



Date March 21, 2022

RESOLUTION APPROVING BUDGET FOR THE DOWNTOWN SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2023

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, was continued by Ordinance No. 15,218 passed September 23, 2013 and was continued by Ordinance No. 15,700 passed September 10, 2018 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, 2022 to June 30, 2023; 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, 2022 to June 30, 2023 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 terms of the Operating Agreement between the City and Downtown SSMID approved by the City Council and dated June 24, 2019, 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 and established in the Downtown SSMID budget.

APPROVED AS TO FORM: Moved by _____ to adopt, second by _____.

/s/ Lawrence R. McDowell
Lawrence R. McDowell, Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				

CERTIFICATE

I, P. KAY CMELIK, 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

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Operation Downtown Financials
Summary of All Units

Revenues:	Detail:	FY22 Budget	FY23 Budget
SSMID Revenues	<i>Includes Downtown Maintenance (DTM) contribution</i>	2,382,773	2,428,141
DTM Revenues	<i>City support, misc support, interest (excludes DTM SSMID revenues)</i>	474,239	487,198
SkatePark Reimbursement	<i>County reimbursement for SkatePark maintenance</i>		53,251
Cowles Commons Reimbursement	<i>DMPA reimbursement for CC maint</i>	27,363	14,745
PILOT Revenues	<i>City parking contract for clean and safe services in garages</i>	23,364	23,364
Voluntary Support	<i>Mercy and UnityPoint contributions</i>	50,000	50,000
Court District Security	<i>Agreement with County, City, Court Dist, hotels/housing for security</i>	90,000	90,000
Miscellaneous Support-Beautification	<i>Corporate contributions for specific beautification projects</i>	12,000	10,000
Miscellaneous Support-Clean and Safe	<i>Farmers Mkt pmt for cleaning services, crow control</i>	61,445	60,000
Interest		39,360	39,802
Total Revenues		3,160,544	3,256,501
Expenses:			
Management Fees	<i>OD mgmt, GDMP finance (Brenton mgmt in Brenton line)</i>	356,660	367,144
Administrative Expenses	<i>Communications, travel/meetings, mkt research, website</i>	30,900	22,660
Facilities	<i>Utilities, storage rental, depreciation, repair/maint, parking</i>	75,190	90,130
Other Expenses	<i>Legal, bank, insurance, audit fees</i>	21,218	30,000
Clean	<i>Block by Block clean services, special cleaning projects, site furnishings</i>	449,360	463,235
Safe	<i>Block by Block safe services, off duty police, crime prevention - excludes Court District security</i>	157,231	154,491
Beautification	<i>Plant material and maintenance, special projects (incl hanging baskets and Walnut beds)</i>	80,924	70,065
Downtown Maintenance Expense	<i>Expenses specifically for the four areas within the Downtown Maintenance Contract (MLK, East Locust St., Principal Riverwalk, Western Gateway)</i>	1,188,150	1,162,037
SkatePark Maintenance	<i>Enhanced ambassador service</i>		48,410
Cowles Commons Maintenance	<i>Enhanced ambassador service</i>	27,363	14,745
Brenton Operations	<i>Skating and summer operations and management</i>	30,000	30,000
Court District Security	<i>Agreement with County, City, Court Dist, hotels for security</i>	120,000	123,600
Contract Support	<i>D-Line / East Village Holiday Lights</i>	50,000	58,000
Misc Project Support	<i>Funding to assist with specific downtown projects</i>	120,000	123,600
Contingency		100,000	100,000
Total Expenses		2,806,996	2,858,117
Increase (Decrease) in Net Assets		353,548	398,384
Beginning Net Assets		2,850,062	3,203,610
Ending Net Assets		3,203,610	3,601,994

**Downtown Des Moines Self-Supported Municipal Improvement District (SSMID)
FY23 Budget Detail**

The following is a detailed description of budget items for the Downtown Des Moines SSMID (the SSMID), doing business as Operation Downtown.

REVENUES**SSMID Revenues**

The SSMID revenues are budgeted based on estimates provided by the City of Des Moines ("the City"). The FY23 revenues are estimated to be \$2,428,141. The remittance of SSMID assessments from the City to the SSMID is based upon the terms in 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. Any true-up payment paid after the end of the fiscal year is recorded as revenue as of June 30.

Downtown Maintenance (DTM) Revenues - City Contribution

Under the terms of the Downtown Maintenance Agreement between the City and the SSMID, the City contributes partially in cash and partially in the form of in-kind services. In-kind contributions by the City are 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 expenses are also funded through voluntary funding from MidAmerican Energy for use to maintain Hansen Triangle along with the Downtown Maintenance areas. The contract is between the City and MidAmerican and identifies these funds are intended for use as DTM funding.

Lauridsen SkatePark Reimbursement

The SSMID receives reimbursement for the Lauridsen SkatePark enhanced ambassador services from Polk County, estimated at \$53k in the FY23 budget.

Cowles Commons Reimbursement

The SSMID receives reimbursement for Cowles Commons enhanced ambassador services from Des Moines Performing Arts, estimated at \$15k in the FY23 budget.

PILOT Revenues

The SSMID has a contract with the City related to clean and safe services for the City's Parking Garages. The contract states that the City will pay the SSMID \$23,364 annually in two equal payments of on January 8th and June 30th each year.

Voluntary Support

The voluntary support relates to contributions received from organizations which operate within or near the SSMID but are not obligated to pay SSMID assessments given their legal structure.

Miscellaneous Support - Beautification

This includes funds received for specific beautification projects and services that are in close proximity to or provide benefit to the entity requesting the services.

Miscellaneous Support – Clean and Safe

Downtown DSM, Inc. (the entity formerly known as Downtown Community Alliance) pays the SSMID for safe and clean services at the Downtown Farmers' Market. This line item also includes fees for crow control services performed for certain property owners in the SSMID area.

EXPENSES

Management Fees

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

Administrative Expenses

The administrative expenses are comprised of communications, travel/meetings, market research, website design and maintenance.

Facilities

The facilities include office space for the ambassadors, parking, storage, utilities and repair/maintenance. The amount has been increased over previous years with market rates for ambassador office/garage/parking space.

Other Expenses

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

Clean

The SSMID contracts with Block-by-Block for safe and clean services. Block-by-Block provides 21 team members for Operation Downtown services. This line item also includes special cleaning projects like crow control as well as the purchase and repair of 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

In four specific areas downtown (Principal Riverwalk, Western Gateway Park, East Locust Street and MLK), work includes, but is not limited to:

- Grounds/turf maintenance
- Irrigation maintenance

- Plant material and maintenance
- Clean and safe services
- Snow removal
- Utilities
- Hanging baskets

Cowles Commons Maintenance

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

Brenton Operations

As of April 2021, the City operates Brenton Skating Plaza. Operation Downtown will contribute \$30k towards the space in FY23.

Court District Security

The SSMID has an agreement with the City, Polk County and others to help fund additional security in the Court District.

Contract Support

Operation Downtown financially supports the D-Line and East Village holiday lights as noted in this line.

Misc Project Support

This includes support of Downtown projects the SSMID Board sees as a priority or potential new offerings or services.

Net Assets

The SSMID is projecting a surplus of \$398k at the end of FY23. The current ending net assets are a byproduct of careful planning and higher than expected SSMID revenues reflecting significant economic success in the district over a number of years. The SSMID has a policy of maintaining at least 6-9 months' worth of expenses in reserves. The continued increase in SSMID revenues has generated significant annual surpluses over a number of years, as such the current reserve level reflect closer to one year of expenses.