

Date February 13, 2012

**RESOLUTION APPROVING BUDGET FOR THE DOWNTOWN
SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

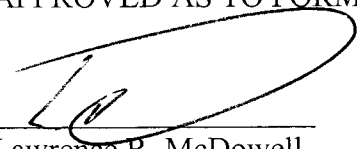
WHEREAS, the Downtown Self-Supported Municipal Improvement District ("Downtown SSMID") was created by Ordinance No. 13,579 passed February 23, 1998, was continued by Ordinance 13,913 passed January 22, 2001, was continued and expanded by Ordinance 14,311 passed January 26, 2004, was expanded by Ordinance No. 14,540 passed February 6, 2006 and was continued by Ordinance No. 14,834 passed February 23, 2009 pursuant to the provisions of Iowa Code Chapter 386 for the purposes of undertaking of actions and the design and construction of all improvements authorized by Chapter 386, and the performance of administration, redevelopment and revitalization of the Downtown SSMID District as authorized by Chapter 386 for the benefit of property within the Downtown SSMID; and

WHEREAS, in accordance with the terms of the Petition for continuation of the Downtown SSMID, the Downtown SSMID has submitted a SSMID budget showing proposed expenditures of SSMID operating funds, applicable tax increment financing funds and other related funds for the fiscal year extending from July 1, 2012 to June 30, 2013; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the Downtown SSMID budget for the fiscal year extending from July 1, 2012 to June 30, 2013 on file in the Office of the City Clerk is hereby approved.

APPROVED AS TO FORM:

Moved by _____ to adopt.



Lawrence R. McDowell
Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

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.

Mayor

City Clerk

Downtown Des Moines Self-Supported Municipal Improvement District FY13 Budget Detail

SSMID Fiscal Year 2013 Budget Detail

The following is a detailed description of budget items for the SSMID "Operation Downtown" operated by Downtown Des Moines Self-Supported Municipal Improvement District ("DDMS").

SSMID Revenues

The SSMID revenues were based on estimates provided by the City. The FY2013 revenues are estimated to be approximately \$1,103,000. The remittance of SSMID funds from the City to DDMS occurs as follows based upon the agreement: 25% is paid in October and 8.33% is paid November-June with the final payment in July that includes any true-up for estimated and actual SSMID funds. For the purposes of the FY2013 budget, any true-up payment will be assumed to have occurred on June 30 so that total SSMID revenue ties to the estimate provided. \$250,000 of SSMID revenue received from the City will be transferred to department for the Downtown Maintenance Agreement (DTM) for separate tracking of all Downtown Maintenance revenue and expenditures related to this contract. This department was established to facilitate financial reporting to the three parties to the contract (RDA, the City, and DDMS) and demonstrate compliance and fiduciary responsibilities. SSMID revenue going toward DTM is \$20,833 monthly (\$250,000/12 months).

RDA Contribution and City Contribution - Downtown Maintenance (DTM)

The RDA will pay its contribution of \$250,000 in cash in January 2013. The City will contribute in the form of in-kind services. The City's in-kind services will be the expenses outlined in the Downtown Maintenance Agreement. The in-kind contributions by the City will be recorded as both revenue and expense in the period donated in accordance with FASB Statement 116, Accounting for Contributions Received and Contributions Made, because these services are material, represent services that DDMS would otherwise have to purchase, and are for services that require specialized skills.

DTM also receives voluntary funding from MidAmerican for use to maintain Hansen Triangle along with the Downtown Maintenance areas. The contract is between the City and MidAmerican for use as DTM funds.

Public space management revenues were also included in DTM revenues with the assumption the City, RDA, and Operation Downtown would create a managing entity for some downtown public spaces.

PILOT Revenues

DDMS has a contract with the City of Des Moines related to clean and safe services for the City Parking Garages. The contract states that the City will pay DDMS \$32,710 annually in two equal payments of \$16,355 on January 8th and June 30th each year.

Voluntary Support

The voluntary support relates to the payments received from Mercy (\$40K) and Iowa Health Systems (\$35K).

DCA – Walnut Street Mall Contribution

In FY11 City entered into a revised contract with DDMS to provide clean, safe and beautiful services for the Walnut Street mall. The City agreed to pay \$40,000 a year in four equal quarterly payments for the services outlined in the agreement. DDMS is performing the obligations under this contract therefore they are showing the revenue and the expense related to the contract.

Miscellaneous Support - Beautification

This relates to corporate money received for specific beautification projects that are in close proximity to the company making the contribution. The dollars and the companies that comprise this balance change each year.

Miscellaneous Support – Clean and Safe

The Downtown Community Alliance has started paying DDMS for safe and clean services at the Downtown Farmers' Market.

Management Fees

The management fee is based on independent contractor agreements between DDMS and DCA and between DDMS and the Greater Des Moines Partnership. DDMS has no employees and has contracted with DCA to provide the necessary services to operate the SSMID objectives of safe, clean, and beautiful.

PROGRAM EXPENSES**Clean**

DDMS contracts with Block-by-Block for safe and clean services. Block-by-Block currently provides Operation Downtown 12 FTEs. This line item also includes special cleaning projects like crow harassment as well as the purchase and repair of clean-related site furnishings.

Safe

DDMS contracts with Block-by-Block for safe and clean services. Block-by-Block currently provides Operation Downtown 12 FTEs. DDMS employs off-duty officers for additional safe services. Some of that work includes, but is not limited to:

- Event Coverage in non-event areas (overflow)
- Homeless
- Parking complaints
- Theft with no suspect
- Public intoxication
- Skateboards
- Graffiti
- Smoking ban enforcement
- Vandalism
- Cab stand enforcement
- Court Avenue area nightlife management

This line item also includes crime prevention work.

Events Support

- One hundred percent compensation for the Community Development Liaison – actual payroll amount varies.
- Approximately \$20,000 has been allocated to keep at-risk events downtown or to attract events downtown by defraying the additional costs associated with permits to be downtown.

Beautification

Includes, but not limited to:

- One-season planter program for smaller planters
- Four-season large planter program
- Winter/holiday lighting/décor
- Beautification site furnishings

Downtown Maintenance (DTM) Expense

Includes, but not limited to:

- Grounds/turf maintenance
- Irrigation maintenance
- Plant material and maintenance
- Clean and safe services
- Winter/holiday lighting/décor
- Snow removal
- Utilities

Marketing and Survey

- Research using surveys to assess the public's perceptions of downtown and awareness of Operation Downtown.

Transportation Management

- Reduce Traffic by 10%
- Rest Your Car Program (www.drivetimesdesmoines.org)
- Avoid the Rush Campaign (www.drivetimesdesmoines.org)
- Work with downtown employers to assist employees on street closings, traffic changes, and alternate commute options
- Work with DART to encourage ridership
- Assist DART with marketing of their Unlimited Access program
- Transit 2030 Commission
- Assist with marketing of downtown shuttle operation
- Assisting City with re-launch/marketing of the Premium Services Car Care program
- Maintain informational online database for all downtown parking (City and private) to assist residents and visitors
- Create maps to assist visitors in accessing events and other destinations in the downtown area

Misc Project Support

This allows for support of downtown projects the DDMS Board sees as a priority. (i.e. downtown shuttle, skywalk signage assistance)

Restricted Net Assets

This portion of net assets is related to the excess contributions that have been collected for the Downtown Maintenance Agreement over the expected expenses related to the maintenance of the four areas outlined in the Downtown Maintenance Agreement. These excess funds are restricted to be used for only the four areas outlined in the Downtown Maintenance Agreement. The funds will be placed in an interest bearing account and retained for future maintenance costs. It is expected that once the Riverwalk project is completed that the cost of maintenance will exceed the contributions received and this additional funding will be needed.

Operation Downtown Results of Activities

		FY13
Revenues:	Detail:	Budget
SSMID Revenues not incl DT Maint	<i>Excludes Downtown Maintenance (DTM) contribution</i>	853,000
DTM Revenues	<i>Includes DTM SSMID revenues, City/RDA support, misc support, interest</i>	813,500
PILOT Revenues	<i>City parking contract for clean and safe services in garages</i>	32,710
Voluntary Support	<i>Mercy and Iowa Health contributions</i>	75,000
Walnut Street Mall Contribution	<i>City contract for clean and safe services on Walnut</i>	40,000
Miscellaneous Support-Beautification	<i>Corporate contributions for specific beautification projects</i>	80,000
Miscellaneous Support-Clean and Safe	<i>Farmers Mkt pmt for cleaning services</i>	34,200
Total Revenues		1,928,410
Expenses:		
Management Fees to DCA		270,000
Administrative Expenses:		
Supplies	<i>Office supplies</i>	500
Printing	<i>Annual report, letterhead, presentation materials</i>	15,000
Postage/Shipping		2,000
Dues/Subscriptions		700
Travel/Meetings/Conferences	<i>Conference</i>	3,500
Local Hospitality		500
Total Administrative Expenses		22,200
Facilities Cost:		
Rent	<i>Draper & Kramer and Hubbell for storage</i>	2,600
Utilities	<i>Utilities for Walnut office</i>	2,900
Insurance		1,600
Depreciation - OD	<i>Segways</i>	2,400
Total Facilities Cost		9,500
Other Expenses:		
Professional Fees	<i>Audit and tax and marketing</i>	6,000
Legal Fees	<i>Contract review</i>	6,000
Bank Fees		500
Total Other Expenses		12,500
Other Program Expenses:		
Clean	<i>Block by Block clean services, special cleaning projects, site furnishings</i>	300,000
Safe	<i>Block by Block safe services, off duty police, crime prevention</i>	124,000
Events Support	<i>Community Development Liaison compensation and grants for at-risk/new downtown events</i>	45,000
Beautification	<i>Plant material and maintenance, special projects</i>	250,000
Downtown Maintenance Expense	<i>Expenses specifically for the four areas within the Downtown Maintenance Contract (MLK, East Locust St., Principal Riverwalk, Western Gateway)</i>	831,400
Equipment Repair/Maintenance	<i>Dumpster fees, bike repairs</i>	4,000
Market Research	<i>Professional research assessing public perception of downtown</i>	7,000
Traffic Management Support	<i>Traffic reduction and construction communication</i>	25,000
Misc Project Support	<i>Funding to assist with specific downtown projects - skywalk signage, D-Line</i>	110,000
Total Other Program Expenses		1,696,400
Total Expenses		2,010,600
Increase/(Decrease) in Net Assets		(82,190)
Beginning Net Assets		1,198,018
Ending Net Assets		1,115,828