the purchase of replacement banners.

VIII. EMPLOYMENT PRACTICES

A. Paid Retirement Plan

Each employee working for the BIA will qualify for employer paid contributions to the retirement plan in the amount of three percent of their gross earnings. Employees become eligible after working one continuous year for the BIA.

B. Paid Vacation for Full-Time Employees

1. First year: one week
   Second year: two weeks
   After five years: three weeks
   After ten years: four weeks

2. Vacation time must be used within a 12-month period.

C. Paid Sick Leave for Full-Time Employees

Four hours sick leave will be earned each month. No compensation shall be paid for unused sick leave.

D. Paid Insurance

The BIA will provide medical, dental and life insurance to all full-time employees upon acceptance by the carrier. Employees will be placed on the plans on the first of the month following 90 days of employment. The employee's family can be placed on the medical and dental insurance plan at the employee's own expense; the Supervisor's dependent coverage will be paid by the BIA.

E. Staff

1. Maintenance Supervisor
2. Three Maintenance Crewmembers
3. Temporary staff as outlined above.

F. Under management contract with the Chamber, the following Chamber staff may be working on behalf of the BIA:

1. President & CEO
2. Director for Metropolitan Development
3. Finance & Administration Manager
4. Accounting Clerk
5. Executive Assistant
6. Visual Communications Specialist
7. Program & Member Support Coordinator
**EXHIBIT “B”**

**DOWN TOWN BUSINESS IMPROVEMENT AREA**

**Budget For May 1, 2008 Through April 30, 2009**

- High Rate up to annual rate of .165
- Low Rate up to annual rate of .095

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<tr>
<td><strong>INCOME PROJECTIONS:</strong></td>
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<tr>
<td>High Rate</td>
<td>0.1042</td>
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<td>Low Rate</td>
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<td>0.0535</td>
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<tr>
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<tbody>
<tr>
<td>A. 5,711,779 SF at the high rate (from 4,598,639)</td>
<td>478,994</td>
<td>624,926</td>
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<tr>
<td>B. 4,196,403 SF at the low rate (from 5,309,543)</td>
<td>265,477</td>
<td>224,508</td>
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<tr>
<td>C. Estimated uncollectible assessments</td>
<td>(3,700)</td>
<td>(3,700)</td>
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<tr>
<td>D. Other Assessment Income</td>
<td>9,500</td>
<td>9,500</td>
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<tr>
<td>E. Estimated Late Fees and Interest</td>
<td>20,000</td>
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<tr>
<th>II. USE OF RESERVES</th>
<th>2007-2008</th>
<th>2008-2009</th>
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<tr>
<td>E. Reserve for equipment replacement</td>
<td>(16,500)</td>
<td>(36,090)</td>
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**TOTAL PROJECTED INCOME**

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<tr>
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<td>753,771</td>
<td>839,143</td>
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**EXPENSE:**

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<tr>
<td>A. Management Fees</td>
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<td>B. Professional Services</td>
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<td>C. Insurance</td>
<td>19,000</td>
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<tr>
<td>D. Rent</td>
<td>11,700</td>
<td>12,300</td>
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**TOTAL ADMINISTRATION**

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<tr>
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<td>99,690</td>
<td>105,650</td>
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-30-
II. MAINTENANCE, SIDEWALK CLEANING

A. Personnel
   1. Supervisor & Crew  123,587  127,768
   2. Taxes, Benefits, Other  48,750  56,167
Total Personnel  172,337  183,935

B. Equipment
   1. Sweeper includes maintenance, parking, vehicle tabs  11,515  13,650
   2. Truck includes maintenance, parking, vehicle tabs  1,730  1,790
   3. Other equipment maintenance  500  500
   4. Insurance for sweeper and truck  4,000  4,000
   5. Equipment replacement  18,045  18,045
Total Equipment  35,790  37,985

C. Consumable Supplies
   1. Fuel & oil  19,100  19,500
   2. Uniforms & safety equipment  1,800  1,800
   3. Graffiti remover  1,100  1,300
   4. Cell Phone  650  700
   5. Miscellaneous  1,000  1,000
Total Consumable Supplies  23,650  24,300

D. Common Area Improvements  15,000  15,000

TOTAL MAINTENANCE, SIDEWALK CLEANING  246,777  261,220

III. SECURITY  311,836  316,680

IV. POLICE
   A. Special Emphasis Team (SET)  30,000
   B. Cops On Bikes - salaries and benefits Contingent on mutually agreed contract with City  95,000
   B. Cops On Bikes - maintenance, supplies and equipment  4,000  6,000

-31-
<table>
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<tr>
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<th>100%</th>
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<tr>
<td><strong>TOTAL POLICE</strong></td>
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<td>101,000</td>
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<td><strong>V. PROMOTION AND MARKETING</strong></td>
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<tr>
<td>A. Community Outreach</td>
<td>15,000</td>
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<tr>
<td>B. General Marketing</td>
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<tr>
<td>C. Banner Program</td>
<td>12,000</td>
<td>12,000</td>
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<tr>
<td>D. Ratepayer Communication</td>
<td>6,000</td>
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<td><strong>TOTAL MARKETING</strong></td>
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<td>38,000</td>
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<td><strong>VI. COLLECTION</strong></td>
<td>17,200</td>
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<td><strong>TOTAL EXPENSE</strong></td>
<td>752,503</td>
<td>839,750</td>
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<td>1,268</td>
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Ordinance No. 27636

First Reading of Ordinance: FEB 1 2 2008
Final Reading of Ordinance: FEB 1 9 2008
Passed: FEB 1 9 2008

Roll Call Vote:

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<tr>
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<th>AYES</th>
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<tr>
<td>Ms. Anderson</td>
<td>✓</td>
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<td>Mr. Fey</td>
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<tr>
<td>Ms. Ladenburg</td>
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<td>Mr. Lonergan</td>
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<tr>
<td>Mr. Manthou</td>
<td>✓</td>
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<tr>
<td>Ms. Strickland</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Mr. Talbert</td>
<td>✓</td>
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<tr>
<td>Ms. Walker</td>
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<tr>
<td>Mayor Baarsma</td>
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