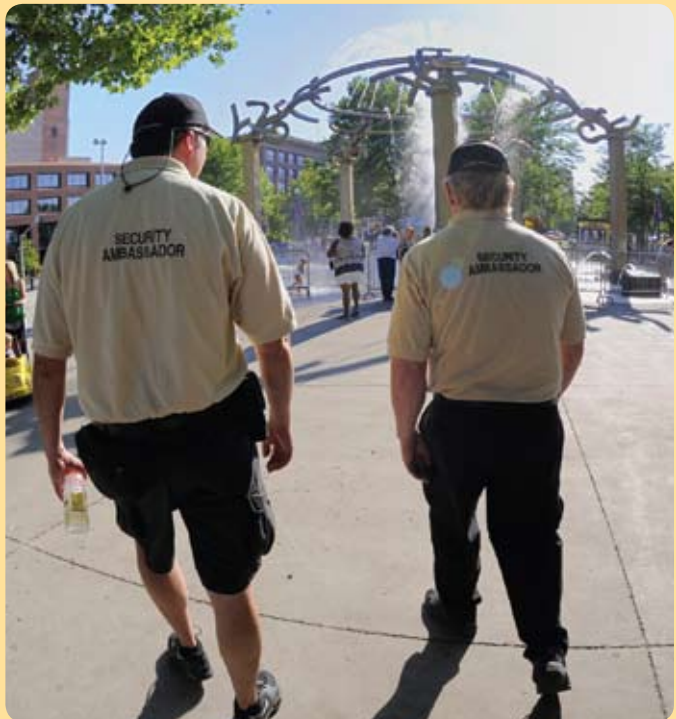




BUSINESS IMPROVEMENT DISTRICT



2012 MANAGEMENT PLAN

Prepared by The Downtown Spokane Partnership

2012 BID STRATEGIC PLAN

The Downtown Spokane Business Improvement District (BID) provides a managed environment that helps make Downtown Spokane more competitive while property and business owners retain their individual standards of operation. It is this collective energy of diverse entrepreneurs that gives Downtown its vitality and competitive advantages. The success of the BID has increased expectations and resulted in increased demands on BID services.

The BID programs of clean, safe, parking and promoting positive experiences have been fundamental for 16 years in stabilizing Downtown Spokane and stimulating new investment. The BID encourages investment by providing the revenue and political will, to keep our commercial streets clean, safe, and economically vibrant. In 2012, the BID will focus on excellent delivery of core services to manage and enhance Downtown Spokane for the benefit of all Ratepayers.

BID Ratepayers continue to value BID services and endorse the current program allocations. The BID will focus on what it does well and will continue to enhance the streetscape, while carefully considering new opportunities including, but not limited to, expansion of the BID boundaries, new emphasis on Downtown hospitality, parking management, beautification services, encouraging sustainable and environmentally smart practices, and business development opportunities in 2012. The BID needs to be sensitive to the needs of all Ratepayers and be careful to select additional services to meet the changing demands of our evolving Downtown.

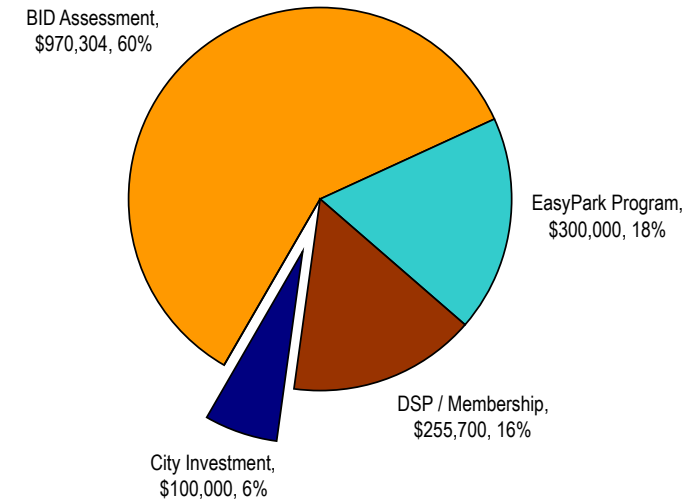
2012 BID STRATEGIC DIRECTION

- CORE SERVICES** - Remain focused on the delivery of our core enhanced public services (clean and safe; marketing and promotions; and parking and transportation), identified as most important to our Ratepayers. Creating the desirable environment and positive experience for all those who live, work or play Downtown is the BID's main objective.
- STRATEGIC PARTNERSHIPS** - Continue to work with strategic partners to ensure the most effective use of resources including the City of Spokane, Spokane Police Department, Public Works & Utilities, Economic & Community Development, University District, Spokane Regional Convention & Visitors Bureau, and Greater Spokane Incorporated, to name a few.
- BEAUTIFICATION** - Continue to actively maintain public spaces and enhance beautification services for common areas, gateways to Downtown, street trees (watering and replacing), graffiti removal and targeted planting areas.
- CONNECTIVITY** - Remain focused on efficient connectivity for all of Downtown including the University District, our bordering neighborhoods and the north side of the river.
- LEVERAGE RESOURCES** - Leverage all BID and marketing dollars with other partners to attract regional patronage and promote Downtown as a compelling destination.
- RETENTION & RECRUITMENT** - The BID is a critical component of the overall revitalization strategy for Downtown. Continue to implement business retention, recruitment, and expansion strategies, especially to strengthen the economy.



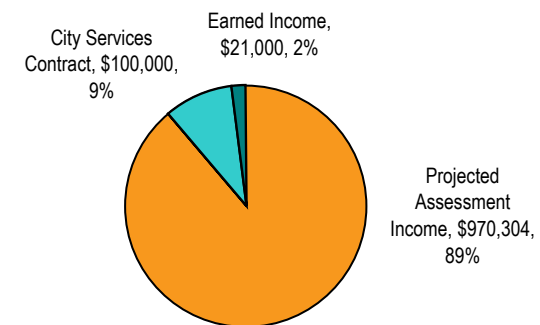
2012 BID BUDGET

DOWNTOWN PUBLIC-PRIVATE INVESTMENT

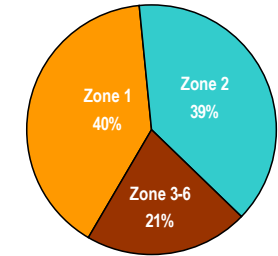


RESOURCE SUMMARY

Projected Assessment Income	\$970,304
City Services Contract	\$100,000
Earned Income	\$21,000
Total Resources	\$1,091,304



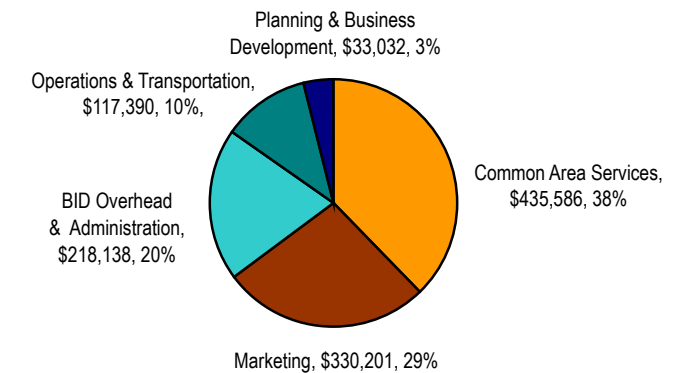
PROJECTED BID ASSESSMENT INCOME BY ZONES



EXPENSE SUMMARY

Common Area Services	\$435,586
Marketing	\$330,201
BID Overhead & City Administration	\$218,138
Operations & Transportation	\$117,390
Planning & Business Development	\$33,032
Total Expenses	\$1,134,347

EXPENSES OVER REVENUE REDUCING OPERATING RESERVE \$43,043



Business Improvement District

Business Improvement Districts, or BIDs, are financing mechanisms used to improve the economic vitality of Downtowns by providing services and improvements that enhance, not replace, existing municipal services.

Spokane City Council created the BID in July 1995, and reauthorized it in 2001, at the request of the area's business and property owners. The BID is authorized by Washington State law to aid general economic development and neighborhood revitalization. When businesses and property owners pool their resources, the result is a strong organization with more impact than any single entity could have. The current City Ordinance for the BID will sunset on December 31, 2016.

Comprising approximately 80-blocks of the Central Business District, the BID boundaries are generally Maple to Browne, and the Railroad Viaduct to North River Drive. More than 850 business owners and 350 property parcels are contained within the area.

The Ratepayer Advisory Board (RAB) represents the interests of Ratepayers by establishing operating procedures, developing budgets, advise the City regarding assessments, monitoring service delivery and planning for the future of the BID in an advisory capacity. Furthermore, it is the responsibility of the RAB to review all assessment issues and recommend appropriate resolutions.

RAB positions are designated by geography, business, and property type to ensure that the BID's interests are well represented and served. The RAB meets monthly to discuss budget, management, and program delivery issues on behalf of the BID Ratepayers. The RAB guides the day-to-day function of the BID service delivery.

Downtown Spokane Partnership

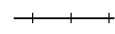
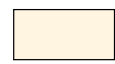







The Downtown Spokane Partnership (DSP) is hired by the City of Spokane to administer the BID. Under this agreement, the DSP provides planning and advocacy efforts for Downtown and oversees the implementation of Downtown enhanced public services.

DSP is a membership organization and receives dues from businesses, individuals, and organizations throughout the community who want to invest in the future of Downtown and work to create and maintain a vibrant and healthy Downtown. The DSP Board of Directors sets the strategic agenda, guides and manages the revitalization program, and administers various implementation entities.

A private non-profit organization, the DSP is Spokane's central city advocate and service provider. The DSP is built on the mission that a vital Downtown is necessary as the basis of an economically healthy region. To carry out its mission, the DSP actively pursues strategic initiatives in collaboration with its partners and the community.

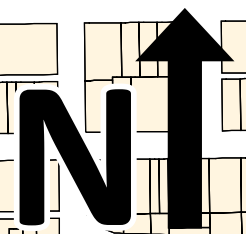
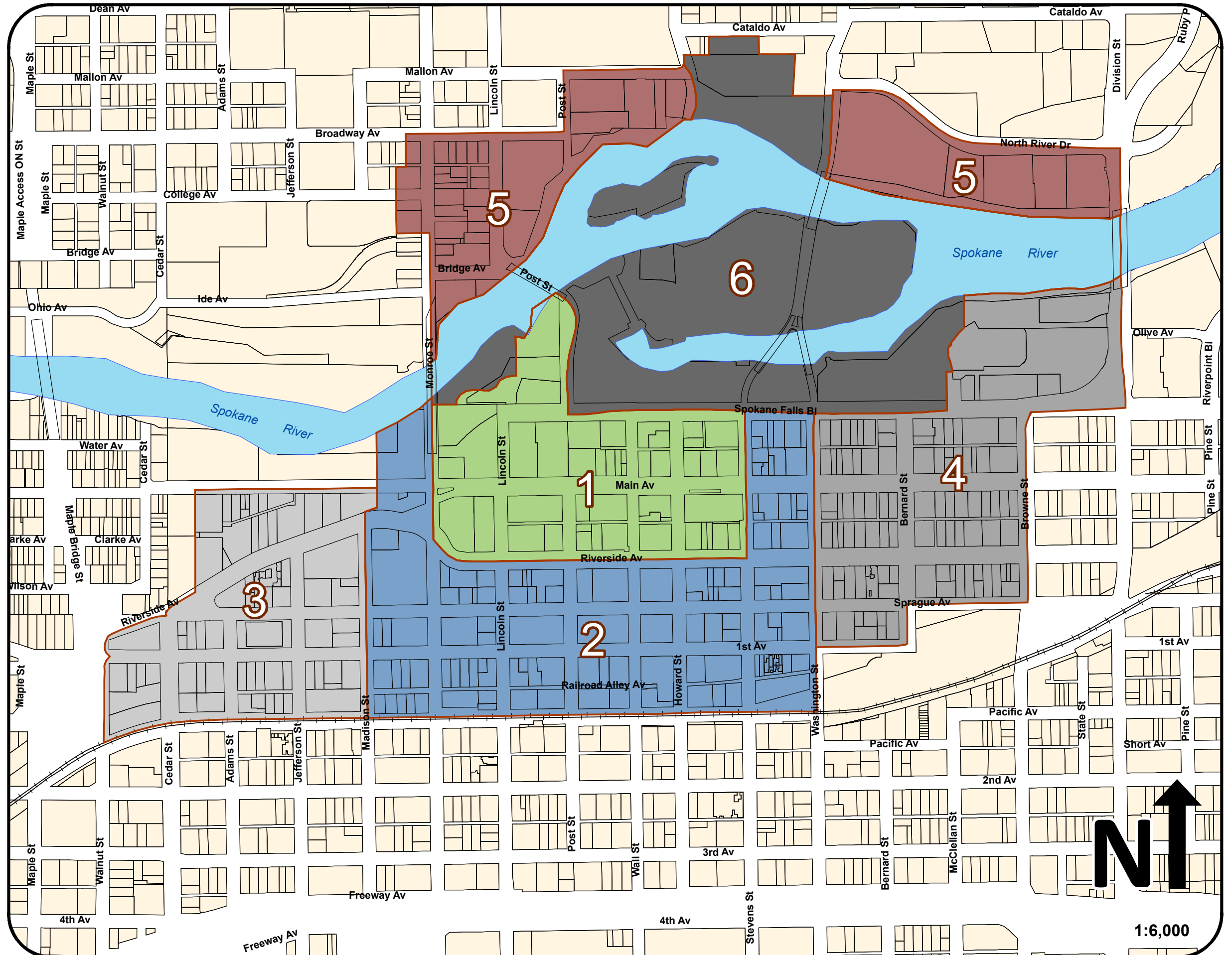
Downtown (BID)/(PBIA) Property Tax Assessment

Legend

-  Railroads
-  Parcels
-  Spokane River
-  Zone 1
-  Zone 2
-  Zone 3
-  Zone 4
-  Zone 5
-  Zone 6



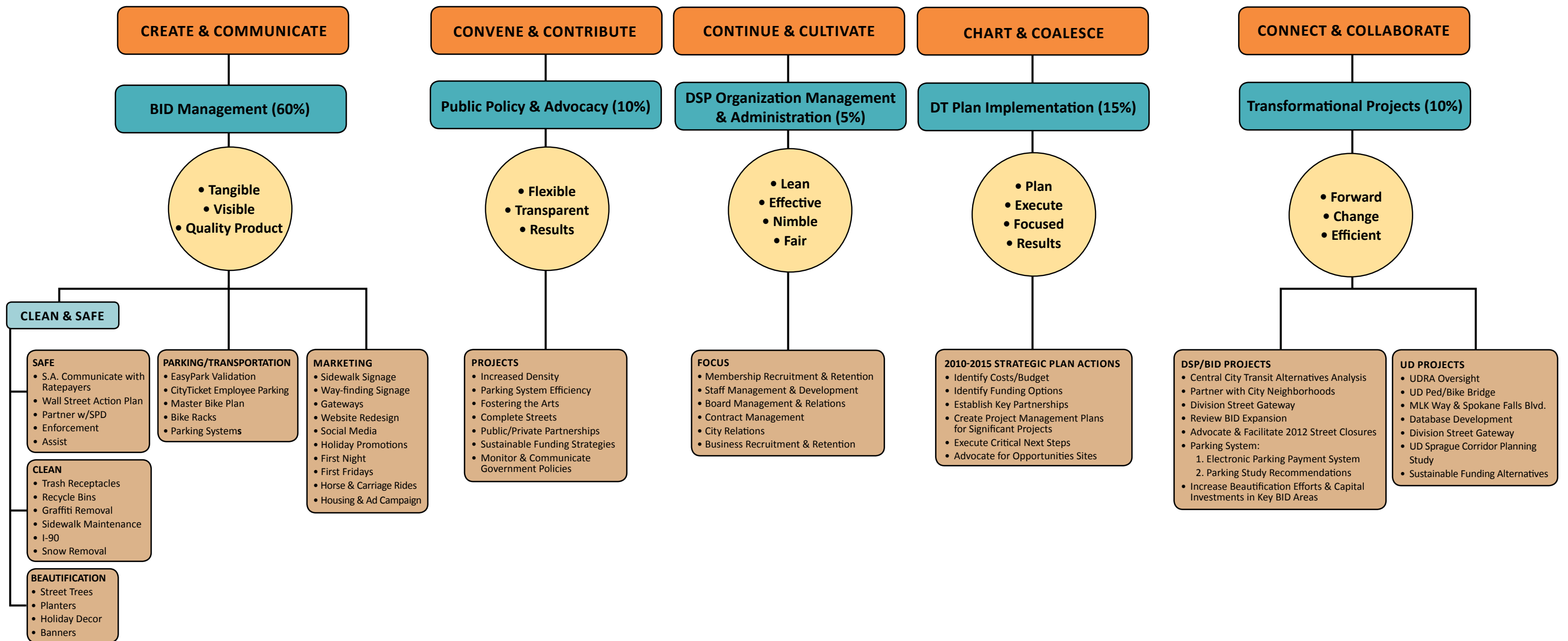
0 250 500 750 1,000 Feet



1:6,000

DSP/BID/UD FINDING OUR WAY 2012

PLANNING, ADVOCATING, & IMPLEMENTING

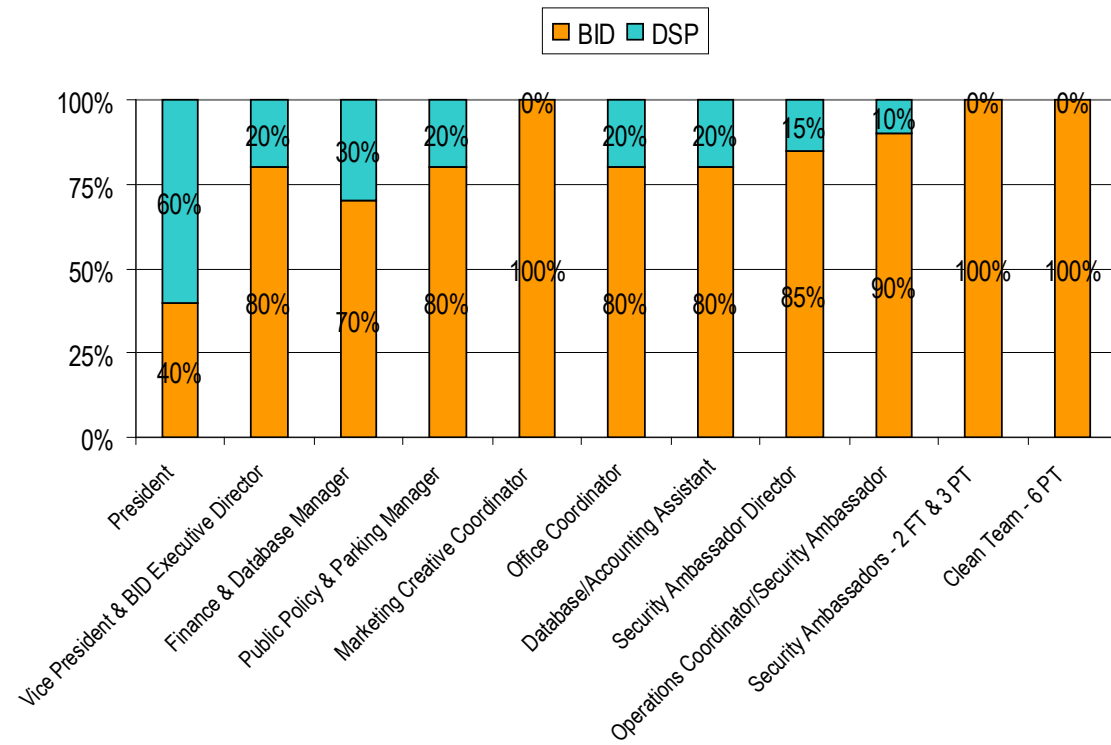


2012 BID STRATEGIC PLAN

RESOURCE ALLOCATION

The DSP assigns staff resources based on annual business plan requirements to maximize an effective resource mix between the DSP and BID. The following represents percentage of time allocated to BID or DSP activities for each staff resource.

2012 BID STAFF ALLOCATION



DOWNTOWN SPOKANE BUSINESS IMPROVEMENT DISTRICT

SPECIAL ASSESSMENT MATRIX

TENANT ASSESSMENT FORMULA

All tenant assessments are based upon square footage of space per lease, except where noted. There is an annual minimum assessment of \$90.00 per tenant.

TYPE OF TENANT	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6*
Retail Tenants						
Ground floor and skywalk	\$0.22	\$0.12	\$0.10	\$0.10	\$0.10	-0-
Office Tenants						
Ground floor and skywalk	\$0.12	\$0.11	\$0.09	\$0.09	\$0.09	-0-
Office and Retail Tenants						
Upper floors and basement	\$0.09	\$0.08	\$0.07	\$0.07	\$0.07	-0-
Manufacturing Tenants						
Outside a C-1 zoning district	\$0.09	\$0.08	\$0.07	\$0.07	\$0.07	-0-
Within a C-1 zoning district	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	-0-
Commercial Parking						
Per space assessment	\$3.00	\$2.50	\$2.00	\$2.00	\$2.00	-0-
Commercial Theaters						
Per seat assessment	\$2.50	\$1.90	\$1.60	\$1.60	\$1.60	-0-
Apartments						
Per unit assessment	\$4.00	\$3.50	\$3.00	\$3.00	\$3.00	-0-
Combined Tenant/Owner						
Hotels and Motels (per room assessment)	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	-0-

PROPERTY ASSESSMENT FORMULA

Property owner assessments are based upon current values for land plus improvements, no exemptions, and are calculated at a rate per \$1,000 of total assessed value. Each property, including its tenants, shall be assessed under both the tenant and property owner formulas. There is an annual minimum assessment of \$90.00 per property parcel.

TYPE OF OWNER	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6*
Private Property	\$1.10	\$1.10	\$0.70	\$0.70	\$0.70	-0-
Government	\$0.80	\$0.80	\$0.60	\$0.60	\$0.60	-0-
Non-Profit	\$0.60	\$0.60	\$0.40	\$0.40	\$0.40	-0-
Residential/Condos	\$0.60	\$0.60	\$0.40	\$0.40	\$0.40	-0-
Public Facilities District	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31	-0-

*GOVERNMENT PARK PROPERTY ASSESSMENT FORMULA

TYPE	Zone 6
Public Parks	\$150.00 per acre



ASSESSMENT GUIDELINES

City Ordinance C-34748 passed July 18, 2011 amending SMC 4.31.140 effective August 25, 2011 and Ordinance C-33995 passed March 26, 2007 amending SMC 4.31.010 effective May 6, 2007. provides for the levy of special assessments upon businesses and properties within the area designated as the Downtown Business Improvement District (BID). The BID Ratepayer Advisory Board of Directors submits to City Council an annual BID Management Plan including a proposed budget and special assessment matrix. In early December, City Council holds a public hearing to hear all protests and receives evidence for or against the proposed action.

The following guidelines are provided as a supplement to the assessment matrix:

- Assessment rates are annual and based upon gross leasable space (including storage) except where noted. If a Ratepayer elects to pay the assessment in two installments there will be a \$10.00 rebill fee to the city levied.
- A pro-rated assessment shall be available to tenant Ratepayers upon request.
 - The pro-rated assessment shall be based on a full month, i.e. if a Ratepayer leaves the district March 15th they will be invoiced for three full months.
 - A pro-rated assessment shall be available only to tenant Ratepayers who move out of the district.
- When a tenant moves within the district, that tenant will be responsible for the assessment based on their previous location until the change is made for the next year's assessment roll.
- Assessments are based upon six "benefit zones," each of which pays a different level of assessment based upon the services it receives.
- A minimum assessment of \$90.00 is levied for each tenant and/or property parcel.

- The following will be exempt from assessment: Organizations and property owners recognized by the State of Washington as Charitable Organizations; businesses recognized by the State of Washington as Non-Profit Organizations; Governmental agencies exempt from taxation pursuant to State and Federal law; Vendors and Concessionaires; theaters which principally present live performances; organizations conducting business in the BID less than 30 days per year; or as per Section 5A4 as amended.
- No historic tax credit or other exemptions that would decrease the assessed value of land or improvements will be used to calculate the annual property assessment.
- The Downtown Spokane Partnership office should be contacted immediately to discuss any situations not covered in the above guidelines.
- Manufacturing businesses should have their businesses classified, and assessments applied, consistent with other uses in the District. Business classifications (i.e., office manufacturing) should not be pro-rated for a single business operation. Per Section 4, Part E, "if multiple activities or uses are undertaken in a single business space, the predominant activity or usage shall determine the business classification." The predominant usage is that use, which has the greatest proportional square footage of a building compared to other uses.

Disputes:

The majority of assessment questions are quickly resolved by the Downtown Spokane Partnership office. If a satisfactory conclusion is not reached, a Ratepayer aggrieved by the amount of an assessment or delinquency charge shall request, within sixty (60) days of the assessment or charge, a hearing before the Ratepayer Advisory Board. An Assessment Resolution Policy, which fully outlines the appeal process, is available from the Downtown Spokane Partnership office.

ASSESSMENT POLICIES

1. Hotels and motels will be assessed for both property and tenancy at one rate per number of rooms.
2. Public parks will be assessed for both property and tenancy at one rate per number of acres.
3. A minimum assessment of ninety dollars (\$90.00) will be applied to every business or property parcel within the boundaries.
4. Square footage will be combined for office or retail tenants occupying multiple spaces in one building.

SPECIAL ASSESSMENTS:

The City of Spokane will levy a special assessment on each business, organization, building, and a property within the area by applying an assessment rate according to the current assessment formula approved by City Council.

TENANT EXEMPTIONS

1. Concessionaires at public events.
2. Vendors or entertainers in the district streets and parks.
3. Theaters which principally present live performances and not video or film shows.
4. Businesses conducting business in the district less than 30 days per year.
5. Businesses incorporated as a non-profit organization.
6. Emergency City services such as fire, police, and medical care.

PROPERTY OWNER EXEMPTIONS

1. Religious, charitable, or social welfare non-profit organizations.

ASSESSMENT RATE INCREASES

Proposals with regards to assessment rate changes (including minimums, maximums, exemptions, and increases) are all subject to approval by City Council per RCW 35.87A.

It is anticipated that subsequent increases of the assessments will be based on the increase, if any, of the Consumer Price Index (CPI) of the U.S. City Average for all urban consumers. The percentage increase in the assessment formula shall be computed as follows:

$$\frac{(\text{Ending CPI} - \text{Beginning CPI}) \times 100}{\text{Beginning CPI}} = \text{Percentage of Increase}$$

THE BUSINESS IMPROVEMENT DISTRICT KEEPS DOWNTOWN SPOKANE...

CLEAN & VIBRANT

The Clean Team crew of six in green and black uniforms clean five days a week for over 9,000 hours a year, removing more than 5,000 garbage bags and 3,000 graffiti pieces, plus snow and ice removal in the winter. The crew installed new Downtown trash receptacles and recycle bins. For graffiti removal within 24 hours or common area maintenance, call 509-294-4367.

SAFE & FRIENDLY

The Security Ambassador crew of four full-time and three part-time in beige, rust and black uniforms patrol five days a week for almost 14,000 hours and 25,000 miles a year, including 11,000 service calls handled and 5,000 assists. They are here for all business and customers' security and hospitality needs at 509-353-9111.

GREEN & BEAUTIFUL

The Clean Team crew cleans and beautifies Downtown's entrances weekly along the I-90 corridor, removing 18 tons of debris a year and maintaining green spaces, painting, and other enhancement projects. The team added new urban garden containers for a total of 82 planters Downtown and fills and maintains them with 2,500 seasonal plants. The DSP installs a rotating system of over 640 street banners and decor. Partnering with the City enables programs like new bike racks Downtown, and the Street Tree Grant program, replacing trees and tree grates.

EASY TO GET AROUND

Transportation options are communicated along with the availability of more than 9,700 parking spaces, making parking easier to find than your car keys – it's accessible, available, and affordable. 300,000 people utilize the EasyPark & Premier Pass validations programs and 6,000 employees take advantage of CityTicket park-and-ride. Plus, to meet business usage changes, the DSP can facilitate adjustments to the on-street parking system, like advocating for parking kiosks, changing meter times or adding motorcycle parking. Visit downtownspokane.net for a parking map.

FUN & EXCITING

With incredible shopping at more than 160 distinct local shops and national retailers, world-class entertainment, arts and culture, and more than 120 of the region's best restaurants and coffee shops, 100,000 visitors are drawn to the DowntownSpokane.net website promoting a retail business directory and activities. Plus, the First Friday monthly retail and art walk promotion, Horse and Carriage rides, holiday activities and more. The DSP invites visitors to come be a part of it Downtown every day with 2,000 electronic spots and five million exposures. Visit downtownspokane.net for more info.





Downtown Spokane Partnership • Business Improvement District

Phone: 509.456.0580 • 211 North Wall Street, Suite 300, Spokane, WA 99201 • Fax: 509.747.3127

www.downtownspokane.net