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To: Mayor David H. Bieter
Boise City Council Members

From: Cece Gassner

Date: November 1, 2012

Re: O-37-12

As you may recall, the Downtown Boise Association has proposed modifying the current method of assessing businesses from one that charges each business according to a complex formula to charging property owners a rate based on the average of the last three years' assessments to that property's tenants. Procedurally, the City Council must first consider and approve a resolution of its intent to consider the new assessment method. Notice of this resolution is then sent to all businesses in the Business Improvement District (BID) and published in the Statesman. That resolution will be before the Council at the meeting on November 6, and staff wanted to provide you with an updated schedule for the hearings.

November 6: Consideration of resolution of Council's intent to modify BID assessment rate

November 7-9: Mail notice of resolution to BID businesses

By November 17: Publish notice in Statesman of public hearing of ordinance

November 27: Public hearing and first reading of new ordinance

December 4: Second reading of new ordinance

December 11: Third reading of new ordinance

If you have any concerns about the resolution or this schedule, please contact me by close of business on Monday, November 5, 2012.

BY THE COUNCIL:

CLEGG, EBERLE, JORDAN, MCLEAN,
QUINTANA AND THOMSON

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BOISE CITY, IDAHO, AMENDING, RESTATING AND REVISING A BUSINESS IMPROVEMENT DISTRICT PURSUANT TO CHAPTER 26, TITLE 50, IDAHO CODE, FOR THE PURPOSE OF PROMOTING BUSINESS AND EVENTS WITHIN THE DISTRICT; IMPROVING AND MAINTAINING PUBLIC AREAS WITHIN THE DISTRICT; ESTABLISHING THE RATE OF LEVY FOR THE DISTRICT; DESIGNATING THE DOWNTOWN BOISE ASSOCIATION, INC., AN IDAHO NONPROFIT CORPORATION, TO ADMINISTER THE OPERATION OF THE BUSINESS IMPROVEMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 26, Title 50, Idaho Code, authorizes the organization of a business improvement district by an incorporated city; and

WHEREAS, the City Council of the City of Boise has previously organized and amended a business improvement district pursuant to Resolution No. 9293, Ordinance No. 5019, Resolution No. 17368 and Ordinance No. 6212; and

WHEREAS, on or about November 6, 2012, by Resolution Number R-385-12 (21930), the City Council declared its intention to amend and restate the business improvement district ordinance to revise the method of assessment of business improvement district special assessments and clarify certain provisions of the operation of the business improvement district; and

WHEREAS, on or about November 27, 2012, a public hearing was conducted by the City Council of the City of Boise city; and

WHEREAS, notice of said public hearing was published in a newspaper of general circulation as required by law; and

WHEREAS, the copy of said resolution was mailed to each of the businesses within the business improvement district as required by law; and

WHEREAS, the City has not received protests from businesses in the district which would pay a majority of the assessments.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF BOISE CITY, IDAHO:

Section 1: The City of Boise by resolution of the Mayor and Council dated November 6, 2012, Resolution No. 21930, adopted the following titled resolution:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BOISE CITY, IDAHO DECLARING AND ESTABLISHING THE INTENT TO CHANGE THE RATE OR ADDITIONAL RATE OF SPECIAL ASSESSMENT FOR THE BUSINESS IMPROVEMENT DISTRICT (DOWNTOWN BOISE ASSOCIATION) AND SPECIFYING THE PROPOSED CHANGE IN ACCORDANCE WITH IDAHO CODE §50-2614; DECLARING AND ESTABLISHING THE INTENT TO AMEND AND RESTATE THE BUSINESS IMPROVEMENT DISTRICT ORDINANCE TO REVISE THE METHOD OF ASSESSMENT OF BUSINESS IMPROVEMENT DISTRICT SPECIAL ASSESSMENTS AND CLARIFY CERTAIN PROVISIONS OF THE OPERATION OF THE BUSINESS IMPROVEMENT DISTRICT; PROVIDING THE TIME AND PLACE OF THE HEARING BEFORE THE CITY COUNCIL, DIRECTING THE PUBLICATION OF THIS RESOLUTION IN THE IDAHO STATESMAN, AND DIRECTING THE MAILING OF COPIES OF THIS RESOLUTION TO BUSINESSES WITHIN THE BUSINESS IMPROVEMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

Section 2: The City of Boise held a public hearing on the proposed modification of the existing Downtown Business Improvement District at 6:00 p.m. on the 27th day of November, 2012, in the Council Chambers, City Hall, Boise, Idaho, and after said hearing determined that it to be in the best interest of the City of Boise to authorize this ordinance amending and restating the approval and operations of said Downtown Business Improvement District.

Section 3: The boundaries of the Downtown Business Improvement District, which shall include all the property within said Improvement District, remain unchanged from the boundaries previously adopted, and are described on the attached map marked as Exhibit A, which Exhibit A is incorporated herein by reference.

Section 4: The purposes for the proposed District are as follows:

- a. The marketing and promotion of public events which are to take place on or in the district.
- b. The general marketing of retail trade and professional activities in the district, including, but not limited to, promotional events and advertising.
- c. The physical improvement and decoration of any public space within the district, including, but not limited to, general maintenance and upkeep, landscaping and snow removal.
- d. The general promotion of the district, including but not limited to, providing marketing, maintenance and improvements, and specifically including public advocacy on behalf of the district.

e. The hiring of a manager and staff and contractors as needed to manage the district, including, but not limited to, developing and implementing management, marketing and maintenance programs, assisting in the redevelopment of district businesses, and participating in any other activities necessary for the promotion of business in the district.

f. Any and all other purposes for which such a district may be formed under Idaho Code section 50 – 2601.

Section 5: Definitions:

a. “Business” means all types of business, including vacant structures, common areas, and lots within the district, including professions.

b. “Property” means all real property located in the district boundaries.

c. “Government Property” means all real property or structures located in the district boundaries owned by the United States Government, the State of Idaho, the county of Ada County, or the City of Boise.

d. “Residential Property” means all real property zoned, utilized and occupied as individual residences including, but not limited to, condominiums, apartments, single or multiple-family dwellings.

e. “New Business” means a Business commencing operations or activities within the District for the first time.

Section 6: Assessment of Property

a. The rate of levy for the annual special assessments shall be in accord with the schedule marked as Exhibit B, which Exhibit is incorporated herein by reference.

b. Assessments shall be made on January 15 of each year, or the next day thereafter which is not a weekend or national holiday. Assessments shall be billed and are payable in equal quarterly installments, due on March 15, June 15, September 15 and December 15, or the next day thereafter which is not a weekend or national holiday. Quarterly assessments remaining unpaid in full after thirty (30) days from the due date will automatically be subject to a five percent (5%) late fee.

c. The annual special assessments shall be levied upon the owner of Property within the District, excluding only Government Property and Residential Property.

d. A non-Government Business occupying Government Property shall pay the rate of levy in accord with the Schedule marked as Exhibit B.

e. A New Business shall be exempt from annual special assessments from its date of first occupancy of Property within the District until the next quarterly billing date. A change in location within the district, or of ownership of the Business, shall not reset or otherwise reinstate the initial year's exemption from assessment.

f. Structures or buildings constructed on Property within the district on or after the effective date of this Ordinance shall be assessed in accord with the schedule marked as Exhibit B, commencing with the year in which any portion of the structure or building receives a certificate of occupancy. Structures or buildings that exist prior to January 1, 2013 with an occupancy rate of fifty percent (50%) or less will be assessed at a rate equal to their average assessment over the previous three years. For such structures or buildings, occupancy will be evaluated as of January 1 of each year and when the occupancy rate exceeds fifty percent (50%), the structure or building will be assessed at the full rate for the "core" rate as set forth on Exhibit B.

Section 7: Collection of Assessments

a. The City Council designates the Boise City Departments of Finance and Administration and Public Works as the collectors of all Business Improvement District assessment funds.

b. Assessments on the Property owner shall be collected in the same manner as other assessments and city taxes as provided by the provisions of Idaho Code 50-1008.

c. Assessments on non-government Businesses occupying Government Property shall be directly on the Business.

Section 8: The life of the proposed District shall be perpetual.

Section 9: Pursuant to Idaho Code section 50 – 2611, the City Council hereby designates the Downtown Boise Association, Inc. (the "Association"), to administer the operation of the business improvement district, including any funds derived pursuant thereto; provided that such administration must comply with all applicable provisions of law including chapter 26, title 50, Idaho Code, with all county or city resolutions and ordinances and with all regulations lawfully imposed by the state auditor or other state agencies. Based on this designation, the Association is directed to prepare an assessment roll according to the provisions of this ordinance. The Association is hereby designated as the agent of the City of Boise City for the purpose of enforcing collection of assessments on non-government Businesses occupying Government Property including the initiation of any suit for the collection of such assessments.

Section 10: This Ordinance shall be in full force and effect from and after its passage, approval and publication.

PASSED by the Council of the City of Boise, Idaho, this ____ day of _____, 2012.

APPROVED by the Mayor of the City of Boise, Idaho this ____ day of _____, 2012.

APPROVED:

ATTEST:

David H. Bieter
MAYOR

Debbie Broughton
EX-OFFICIO CITY CLERK

Exhibit A

Business Improvement District Block #'s

Tan - Outerzone, Light Yellow - Core, Blue - Outer Core, Green - Transition 1



Exhibit B

Year 1 – 2013

- Assessments will be billed to the property owners in the Core, Outer-Core and Outer-Zone based on the average of the past 3 years (2010 – 2012) assessments' total for each building.
- Property in Transition Zone 1 will be billed on the average of the past 3 years (2010 – 2012) assessments' total.
- Non Government Businesses in Government owned buildings will continue to be billed directly.
- Any new buildings in the district will be billed at the core rate of .20 sf for ground floor, .06 sf for upper floors and .01 sf for basements and .01 sf for parking.
- Buildings that were less than 50% occupied in year 1 will be evaluated annually and once they reach occupancy of 50% or more will be billed at the core rate.
- All parking (garages and lots) will be billed at .01 sq ft

Year 2 – 2014 to Year 6 2018

- Core, Transition Zone 1 and Outer Zone will be billed at the Year 1 rate.
- Parking will continue to be billed at 0.01 sq ft.
- Outer-Core rates will increase incrementally over years 2-6 at a rate of 10% per year.

Year 7 and ongoing

All assessments will be adjusted annually from the rate established in Year 6 by the Consumer Price Index for all Urban Consumers, All Items, published by the United States Department of Labor, Bureau of Labor Statistics (CPI-U) not to exceed 3% annually.

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