

CITY COUNCIL AGENDA TOPIC**Bellevue Business Improvement Area Policy**

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EXECUTIVE SUMMARY**INFORMATION
ONLY**

Staff will present administrative Business Improvement Area (BIA) Policy that establishes a framework for the formation, governance, and administration of potential future BIAs in Bellevue.

RECOMMENDATION

No action is being sought at tonight's meeting on these administrative policies. The City Council will be part of the formation process and governance of any potential BIAs in the future.

BACKGROUND/ANALYSIS**Background**

A Business Improvement Area is a special assessment district authorized under RCW 35.87A that allows businesses and property owners within a defined boundary to collectively fund services and improvements that benefit their district. BIAs are commonly used to support district management, economic development, placemaking, public space activation, maintenance, marketing, and special events.

BIAs are widely used throughout Washington State, including in Seattle, Tacoma, Spokane, Everett and numerous other communities. Bellevue is currently the largest city in Washington without a BIA.

Council has previously directed staff to explore tools that strengthen district management and placemaking across the city. On May 21, 2024, council directed staff to identify the right structures and tools to support place management. Further analysis was done as part of the work to develop the 2026-2031 Economic Development Plan and led to Action 2.3.1.1: *Support long-term business district vitality by enabling the community's use of state-enabled tools like Business Improvement Districts.*

After additional work, staff are now presenting a BIA Policy for evaluating and administering potential future BIAs in Bellevue. The need for a policy has become increasingly important as local partners have started exploring BIAs.

Policy Overview

The BIA Policy (included in Attachment A) establishes a comprehensive framework for the formation, administration, oversight, modification, renewal, and potential disestablishment of BIAs anywhere in

Bellevue. The policy is intended to provide a fair, transparent, and predictable process while ensuring accountability for the use of special assessment revenues.

Key elements of the policy include:

Formation and Establishment

The policy establishes a structured process for BIA formation, including proposal requirements, city review, petition validation, stakeholder outreach, public engagement, and council consideration.

Assessment Methodology and Ratepayer Fairness

The policy establishes standards for assessment methodologies, ratepayer classifications, benefit analyses, and special assessment structures to help ensure assessments are reasonably related to the benefits received.

Governance and Accountability

The policy establishes a governance framework that includes council, an advisory board, a contracted operator, and city staff. The framework is intended to promote transparency, ratepayer representation, oversight, and accountability.

Performance Monitoring and Reporting

The policy requires annual work plans, budgets, annual reporting, and ongoing performance monitoring to ensure assessment revenues are used effectively and consistent with approved district objectives.

City Administration

The policy defines responsibilities for city departments related to policy administration, financial oversight, assessment administration, contract management, legal review, and legislative actions.

Lifecycle Management

The policy establishes procedures for future modifications, assessment changes, renewal, sunset, and disestablishment of BIAs to ensure long-term accountability and responsiveness to changing district needs.

Downtown Business Improvement Area

The Bellevue Downtown Association is leading exploration of a potential BIA to provide sustainable funding for enhanced services in Downtown Bellevue. A stakeholder group comprised of primarily Grand Connection property owners and potential ratepayers has analyzed service needs and options, with a focus on two primary service buckets: one focused on cleanliness and beautification, and one focused on placemaking, events, and activation. Early concepts include several potential boundary options and a preliminary annual budget in the \$3–4.5 million range.

This analysis is still early, and a more detailed budget and service plan is currently in development. Contingent on ratepayer support and analysis over the coming months, a petitioning process could begin as soon as this fall.

POLICY & FISCAL IMPACTS

Policy Impact

This work implements the 2026 Economic Development Plan Strategy 2.3.1: *Leverage tools and*

partnerships to improve business districts, fund large projects, and improve the environment for business owners, workers, visitors, learners, and residents.

The administrative BIA Policy creates a clear, consistent framework that strengthens accountability and ensures the city can effectively evaluate and support community-initiated BIA proposals across the city.

Fiscal Impact

This elective funding tool allows the approved district to receive enhanced services – such as beautification, marketing, events, and supplemental maintenance – without any impact to the city’s General Fund. When creating a BIA, the city agrees to maintain a consistent level of service while new and enhanced services can be funded through assessments paid by district ratepayers. The city’s administrative work is covered by a 5% fee on BIA revenues, with the option to recover additional documented costs if needed. Spending decisions are guided by a Ratepayer Advisory Board comprised of individuals representing the properties paying the assessment. The advisory board recommends how assessment revenue should be invested to best support the district’s priorities.

OPTIONS

N/A

ATTACHMENT

A. Bellevue Business Improvement Area Policy

AVAILABLE IN COUNCIL LIBRARY

2026-2031 City of Bellevue Economic Development Plan