



Roll Call Number

25-1691

Agenda Item Number

28

Date December 22, 2025

**RESOLUTION DIRECTING THE CITY MANAGER TO NEGOTIATE
FUNDING AGREEMENT WITH DART**

WHEREAS, on July 14, 2025, in Roll Call No. 25-1007, the City Council adopted and approved an amendment to its electric energy franchise, and in Roll Call No. 25-1009, the City Council adopted and approved an amendment to its gas energy franchise, in both adding a fee as provided in Iowa Code section 384.3A(3)(j) solely for the reduction of property tax levies that support the operation and maintenance of a municipal transit system or a regional transit district or to maintain transportation service levels of a municipal transit system or a regional transit district; and,

WHEREAS, on November 13, 2025, the Iowa Utilities Commission issued approval letters for the Electric Franchise Fee, TF-2025-0076 and Gas Franchise Fee, TF-2025-0077 to become effective on November 26, 2025 resulting from these franchise changes; and,

WHEREAS, MidAmerican Energy listed both tariffs as approved effective November 26, 2025; and,

WHEREAS, the City Council desires to authorize the City Manager to negotiate with DART and to express its intent for use of the funds generated by the franchise fees (the “Franchise Fee Revenues”), directing the City Manager to negotiate a funding agreement providing a portion of those fees to be provided to DART for transportation, and a portion be potentially available for the reduction of property tax levies for property in Des Moines, among other provisions.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that

1. the City Manager shall enter into negotiations to reach agreement with DART, and regularly provide status reports to the City Council regarding the negotiations, that materially address the following issues:
 - a. **Funding for DART**. City manager is directed to negotiate an agreement with DART to provide a share of the funds received from the Franchise Fee Revenues as follows:
 - i. If sufficient funds from the Franchise Fee Revenues exist, the City will pay DART \$2,000,000 in the Fiscal Year 2026.
 - ii. If sufficient funds from the Franchise Fee Revenues exist, the City will pay DART \$3,600,000 for Fiscal Year 2027.



Roll Call Number

25-1691

Agenda Item Number

28

Date December 22, 2025

- iii. If sufficient funds from the Franchise Fee Revenues exist, the City will pay DART 70% of Franchise Fees Revenues actually collected in Fiscal Year 2028 Fiscal Year 2029, and Fiscal Year 2030 during each respective fiscal year.
- b. Conditional Additional Funding for DART. During Fiscal Years 2028, 2029, and 2030, the City shall, at the City's sole discretion, make payments from the remaining 30% of the Franchise Fee Revenues generated to DART, if DART reduces the Transportation Tax Levy on real estate located within the City of Des Moines on a dollar-for-dollar basis.
- c. DART Governance. The Agreement must provide for more involvement in DART governance, preferably an increase to two seats on the DART Board of Directors with protection of the efficacy of the additional seat and such other protections increasing the City's governance.
- d. Additional Future DART Funding. The Agreement must provide for development of new regional funding sources to replace the Franchise Fee Revenues after five years.
- e. Possible Changes in State Law. The Agreement must provide for protection for the City in the event that state law changes in a way that causes a negative impact on City operational funding or the uses of the additional franchise fee.
- f. Bus Passes for Participating Communities. The Agreement should consider the potential of issuing bus passes for residents of participating communities that would reduce their fees compared to residents of nonparticipating communities.

- 2. Preliminary Terms. These are preliminary terms approved by the City Council to provide the City Manager with the general intent of the City Council.
- 3. City Council Approval. Following negotiation and preparation of an agreement, the agreement must be submitted to the City Council for approval prior to becoming effective.

★ Roll Call Number

25-11091

Agenda Item Number

28

Date December 22, 2025.....

MOVED by Voss to adopt. Second by Gatto.

FORM APPROVED:

/s/ Thomas G. Fisher Jr.
Thomas G. Fisher Jr.
Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
SIMONSON	✓			
VOSS	✓			
COLEMAN	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	7			

CERTIFICATE

I, LAURA BAUMGARTNER, 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

Laura Baumann

Mayor

Laura Baumann

City Clerk