

**CITY OF SNOHOMISH
Snohomish, Washington**

ORDINANCE 2505

AN ORDINANCE ESTABLISHING A PARKING AND BUSINESS IMPROVEMENT AREA (PBIA); LEVYING SPECIAL ASSESSMENTS UPON THE BUSINESSES WITHIN THE AREA; PROVIDING FOR THE DEPOSIT OF REVENUES IN A SPECIAL ACCOUNT AND EXPENDITURES THEREFROM; PROVIDING FOR ADMINISTRATION AGREEMENTS; CREATING NEW SMC CHAPTER 5.04; AND PROVIDING FOR EFFECTIVE DATE AND SEVERABILITY.

WHEREAS, RCW 35.87A authorizes a city to form a parking and business improvement area (“PBIA”) to aid general economic development and neighborhood revitalization, to assist trade, economic viability, and livability and for the purpose of financing improvements to a city’s downtown residential and business areas; and

WHEREAS, the City of Snohomish established the original Historic Business District PBIA via Ordinance 2017 and Ordinance 2023 pursuant to RCW Chapter 35.87A; and

WHEREAS, RCW 35.87A.030 authorizes a PBIA to be initiated by an initiating resolution adopted by the legislative body of a city or town; and

WHEREAS, on October 15, 2024, the Snohomish City Council adopted Resolution 1479 intending to terminate the existing PBIA and establish a new PBIA in the Historic Business District to amend the assessment schedule of fees, create a "hardship" clause for merchants and businesses who are unable to pay the full assessment fee, establish the uses of PBIA assessment funds pursuant to RCW 35.87A.010, clarify the disbursement of funds pursuant to RCW 35.87A.110, amend the use of revenue and contracts to administer operation of area language pursuant to RCW 35.87A.1 10, and update language around the collection schedule and delinquent payments; and

WHEREAS, on October 15, 2024, and pursuant to RCW 35.87A.030 the Snohomish City Council adopted Resolution 1480, initiating a PBIA via the resolution method instead of the petition method; and

WHEREAS, on October 15, 2024, and pursuant to RCW 35.87A.040, the Snohomish City Council passed Resolution 1481, declaring its intention to establish a PBIA, and fixing a date and place for a hearing thereon; the title for which stated:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SNOHOMISH, WASHINGTON STATING ITS INTENTION TO ESTABLISH A PARKING AND BUSINESS IMPROVEMENT AREA IN THE HISTORIC BUSINESS DISTRICT, AND SETTING A PUBLIC HEARING DATE, PURSUANT TO RCW 35.87A

WHEREAS, pursuant to RCW 35.87A.050 the City gave notice of a public hearing at least ten days prior by:

1. One publication of the resolution of intention on November 16, 2024, in a newspaper of general circulation in the city; and
2. On November 15, 2024, mailing a complete copy of the resolution of intention to each business and multifamily residential or mixed-use project in the proposed, or established, area; and

WHEREAS, on December 3, 2024, the Snohomish City Council held a public hearing thereon at the Snohomish City Council chambers, 105 Cedar Avenue, Snohomish, Washington; and

WHEREAS, the testimony received at that hearing resulted in the Council determining that establishing a PBIA is in the best interest of the businesses within the proposed PBIA boundaries in historic downtown Snohomish; and

WHEREAS, City Council adopted goals for 2025-26 include “promote and expand economic adaptability, vitality and diversity” and “preserve and enhance Snohomish’s quality of life”; and

WHEREAS, the PBIA established herein is for the purpose of enhancing conditions for the operation of those businesses and lodging operators, and the budget shall be dedicated to activities in addition to basic services provided by the City of Snohomish;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SNOHOMISH, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. **PBIA established.** A parking and business improvement area (PBIA) is hereby established in the City of Snohomish, as further described in Section 2 of this Ordinance.

Section 2. **New Chapter to SMC.** A new Chapter 5.04 of the Snohomish Municipal Code is hereby adopted to read as set forth in attached Exhibit A, which is hereby incorporated by this reference as though fully contained herein.

Section 3. **Severability.** If any section, subsection, sentence, clause, phrase, or word of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase, or word of this Ordinance.

Section 4. **Authority to make necessary corrections.** The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, but not limited to, the correction of scrivener's clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 5. Effective date. This Ordinance shall be effective five days after adoption and publication by summary.

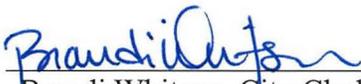
ADOPTED by the City Council and **APPROVED** by the Mayor this 3rd day of December, 2024.

CITY OF SNOHOMISH

By 
Linda Redmon, Mayor

ATTEST:

APPROVED AS TO FORM:

By 
Brandi Whitson, City Clerk

By 
Emily Guildner, City Attorney

Date of publication: December 7 2024

Effective date: December 12 2024

EXHIBIT A

Chapter 5.04

PARKING AND BUSINESS IMPROVEMENT AREA

Sections:

- 5.04.010 Parking and Business Improvement Area Established
- 5.04.020 HBD Programs
- 5.04.030 Levy of Special Assessments
- 5.04.040 Rate Changes
- 5.04.050 Deposit of Revenues
- 5.04.060 Collection Schedule
- 5.04.070 Delinquent Payments
- 5.04.080 Contract for Program Management
- 5.04.100 Exemptions
- 5.04.110 Notices
- 5.04.120 Disputes
- 5.04.130 Severability
- 5.04.140 Renewal and Termination

5.04.010 Parking and Business Improvement Area Established

As authorized by Chapter 35.87A RCW, there is hereby established a Parking and Business Improvement Area ("Parking and Business Improvement Area" or "PBIA"), consisting of the Historic Business District as described in SMC Section 14.30.040(C)(3). The PBIA created herein shall be designated the "Historic Business District" (the "HBD"). Future PBIAs may be established in the City in accordance with RCW 35.87A.030.

5.04.020 HBD Programs

The City shall use, or contract with a business association operating primarily within the boundaries of the HBD per RCW 35.87A.110, revenues from the special assessments authorized by RCW 35.87A.010 for the following purposes:

- A. Decoration of any public place in the HBD.
- B. Sponsorship or promotion of public events which are to take place on or in public places in the area.
- C. Furnishing of music in any public place in the area.
- D. Providing professional management, planning, and promotion for the area, including the management and promotion of retail trade activities in the area.
- E. Providing maintenance and security for common, public areas.

F. Providing transportation services for the benefit of the area.

5.04.030 Levy of Special Assessments

To finance the programs set forth in this Ordinance, there shall be levied and collected an annual special assessment upon the “businesses” and “lodging businesses,” as defined in RCW 35.87A.020 whose physical location is an identified street address within the HBD. Pursuant to SMC 5.02, all businesses and individuals conducting business inside the City of Snohomish are required to obtain a City of Snohomish endorsement on their business license. The rates at which special assessments within the HBD are imposed for each calendar year shall be \$150.

5.04.040 Rate Changes

Any change in the assessment rate shall only be made by ordinance and as authorized in RCW 35.87A.

5.04.050 Deposit of Revenues

There is hereby created in the City a separate subaccount designated as the HBD Account (“the Account”). The following monies shall be deposited in the Account:

- A. All revenues from special assessments levied under this Ordinance.
- B. Gifts, donations, and voluntary assessment payments for the Account.
- C. Interest and all other income from the investment of Account deposits.

5.04.060 Collection Schedule

Special assessments shall be collected on an annual basis. Businesses that open/move to a location in the HBD after the initial annual billing has been completed will not be required to pay that year’s HBD assessment.

5.04.070 Delinquent Payments

If an assessment has not been paid within thirty (30) days after its due date by the business or lodging operator, it will be considered delinquent. The City Administrator or their designee is authorized to assign delinquent assessments to a collection agency or bring an action in any court of competent jurisdiction.

5.04.080 Contract for Program Management

Pursuant to RCW 35.87A.110, the City hereby authorizes the Mayor to contract with a chamber of commerce or similar business association entity or entities operating within the boundaries of the HBD to act as a Program Manager. The Program Manager shall administer the PBIA’s operation, including but not limited to implementation of the projects and activities contained in the work program adopted by the City Council under Section 5.04.020 of this chapter.

Any contract entered into under this Chapter shall include provisions to address the following:

A. Provisions for the Program Manager to:

1. Create and maintain a business database of all eligible business and lodging operators within the boundaries of the HBD;
2. Provide the database to the City in sufficient time for its use in mailing annual special assessment notices, but no later than January 1 of each calendar year;
3. Resolve disputes by any eligible business and lodging operators aggrieved by the amount of an assessment;
4. When notified by the City of delinquent accounts, pursue collection within 30 days of notification, and prior to the City's assignment of the accounts to a collection agency or initiation of a formal collection action;
5. Perform all basic contract provisions (e.g. billing and reporting requirements, internal controls, maintain accurate records, etc.);
6. Perform the projects and services listed in Section 5.04.020 of this chapter as approved annually by the City Council;
7. Submit reimbursement request on vouchers drawn for services rendered (consistent with the Council adopted budget and Council goals for the biennium).

B. Provisions for the City to:

1. Review the Program Manager's annual proposed budget recommendations for special services and projects;
2. Budget for expenditures;
3. Send a bill to each business within the boundary on an annual basis based on the assessment list provided by the Program Manager;
4. Collect special assessments;
5. Notify the Program Manager of delinquent accounts, so that the Program Manager may pursue collection prior to the City's collection efforts;
6. Pursue collection by sending the bill to a collection agency or commencing an action in a court of competent jurisdiction to collect the special assessment;
7. Review and reimburse eligible expenses; and
8. Conduct periodic review of the Program Manager's performance.

5.04.100 Exemptions

The following businesses and lodging businesses will be exempt from payment of HBD assessments:

- A. A sole proprietor or self-employed individual as defined by RCW 48.43.005 operating within another physical business location, such as salon technicians, tattoo artists, and realtors, who are not the primary tenant of that location.
- B. A corporation that holds a current tax-exempt status as provided under 26 USC Section 501(c) 1-27 and/or non-profit corporations organized pursuant to RCW 24.03.

- C. Governmental agencies and offices.
- D. Private residences and apartments.
- E. Home-based or home occupation businesses.
- F. Sponsors, concessionaires, and/or vendors conducting business under a special events permit as provided under Snohomish Municipal Code Chapter 5.10.

5.04.110 Notices

Notices of assessment and all other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the City to the address shown on City of Snohomish records, as they may be modified from time to time based on information provided by the Program Manager (if any). Failure of any business or lodging operator to receive any mailed notice shall not release the business or lodging operator from the duty to pay the assessment and any collection agency charges.

5.04.120 Disputes

Any business or lodging operator aggrieved by the amount of an assessment may appeal to the Program Manager, if the City has entered into a contract as per Section 5.04.080 of this chapter. If the City has not entered into a contract for program management, the business or lodging operator may appeal to the City Finance Director for review. If the City Finance Director upholds the assessment or adjusts the assessment consistent with this ordinance, the business or lodging operator may make a second appeal to the City Administrator. The City Administrator's decision shall be final and not appealable to any court or body. The appellant business or lodging operator has the burden of proof to show that the assessment is inconsistent with the applicable assessment fee provided for herein or that payment will have a long-term, negative financial impact to the business or lodging operator.

5.04.130 Severability

If any section, subsection, sentence, clause, phrase or other portion of this chapter or its application to any person is, for any reason, declared invalid, illegal, or unconstitutional in whole or in part by any court or agency of competent jurisdiction, that decision may not affect the validity of the remaining portions hereof.

5.04.140 Renewal and Termination

To promote continuity in services being provided to the HBD and to enhance the special benefits supporting the special assessments in the HBD, the City may only terminate the PBIA or repeal Chapter 5.04 by taking legislative action by July 1st to effectuate the termination or repeal for the subsequent year. If the Council does not take such legislative action by July 1st, the PBIA shall continue through the subsequent year.