

Date March 8, 2018

**RESOLUTION APPROVING BUDGET FOR THE DOWNTOWN
SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT
FOR THE FISCAL YEAR ENDING JUNE 30, 2019**

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, was continued by Ordinance No. 14,834 passed February 23, 2009 and was continued by Ordinance No. 15,218 passed September 23, 2013 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, 2018 to June 30, 2019; 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, 2018 to June 30, 2019 on file in the Office of the City Clerk is hereby approved.

BE IT FURTHER RESOLVED that in accordance with the terms of the Petition for continuation of the Downtown SSMID and the Operating Agreement between the City and Downtown SSMID approved by the City Council by Roll Call No. 14-1183 of July 28, 2014, the City shall pay to Downtown SSMID all revenues attributable to the SSMID Operation Tax levy on properties in the Downtown SSMID District including the portion of tax increment financing revenues attributable to the SSMID Operation Tax levy for the proposed services, improvements and activities set forth in the Downtown SSMID budget.

APPROVED AS TO FORM:

Moved by _____ to adopt.



Lawrence R. McDowell, Deputy City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
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

**Operation Downtown Financials
Summary of All Units**

Revenues:	Detail:	FY18 Budget	FY18 Forecast	FY19 Budget
SSMID Revenues	<i>Includes Downtown Maintenance (DTM) contribution</i>	1,566,193	1,630,000	1,646,300
SSMID Revenue State Backfill	<i>If State remove backfill program</i>	(62,000)	0	0
DTM Revenues	<i>City/RDA support, misc support, interest (excludes DTM SSMID revenues)</i>	417,464	423,848	416,551
Asian Garden Reimbursement	<i>RDA reimbursement for AG maint</i>	46,505	40,250	40,250
Cowles Commons Reimbursement	<i>DMPA reimbursement for CC maint</i>	25,750	25,750	26,523
Brenton Revenues	<i>Operating/reimbursement revenues</i>	498,981	469,149	499,150
PILOT Revenues	<i>City parking contract for clean and safe services in garages</i>	23,364	23,364	23,364
Voluntary Support	<i>Mercy and UnityPoint contributions</i>	50,000	85,000	50,000
Court District Security	<i>Agreement with County, City, Court Dist, hotels for security</i>	90,000	90,000	90,000
Miscellaneous Support-Beautification	<i>Corporate contributions for specific beautification projects</i>	30,900	16,000	16,480
Miscellaneous Support-Clean and Safe	<i>Farmers Mkt pmt for cleaning services, crow control</i>	65,920	65,920	67,898
Interest		-	11,893	12,250
Total Revenues		2,751,077	2,881,174	2,888,766
Expenses:				
Management Fees	<i>OD mgmt, GDMP finance</i>	309,817	309,817	319,112
Administrative Expenses	<i>Communications, travel/meetings, mkt research</i>	23,156	26,000	23,851
Facilities	<i>Utilities, storage rental, depreciation, repair/maint</i>	45,000	25,000	15,000
Other Expenses	<i>Legal, bank, audit fees</i>	10,000	10,000	7,000
Clean	<i>Block by Block clean services, special cleaning projects, site furnishings</i>	339,450	344,450	349,634
Safe	<i>Block by Block safe services, off duty police, crime prevention - excludes Court District security</i>	117,420	117,420	120,943
Beautification	<i>Plant material and maintenance, special projects</i>	87,550	66,139	68,123
Downtown Maintenance Expense	<i>Expenses specifically for the four areas within the Downtown Maintenance Contract (MLK, East Locust St., Principal Riverwalk, Western Gateway)</i>	1,092,187	1,039,074	1,080,929
Asian Garden Maintenance	<i>Plants, fountain, structure</i>	44,290	35,000	35,000
Cowles Commons Maintenance	<i>Ambassadors</i>	25,750	25,750	26,523
Brenton Operations	<i>Skating and summer operations and management</i>	509,285	472,177	480,440
Court District Security	<i>Agreement with County, City, Court Dist, hotels for security</i>	120,000	120,000	120,000
Walnut Street Bed Maintenance	<i>Oversee plant maintenance on new Walnut streetscape for 12 months</i>	0	6,200	8,000
D-Line	<i>Funding assistance for the D-Line</i>	50,000	50,000	50,000
Misc Project Support	<i>Funding to assist with specific downtown projects</i>	35,000	35,000	36,050
Total Expenses		2,808,905	2,682,027	2,740,805
Increase (Decrease) in Net Assets		(57,828)	199,147	148,161
Beginning Net Assets		1,615,308	1,615,308	1,814,455
Ending Net Assets		1,557,480	1,814,455	1,962,616

Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) FY19 Budget Detail

The following is a detailed description of budget items for the Downtown Des Moines SSMID (the SSMID) or Operation Downtown (OD).

REVENUES

SSMID Revenues

The SSMID revenues were based on estimates provided by the City. The FY19 revenues are estimated to be \$1,646,300. The remittance of SSMID funds from the City to the SSMID occurs as follows based upon the agreement: approximately 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 FY19 budget, any true-up payment will be assumed to have occurred on June 30 so that total SSMID revenue ties to the estimate provided. \$664,377 of SSMID revenue received from the City will be transferred to a 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 both parties to the contract (the City and the SSMID) and demonstrate compliance and fiduciary responsibilities.

Downtown Maintenance (DTM) Revenues - City Contribution

The City will contribute partially in cash and partially in the form of in-kind services. 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 the SSMID 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.

Asian Gardens Reimbursement

The SSMID receives 115% reimbursement for Asian Garden expenses from an endowment with approval from the RDA, estimated at \$40k in the FY19 budget.

Cowles Commons Reimbursement

The SSMID receives reimbursement for Cowles Commons cleaning expenses from Des Moines Performing Arts, estimated at \$27k in the FY19 budget.

Brenton Skating Plaza Revenues

Brenton is expected to generate \$499k in revenues in FY19, but is largely dependent on weather. If Brenton loses money overall, the City of Des Moines, RDA, and the SSMID split the loss three ways, up to a maximum of \$25k each for the City and RDA. The revenues reflect those contributions.

PILOT Revenues

The SSMID 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 the SSMID \$32,710 annually in two equal payments of \$16,355 on January 8th and June 30th each year. That amount is reduced in FY19 to \$23,364 due to the removal of the 7th and Grand parking ramp and 5th and Walnut parking ramp.

Voluntary Support

The voluntary support relates to the payments received from Mercy (\$15K) and UnityPoint (\$35K).

Miscellaneous Support - Beautification

This relates to corporate money received for specific beautification projects that are in close proximity to the company making the contribution.

Miscellaneous Support – Clean and Safe

The Downtown Community Alliance pays the SSMID for safe and clean services at the Downtown Farmers' Market. This also includes corporate contributions to crow control.

EXPENSES

Management Fees

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

Administrative Expenses

The administrative expenses are primarily comprised of design/printing of the Operation Downtown annual report and market research using surveys to assess the public's perceptions of downtown and awareness of Operation Downtown.

Facilities

The facilities include office space for the ambassadors, storage space, utilities, and repair/maintenance.

Other Expenses

Other expenses include legal counsel, bank, and audit fees.

Clean

The SSMID contracts with Block-by-Block for safe and clean services. Block-by-Block currently provides Operation Downtown 15 FTEs. This line item also includes special cleaning projects like crow control as well as the purchase and repair of clean-related site furnishings.

Safe

The SSMID contracts with Block-by-Block for safe and clean services. the SSMID employs off-duty officers for additional safe services. Some of that work includes, but is not limited to addressing:

- 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 District nightlife management

This line item also includes crime prevention work.

Beautification

Includes, but not limited to:

- One-season planter program for smaller planters

- Hanging baskets

Downtown Maintenance (DTM) Expense

Includes, but not limited to:

- Grounds/turf maintenance
- Irrigation maintenance
- Plant material and maintenance
- Clean and safe services
- Snow removal
- Utilities
- Hanging baskets

Asian Gardens Maintenance

Through a memorandum of agreement and maintenance endowment, the SSMID maintains the Asian Gardens.

Cowles Commons Maintenance

The SSMID will provide enhanced ambassador services to Cowles Commons with funding assistance from Des Moines Performing Arts.

Brenton Operations

The SSMID has a contract with the City of Des Moines to operate Brenton Skating Plaza year round.

D-Line

The SSMID Board has committed to contributing \$50k to DART for D-Line operation for FY19.

Misc Project Support

This allows for support of Downtown projects the SSMID Board sees as a priority.

Net Assets

The SSMID is projecting a surplus of \$148k at the end of FY19.