Agenda
MID RATEPAYER ADVISORY BOARD | OCTOBER 25, 2022

8:00 Welcome / Guest Comment
8:10 Chair’s Report
8:15 Financial Report
8:20 MID Moment
8:25 MID Program Update
8:35 MID Renewal / Business Plan
9:10 New Business
9:15 Adjourn
Chair’s Report

Lisa Nitze, Chair
New nominations

• MID Board Development Committee revisited list of nominees from spring 2022

• Selected candidates that helped satisfy current board makeup and increased representation in Pioneer Square and Denny Triangle neighborhoods

• Gina Grappone, Recovery Café
  - Nonprofit ratepayer; Denny Triangle neighborhood

• Laura Jean Humiston, Tobira resident
  • Residential ratepayer; Pioneer Square neighborhood
Financial Report

Ben Grace, Vice Chair
MID Moment

Jennifer Casillas, VP Public Realm & Ambassador Operations
MID Program Update

Jennifer Casillas, VP Public Realm & Ambassador Operations
Recent MID Operational Changes

- Investment in unarmed security
- Increased use of trikes, bikes and machines
- Recruitment strategy and increase in ambassador wages
- Additional visibility and engagement with customers
- Streamlined use of technology
We're Hiring!

Want to help create a healthy, vibrant and welcoming downtown Seattle?

Apply Today
downtownseattle.org/careers
Hello Jeremiah,

Welcome to MID Dispatch — a new quarterly newsletter for downtown property owners and residents.

Your Metropolitan Improvement District was formed in 1999 by the Downtown Seattle Association through a city of Seattle ordinance. With financial support from downtown property owners, it was established to help supplement municipal services and ensure a clean, safe, and welcoming center city. An advisory board of 35 property owners recommends an annual budget and work plan and provides ongoing input and oversight.

As downtown has evolved, so has the MID. Today, more than 70 downtown ambassadors work across the 285-block MID boundaries, providing cleaning, safety and hospitality services, along with parks and public realm management.

A message to our ratepayers

Post-pandemic downtown Seattle is coming back thanks to investments by Metropolitan Improvement District ratepayers like you! We continue to see increases in the number of tourists, including cruise-goers, along with major events and hotel occupancy driving an uptick in pedestrian traffic.

As chair of your MID Ratepayer Advisory Board, I
MID Basics

• Formed via City ordinance in 1999. Renewed in 2013 for 10-year term
• $15.5m in annual private investment (FY 22/23)
• Assessments on hospitality, office, residential and retail properties
What’s at stake?

- Public realm stewardship, marketing, economic development and advocacy
- Employment opportunity program
- 128 ambassador positions
- Services provided across 285 square blocks, 7 days/week
Third Ave. and Cherry St. Alley
Results

- Between July 2013 and June 2022 the MID:
  - Removed 8,664,909 gallons of trash
  - Cleaned up / disposed of 102,571 incidents of human/animal waste
  - Collected 97,315 syringes
  - Removed 339,229 graffiti tags
  - Conducted 71,156 welfare checks for unsheltered individuals
  - Assisted 770,806 visitors with directions
Downtown’s Evolution

• Population is up 51%
• Employment is up 31%
• Cruise passengers are up 48% (1.2m in 2022)
• Property values are up 202%
• Building square footage is up 42%
• MID assessments as percentage of value are down by half
MID
Reauthorization/Renewal

- Guided by Renewal Committee of property owners and MID Board
- Informed by outreach with ratepayers, staff, stakeholders, city
- Process/Requirements:
  - Business plan approval by DSA and MID Boards
  - 60% of assessment show support via petition
  - Majority of City Council approve
  - Signed by Mayor of Seattle
Renewal Outreach

- Formation of MID Renewal Committee and regular meetings and reviews
- Focus group with the 15 largest MID ratepayers
- Employee engagement including facilitated team meetings, focus groups and a survey
- 1:1 interviews with select MID ratepayers across property types
- Focus group with large downtown organization CEOs and operations directors
- Mailers to all MID ratepayers with notice of a scheduled public meeting, as well as information about where to learn more about the MID renewal process
- Online MID Renewal Fact Sheet and FAQ created and posted the MID and DSA websites
Renewal Outreach

• Virtual public meeting conducted on July 14, 2022

• Online survey of MID ratepayers regarding service satisfaction and program direction

• Presentations to MID Condo Board association presidents and members

• New MID Dispatch newsletter developed and sent via email to more than 3,000 MID stakeholders

• Regular updates and review to the MID Ratepayer Advisory Board

• Meetings with City of Seattle leadership focused on current services and renewal

• Outreach to proposed expansion area/invitation to public meeting on 11/17
Outreach Findings

• Strong support and appreciation for MID services (especially during the pandemic)

• Ongoing concerns about safety and security in downtown Seattle

• Concerns about the homelessness crisis and its impact on downtown

• Desire for more cleaning services

• Desire for City to commit to providing a higher level of core services downtown
MID Business Plan

• New 10-year term beginning July 1, 2023-June 30, 2033
• Minor modifications to the southern boundary with opportunity for expansion in future years
• 10 percent increase in cleaning services/total hours
• Increase investment in ambassador wages
• Investment to sustain unarmed security services
• New customer service/advocacy position
• Sustain investment in park activation/programming
• Technical modifications to ordinance
MID Business Plan

- Cleaning services
- Community safety and hospitality services
- Parks and public space management
- Communications and marketing
- Advocacy and economic development
- Commute Seattle
- Program management service
New MID Service Area

- Expanding the MID boundaries to include south end of Pioneer Square
- Closer alignment with Pioneer Square BIA
New MID Service Area

- Detail of proposed expansion
- Taking an additional 20 properties
- New ratepayers would include a hotel (Silver Cloud Inn), condo building (Gridiron), several surface parking lots as well as some office buildings
- Would generate approximately $130,000 in new assessments
- Potential for fee-for-service contract with sports teams
Budget Info

• Investment level $18.1m in FY 23/24
• To sustain and increase services
• Responsive to high inflationary environment and competitive labor market
Assessment Formula and Rates

Current assessment formula:

• Current formula based on value of property + size of lot/land square footage

• Caps in place for all properties to limit total annual assessment
Assessment Formula and Rates

Principles:

- Support $18.1m budget for 23/24
- Rebalance equity among different property types
- Achieve predictable cost escalation over time
- Sustain services over 10-year term
Assessment Formula and Rates

Recommendation:

- Preserve current formula and adjust caps across all property types to support proposed FY 23/24 budget

- Caps for hotel and residential increase at greater rate relative to office to rebalance equity across property types

- Provide for annual increase in assessments based on CPI, not less than 2.5% and no more than 5%

- Update property values in year 5 to apply to years 6-10 assessments
Assessment Formula and Rates

Rates:

- Keep Total Appraised Value factor the same ($0.37)
- Increase the Land Sq Ft ceiling by 15% to $0.24
- Increase the Building Sq ft ceiling by 15% to $0.24
- Eliminate the Total Appraised Value ceiling (near zero impact)
- Increase the Hotel and Residential ceilings by:
  - Hotels from $97 to $125/room/year
  - Residential $152 to $195/unit/year
- Increase assessments by CPI-U each year (min. 2.5%; max 5.0%)
- Recalculate assessments once in Year-5, for Year-6 assessments
Public Sector Proposed Downtown Investments

• SPD Recruitment and Retention Initiative
• 26 new Park Rangers
• Additional investment in downtown park programming
• Additional investment in Waterfront Park security
• Adoption of DSA’s Third Avenue Vision and commitment to action plan
Public Sector Proposed Downtown Investments

- New Third Avenue social service and law enforcement initiative
- KCRHA Partnership for Zero plan for downtown
- Downtown digital kiosk program with revenue back to DSA/MID
- Unified Care Team to keep downtown neighborhoods clean and accessible
- Increasing activation, security, and a visible presence in City Hall Park
Next Steps

• Adoption by MID and DSA Boards
• Presentation to Ratepayers/public on November 17
• Petition gathering November - February
• City review and action March - May
Path to 60%

- MID Renewal requires support of 60% of total estimated assessments for 23/24
- MID Assessments in 23/24 are projected to be $18.1M
- 118 properties in the MID comprise 60% of assessments
- DSA and MID Boards represent nearly 45% of the 23/24 MID assessment total
- Formation of petition/campaign task force