



Downtown Olympia Downtown Improvement District Operational Plan

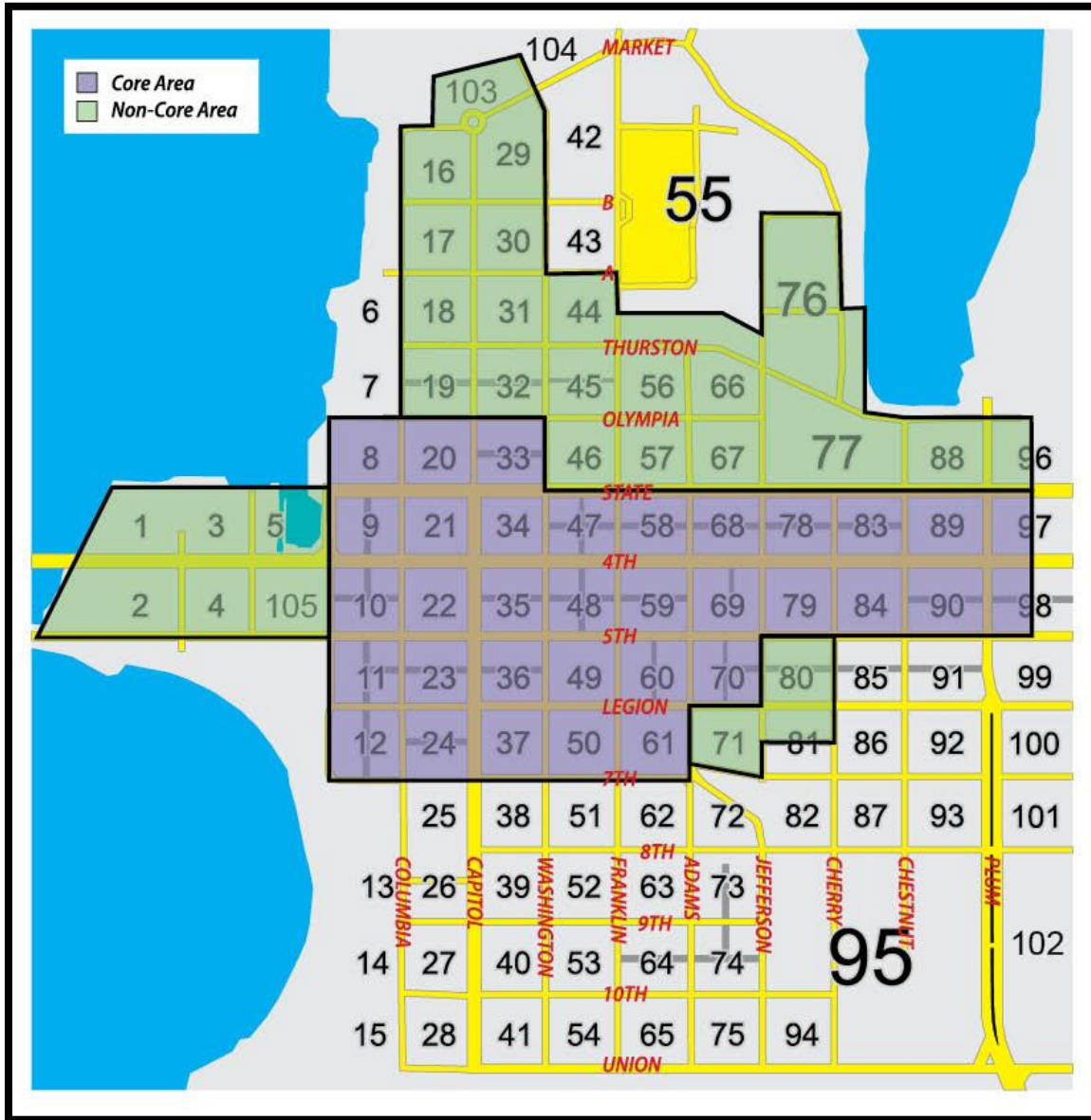
DID Objectives

The Olympia Downtown Improvement District (DID) is intended to be a private sector led and managed district improvement program pursuant to Revised Code of Washington (RCW) Chapter 35.87A with the following objectives:

- Provide advocacy, leadership, and services that improve the downtown experience and quality of life, such as enhancing cleanliness, supporting a safe and welcoming environment, 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 governance structure comprised of a majority of affected property and business owners.
- Create a mechanism for championing and sustaining downtown improvement efforts for the long term.

DID Boundaries

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, 7th Avenue to the south and Plum Street to the east. A map of the proposed district is attached.



Estimated Operating Budget

For the initial year of DID operation, an annual operating budget of \$575,000 is projected. A summary Year 1 budget is provided below:

Clean, Safe, & Beautiful Services (appx 400 hours of weekly deployment + ops manager + equipment)	\$405,000
Assisting Small Businesses (replacing PBIA funding)	\$77,500
Program Management	\$75,500
Reserves	\$15,000
TOTAL	\$575,000

DID Services

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:

Clean, Safe, & Beautiful Services

- Contract and/or direct services for enhanced maintenance that may include cohesive and consistent public sidewalk sweeping, scrubbing, and power washing, litter, snow, leaf, 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. Services could also include installation and maintenance of the flower basket program should the PBIA be dissolved. This work will occur in a complimentary and coordinated fashion with the City's existing Clean Team and the efforts of both the Public Works and Parks Departments.
- Contract and/or direct services for a hospitality/safety ambassador program, currently called the "Downtown Guide" program. These services include: offering information, directions, assistance, and escorts to downtown visitors, workers, and residents; outreach for downtown's street dependent population; and management of nuisance issues in close coordination with related City services.
- Other initiatives that enhance the cleanliness, safety, and overall appearance of downtown Olympia.

Assisting Small Business

This funding is intended to support small businesses with coordinated marketing efforts, special events, special projects and small business training. 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. Projects may include:

- Retail, dining, and living promotions to attract consumers to small businesses and encourage new residential and amenity development in downtown.
- 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.

- 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.
- Holiday décor and seasonal promotions to attract consumers and increase sales during Christmas, Thanksgiving, and other peak shopping and dining periods.
- Quick-hitting high-impact trainings to small business owners in designed to help business succeed.

Program Management

- 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.

Reserves

- Reserves set aside of at least 2.5% of the total budget annually for delinquencies, operations and repayment of start-up costs. The goal is to achieve reserves equivalent of 25% of total budget by year 10 of the program.

Estimated Annual Costs

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 RCW Chapter 35.87A, assessments can be constructed based on “any reasonable factor relating to the benefit received.”

Based on national best practices and to distribute service benefits in the most fair and equitable manner, two assessment variables are proposed:

- Assessed Value, which is the most common assessment variable for DID’s 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.

50% of the assessment is allocated to assessed value, and 50% to lot frontage. Estimated annual assessments for properties are as follows:

Lot Frontage + Assessed Value Methodology

Annual Rates	Core	Non-Core
Commercial Rate	\$7.735/linear foot + \$0.00065 AV	\$3.867/linear foot + \$0.00032 AV
Residential Rate	\$5.801/linear foot + \$0.00049 AV	\$2.286/linear foot + \$0.00025
Exempts/Non-Profit	\$3.867/linear foot + \$0.00033 AV	\$1.934/linear foot + \$0.00017

Assessment considerations:

- 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.)

The “core” of downtown pays twice the rate as the “non-core” of downtown due to a higher frequency of services and benefits expected in the core.

City Services

The City of Olympia has documented a base level of pre-DID City services and transmitted this to the DID Steering Committee. The DID will not replace any pre-existing general City services. This does not preempt the City from reducing these existing services should financial constraints impact the City budget.

Impact on Existing PBIA

On August 2, 2023, the existing Property and Business Improvement Area (PBIA) Board of Directors took a formal position (8-1 vote, one abstention) to support the DID. This position was taken with the assumption that if the DID is implemented, the Council would consider an action to disband the existing PBIA business-assessment district.

Collection & Enforcement

The City of Olympia (local authority as referenced in RCW (Chapter 35.87A) will provide billing and collection services for the DID.

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 RCW Chapter 35.87A undertaken to affirm support for the district.

Annual Assessment Rate Adjustments

Consistent with RCW Chapter 35.87A, changes in the assessment rates (assessed value and linear frontage variables referenced above) may only be made by ordinance adopted after a hearing before the legislative authority. However, to ensure a consistent level of services and benefits, the adopting ordinance will allow for assessment rates to be adjusted annually by an inflationary factor. Annual assessment rates may increase no more than 5% per year consistent with the increase in consumer price index (CPI) and/or increases in program costs. The determination of annual adjustments in assessment rates in accordance with above will be subject to the DID Board’s review and recommendation to the Olympia City Manager as part of annual budget development. The revenue and expenditures of the DID shall be subject to an independent audit by the State Auditor’s Office each year.

Boundary Adjustments

Consistent with RCW Chapter 35.87A, modification, expansion or reduction of boundaries may only be made once per year by ordinance adopted after a hearing before the legislative authority.

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

The DID will be governed by a ratepayer board comprised of property and business owners (or designees) representing a wide variety of geographic sub-districts and use-types within downtown. This will include 15 voting board members and 2 non-voting board members. This body will serve as an advisory committee to the City of Olympia.

Profile	Area	Sector	Size	Property Owner	Voting/Non-Voting
Property	Core	Open	Open	Yes	Voting
Property	Core	Open	Open	Yes	Voting
Property	Core	Open	Open	Yes	Voting
Property	Core	Open	Less than 5,000 SF	Yes	Voting
Property	Core	Business Owner	Open	Yes	Voting
Property	Non-Core	Open	Open	Yes	Voting
Property	Non-Core	Open	Open	Yes	Voting
Property	Non-Core	Open	Open	Yes	Voting
Property	Non-Core	Open	Less than 5,000 SF	Yes	Voting
Property	Non-Core	Business Owner	Open	Yes	Voting
Business	Core	Open	Less than 5,000 SF	Open	Voting
Business	Core	Open	Open	Open	Voting
Business	Core	Open	Less than 5,000 SF	No	Voting
Business	Non-Core	Open	Open	No	Voting
Business	Non-Core	Open	Less than 5,000 SF	No	Voting
City	N/A	Government	N/A	N/A	Non-voting
Resident	N/A	Resident	N/A	No	Non-voting

Board members will serve staggered 3-year terms and can serve a maximum of two successive terms. The initial board, including terms of service, will be submitted to the City Council as part of the petition requesting formation of the DID. When vacancies on the DID board occur, the Executive Committee of the DID will serve as a Nominating Committee, seeking candidates based on above referenced eligibility. Nominations will be sent to the Olympia City Manager for appointment.

Management Structure

The DID will usher in a management model that is commonly found in peer cities to Olympia throughout the nation. The organizational elements include:

- The city will appoint an advisory board (DID Board of Directors) to make recommendations for its use, as well as contract with a non-profit (the Olympia Downtown Alliance) to administer operation of the DID and any funds derived. The recommended annual work plan and budget, as well as nominations for the Board of Directors, will be forwarded to the Olympia City Manager for approval. Administration of funds must comply with all applicable provisions of law, including non-discrimination policies, competitive bids, constitutional prohibition relating to gifting of public funds, and state auditor policies and procedures.
- The Downtown DID will be an assessment district that finances the services specified within this plan. It will be governed by a 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.