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**Date** March 10, 2008.....

RESOLUTION APPROVING AGREEMENT WITH  
THE DES MOINES REGIONAL TRANSIT AUTHORITY  
FOR REGIONAL FUNDING OF MASS TRANSIT  
OPERATIONS AND USE OF CITY PARK AND RIDE REVENUES

WHEREAS, on February 26, 2007, by Roll Call No. 07-375, the City Council of the City of Des Moines approved the FY 2007 budget with additional funding authorized for the Des Moines Regional Transit Authority (DART) that enabled DART to stabilize its property tax rate for a period of three years; and

WHEREAS, subsequent discussions have led to a desire for more uniform DART property tax rates across the Des Moines metropolitan area, and

WHEREAS, it is in the best interest of the City to participate in a regionally cooperative effort to provide mass transit services on a metro-wide basis; and

WHEREAS, by Roll Call No. 08-169 of January 28, 2008, the City Council approved preliminary terms of agreement for a revised funding structure for regional transit services and contributions of City Park and Ride revenues; and

WHEREAS, in accordance with the preliminary terms of agreement, an Agreement between the City and DART has been prepared setting forth the revised funding structure for regional transit services and grants of Park and Ride revenues to DART; and

WHEREAS, the DART Commission has approved the Agreement which is on file in the Office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the Agreement between the City and the Des Moines Regional Transit Authority, on file in the Office of the City Clerk, is hereby approved and the Mayor is authorized and directed to sign the Agreement on behalf of the City and the City Clerk is directed to attest to his signature.

★ Roll Call Number

Agenda Item Number

71

Date March 10, 2008

BE IT FURTHER RESOLVED that the City Manager or his designee is hereby directed to administer the terms of the Agreement on behalf of the City.

APPROVED AS TO FORM:

(Council Communication No. 08-134 )

Lawrence R. McDowell
Deputy City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, HENSLEY, KIERNAN, MAHAFFEY, MEYER, VLASSIS, and TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

71

**AGREEMENT**

THIS AGREEMENT is hereby entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2008 by and between the City of Des Moines, Iowa, a municipal corporation (hereinafter "City") and the Des Moines Regional Transit Authority, a regional transit district (hereinafter "RTA").

IN CONSIDERATION of the covenants and agreements herein contained, the parties agree as follows:

1. To enable RTA to balance its budget and to provide a full range of transit services, including bus service on Sundays, the City shall grant to the RTA \$800,000.00 in fiscal year (July 1 to June 30) 2007-08 and \$400,000.00 in fiscal year 2008-09. The grants are conditioned upon and subject to the RTA adopting a revised regional funding structure for regional transit services and implementing an equitable tiered tax rate for all Participating Communities in the RTA that is based on the formula attached as Exhibit "A" and is approved by the City that will commence in fiscal year 2009-10 and be fully implemented in fiscal year 2010-11. The City grants shall be funded exclusively with City Park and Ride garage revenues. For purposes of this Agreement, Park and Ride garage revenues shall consist of all revenues, earnings, income and receipts derived by the City from the operation of its Park and Ride garage (including child care center) located at 7<sup>th</sup> and Center Streets. Such grants shall be distributed in scheduled increments as reasonably determined by the City Finance Director and RTA General Manager.

2. The City shall for a period of ten fiscal years commencing with fiscal year 2009-10 make annual grants in the targeted amount of \$500,000.00 each fiscal year. Such annual grants will be in addition to City funding for the LINK Shuttle and Downtown Shuttle provided for under separate agreements between the City and RTA. The annual grants are conditioned upon and subject to the RTA implementing an equitable tiered tax rate for all Participating Communities in the RTA that is based on the formula attached as Exhibit "A" and is approved by the City that will commence in fiscal year 2009-10, be fully implemented in fiscal year 2010-11 and continue for each successive fiscal year thereafter. In the event RTA discontinues the approved equitable tiered tax rate for any fiscal year, the City's obligation to provide the current and all future annual grants shall immediately terminate. Each annual City grant shall be funded exclusively with City Park and Ride garage revenues and each annual grant shall be limited to the projected available net Park and Ride garage revenues for the fiscal year. For purposes of this Agreement, net Park and Ride garage revenues shall mean the gross Park and Ride garage revenues less operating costs and expenses (including, but not limited to costs and expenses for garage contract management, LINK Shuttle operations, Operation Downtown support for the garage, Downtown Shuttle operations, garage maintenance and repairs, PILOT and indirect garage costs charged by the City and other related miscellaneous costs and expenses) and less reserves for repair and replacement to the Park and Ride garage and for future growth of the Park and Ride system. Prior to each fiscal year, the City Council of the City shall approve the Park and Ride garage operating budget and revenue projections as part of its normal City budget adoption process. The RTA General Manager shall have the right to review the proposed operating budget and revenue projections for the Park and Ride garage prior to consideration and adoption by the City Council of the City. Also, prior to City implementation of any future growth and expansion to the Park and Ride system, the City shall consult with the RTA Commission and

staff. The City shall annually prepare a report of the Park and Ride garage revenues and operating costs and expenses for the preceding fiscal year.

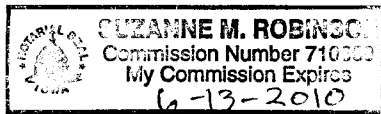
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly authorized and executed on or as of the date first written above.

DES MOINES REGIONAL  
TRANSIT AUTHORITY

JM Skip Conkling  
Chair

STATE OF IOWA    )  
                                  ) ss:  
COUNTY OF POLK )

On this 5<sup>th</sup> day of March, 2008, before me, the undersigned, a Notary Public, personally appeared JM Skip Conkling, to me personally known, who, being by me duly sworn, did state that he is the Chair of the Des Moines Regional Transit Authority, that the seal affixed to the foregoing instrument is the seal of the corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Commission; and that JM Skip Conkling acknowledged the execution of the instrument to be the voluntary act and deed of the corporation, by it and by him voluntarily executed.



Suzanne M. Robinson  
Notary Public for the State of Iowa

ATTEST:

THE CITY OF DES MOINES, IOWA

\_\_\_\_\_  
Diane Rauh  
City Clerk

\_\_\_\_\_  
T.M. Franklin Cownie  
Mayor

STATE OF IOWA    )  
                                  ) ss:  
COUNTY OF POLK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public, personally appeared T.M. FRANKLIN COWNIE and DIANE RAUH, to me personally known, who, being by me duly sworn, did state that they are the Mayor and City Clerk, respectively, of the City of Des Moines, Iowa; that the seal affixed to the foregoing instrument is the seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as Roll Call No. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and that T.M. Franklin Cownie and Diane Rauh acknowledged the execution of the instrument to be the voluntary act and deed of the municipal corporation, by it voluntarily executed.

\_\_\_\_\_  
Notary Public for the State of Iowa

## EXHIBIT "A"

### NEW RTA REGIONAL COST ALLOCATION FORMULA FOR THE OPERATING AND CAPITAL IMPROVEMENTS BUDGETS

#### Method of Computing Annual Tax Levy:

- For purposes of this formula, the "RTA Subsidy Requirement" is defined to be the amount required to subsidize the operating and capital improvements costs for all RTA services (including Paratransit) approved by the RTA Commission which amount is net of all other revenue sources available to RTA.
- Effective in FY2011 (commencing July 1, 2010) the RTA Subsidy Requirement shall be converted to a Tax Levy value by:

Step #1. Dividing the RTA Subsidy Requirement into the total taxable value of all RTA Participating Communities and then multiplying this value by \$1,000 to express the requirement in terms of a taxable levy per \$1,000 of taxable value.

#### Example:

FY2011 Estimated Total RTA Taxable Valuation: \$19,497,444,657

FY2011 Estimated RTA Subsidy Requirement: \$8,027,768

**Tax Levy Computation:  $(\$8,027,768 / \$19,497,444,657) \times \$1,000 = \$0.4117$**

Step #2. Tier II Participating Communities: The RTA Tax Levy assessed within RTA Participating Communities with bus service less than every operating weekday shall be 25% of the rate computed in Step #1 above.

#### Example:

Estimated FY2011 Tier II Participating Communities:

Alleman, Bondurant, Carlisle, Elkhart, Granger, Grimes, Mitchellville, Polk City, Runnels, Sheldahl, Unincorporated Polk County

**Tier II Tax Levy Computation:**

**$\$0.4117 \times 25\% = \$0.1029$**

Total Subsidy Discounted to Tier II Participating Communities: \$701,117

Step #3. Tier I Participating Communities: The RTA Tax Levy assessed within RTA Participating Communities with regular bus service shall be the rate computed in Step #1 above plus the rate computed when the Total Subsidy Discounted to Tier II Participating Communities is levied across all Tier I Participating Community taxable valuation.

#### Example:

Estimated FY2011 Tier I Participating Communities:

Altoona, Ankeny, Clive, Des Moines, Johnston, Pleasant Hill, Urbandale, Waukee, West Des Moines, Windsor Heights

**Tier I Tax Levy Computation:**

**$\$0.4117 + (\$701,117 / \$17,226,993,441) \times \$1,000 = \$0.4524$**

- Interim Year Formula: In FY2010 - the tax levy for each Participating Community will be based on a Cost Allocation that is at the midpoint between their adopted FY2009 RTA Cost Allocation and the estimated FY2011 Cost Allocation with an adjustment for any FY2010 RTA cost increases or decreases as approved by the RTA Commission allocated proportionately to all Participating Communities.