


# COUNCIL COMMUNICATION

	Number:	<b>23-269</b>	Meeting:	<b>May 22, 2023</b>
	Agenda Item:	<b>33</b>	Roll Call:	<b>23-0741</b>
	Submitted by:	<b>Cody Christensen, Development Services Director</b>		

## AGENDA HEADING:

Petition to expand and continue Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) for an additional 10 years beginning July 1, 2024, pursuant to Chapter 386 of the Iowa Code.

## SYNOPSIS:

Staff recommends that the City Council receive, file and refer the petition to the City Plan and Zoning Commission for preparation of an evaluative report on the merit and feasibility of expanding and continuing the existing Downtown Des Moines SSMID District and Operation Fund for an additional 10 years. The evaluative report is to be received by the City Council at the June 26, 2023, regular City Council meeting.

## FISCAL IMPACT:

Amount: Approximately \$3,695,681 of SSMID revenue annually based upon total taxable value for all commercial, industrial and multi-residential (3+) taxable properties within the proposed SSMID boundary of \$1,642,525,047 and a maximum allowable assessment of \$2.25 per \$1,000 of valuation as stated in the proposed petition. Fiscal Year (FY) 2024 budgeted revenue is \$2,342,723 based upon total taxable value within the current SSMID boundary and the actual levy of \$1.30 per \$1,000.

Funding Source: Fund S862, Page 84, FY 2024 Operating Budget

## ADDITIONAL INFORMATION:

- On May 8, 2023, the City Clerk received a petition to continue the Downtown Des Moines SSMID pursuant to Chapter 386 of the Iowa Code (see attached). The stated purposes of the SSMID are:
  - To continue an operation fund with respect to the District to be known as the Downtown Des Moines SSMID Operation Fund (Operation Fund), and levy an annual tax (Operation Tax) upon the property, as allowed and as defined in the Act within the District (Property) for the purposes of: (a) paying the administrative expenses of the District, as defined and authorized in the Act, or (b) paying part or all of the maintenance expenses of “improvements” or “self-liquidating improvements” as defined in the Act, with respect to the District, for a period of 10 years, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2024, and continuing for nine (9) additional years; at a rate not to exceed \$2.25 per \$1,000 of taxable valuation.

- To continue to hold and disburse all amounts collected in the Operation Fund to be utilized for any one (1) or more of the following purposes, at such times, in such amounts and under such conditions as shall be recommended to the City Council by the Downtown Des Moines SSMID:
  - Enhanced maintenance, cleaning and upkeep of public spaces within the District.
  - Graffiti removal on public property and private buildings within the District.
  - Enhanced public and property safety and crime prevention within the District, including the operation of a “Goodwill Ambassador” program as determined and operated from time to time by the Downtown Des Moines Self-Supported Municipal District.
  - Development, marketing, promotion and management of activities and events within the District.
  - Capital, physical or other improvements designed to enhance the image and appearance of the District, including but not limited to improvements to the skywalk system.
  - Management and operation of public spaces within the District, including public parking facilities.
  - Research and planning services benefiting the District.
  - Parking and transportation management benefiting the District.
  - Activities and operations benefiting the District under any agreements with the City of Des Moines or other public or quasi-public entities.
  - Recommendations regarding, and the promotion of, the District and the advancement of the District, including with respect to the use of public spaces within the District, the types of public spaces and services within the District, the services and improvements within the District, policies and practices for the District, business retention and attraction within the District, and activities and events within in the District.
  - Other activities intended to benefit or further the purposes or interests of the District and the development and advancement of the District.
- To continue the operating agreement between the City of Des Moines and Downtown Des Moines SSMID with respect to managing and undertaking the services, improvements and activities described in this Petition and in the annual budget for such services, improvements and activities, and to appropriate and provide funds held from time to time in the Operation Fund to Downtown Des Moines SSMID to be utilized for the purposes described in this Petition.
- To require Downtown Des Moines SSMID, as a condition to the disbursement of funds from the Operation Fund, to submit to the Des Moines City Council, no later than December 1 of each year, a budget showing, in general terms, the proposed expenditures of such funds for the fiscal year beginning on the next July 1.
- Pursuant to Iowa Code Section 386.3(3)(a), “the council shall notify the city planning commission upon receipt of a petition. It shall be the duty of the city planning commission to make recommendations to the council in regard to the proposed district. The city planning commission shall, with due diligence, prepare an evaluative report for the council on the merit and feasibility of the project. The council shall not hold its public hearings or take further action on the establishment of the district until it has received the report of the city planning

commission. In addition to its report, the commission may, from time to time, recommend to the council amendments and changes relating to the project.”

- Staff has placed the proposed expansion and continuance of the existing Downtown Des Moines SSMID on the agenda for the June 15, 2023, Plan and Zoning Commission meeting. It is anticipated that the evaluative report and recommendations of the Plan and Zoning Commission will be forwarded to the City Council for the June 26, 2023, regular meeting.
- Percentages of support and/or opposition will be presented in the evaluative report from the Plan and Zoning Commission.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: September 10, 2018

Roll Call Number: [18-1531](#) and [18-1532](#)

Action: [Continuation](#) of the Downtown Des Moines SSMID beginning July 1, 2019 and providing for the continuation of an operation fund and the levy of an annual tax in connection therewith. Moved by Gatto that this ordinance be considered and given second vote for passage. Motion Carried.

- (A) [Final](#) consideration of ordinance above (waiver requested by the City Manager), requires six votes. Moved by Gatto 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, [#15,700](#). Motion Carried 6-1. Nays: Coleman.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Receive and file an evaluative report from the Plan and Zoning Commission; set date of public hearing for consideration of the SSMID; hold public hearing and three (3) readings of an ordinance to expand and continue the Downtown Des Moines SSMID.

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