

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: November 8, 2010
	Agenda Item No. 62 Roll Call No. <u>10-1897</u> Communication No. <u>10-679</u> Submitted by: Richard A. Clark City Manager

AGENDA HEADING:

Approving Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) FY2011-12 Operating Budget.

SYNOPSIS:

Recommend approval of the recommended Operating Budget for the Downtown Des Moines Self-Supported Municipal Improvement District for the period of July 1, 2011 to June 30, 2012, to operate, manage and undertake SSMID services, improvements and activities intended to enhance the vitality of the downtown area.

FISCAL IMPACT:

Amount: \$1,945,400

Funding Source: \$1,260,000 SSMID revenues paid by an Operations Tax on property owners within the SSMID, plus \$765,710 other revenue sources, including City contribution to Downtown Maintenance of \$250,000, Walnut Street Mall Maintenance of \$40,000, and payment from the City Parking System of \$32,710.

ADDITIONAL INFORMATION:

The SSMID budget is used to fund the operations of the SSMID, allowing them to provide desired services above the level of service that the City normally provides. The Downtown SSMID agreement began in February, 1998 and was extended in 2001 and 2005. The SSMID was created according to Iowa Code as a means to collect a special Operations Tax from downtown property owners to support a higher level of services within its boundaries. The City Council adopted an ordinance on February 23, 2009, providing for the continuation of the Operations Fund and the collection of the Operations Tax. The Operations Tax is limited by the ordinance to a rate of \$2.00 per thousand dollars of taxable value, although the tax rate has not exceeded \$1.00 in past years. Enhanced services provided include:

- Enhanced maintenance and cleaning of public spaces
- Services to enhance the safety of persons and property, including a “Goodwill Ambassador” program
- Development and management of activities for marketing, business retention and attraction,
- Capital or physical improvements
- Improvement of the skywalk system, including maintenance, cleaning, and security

The agreement requires that the SSMID subcontract with the Downtown Community Alliance to employ a full-time Director to supervise the management and operation and perform all administrative duties of the SSMID; subcontract with Greater Des Moines Partnership to perform SSMID's financial and fiduciary duties; and provide "clean and safe" services and activities as currently performed by Block-by-Block.

Council has asked staff to monitor the use of tree replacement funds by the SSMID. The SSMID has typically spent about \$1,000 per year for tree replacement, but in FY2011, they plan to spend \$18,000 for tree watering in support of a much larger than normal, City funded, tree replanting program. There is a line-item titled Beautification for \$250,000 in the FY2012 budget, a part of which can be made available for tree replacement once the need is determined. It is hoped that the dollars spent on watering will increase the survival rate of newly planted trees and reduce the need for replanting.

PREVIOUS COUNCIL ACTION(S):

Date: February 22, 2010

Roll Call Number: [10-278](#)

Action: [Budget](#) for Downtown Self-Supported Municipal Improvement District (SSMID) for Fiscal Year ending June 30, 2011. ([Council Communication No. 10-078](#)) Moved by Moore to adopt, and to monitor the use of tree replacement funds. Motion Carried 7-0.

Date: October 12, 2009

Roll Call Number: 09-703

Action: Approve [Operating](#) Agreement for Downtown Des Moines Self-Supported Municipal Improvement District (SSMID). Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: February 23, 2009

Roll Call Number: 09-316

Action: [Continuing](#) the Downtown Des Moines Self-Supported Municipal Improvement District, (SSMID). Moved by Hensley that this ordinance do now pass, [#14,834](#). Motion carried 7-0.

Date: February 6, 2006

Roll Call Number: 06-284, 06-285

Action: Expanding the Downtown Des Moines Self-Supported Municipal Improvement District, and providing for the continued levy of an annual operation tax on property:

(B) Alternate Two – The noticed boundary less any properties located north of Ingersoll Avenue and west of 15th Street, (generally properties located within the boundary of the existing Sherman Hill Neighborhood Plan). Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

(1) Final consideration of ordinance above, (waiver requested by City Manager), requires 6 votes. ([Council Communication No. 06-057](#)) Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#14,540](#). Motion Carried 7-0.

Date: January 26, 2004

Roll Call Number: 04-189, 04190

Action: To continue and expand the Downtown Des Moines Self-Supported Municipal Improvement District, (SSMID). ([Council Communication No. 04-027](#)) Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

Final consideration of ordinance above, (waiver requested by City Manager), requires 6 votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [14,311](#). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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