



Date March 8, 2021

RESOLUTION APPROVING BUDGET FOR THE DOWNTOWN SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2022

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, 2021 to June 30, 2022; 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, 2021 to June 30, 2022 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.

/s/ Lawrence R. McDowell

Lawrence R. McDowell, Deputy City Attorney

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.

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, and TOTAL.

MOTION CARRIED

APPROVED

Mayor

City Clerk

Operation Downtown Budget	FY2022
Estimated Beginning Fund Balance	\$ 2,661,880
Revenues	
Property Tax	2,382,773
Downtown Maintenance	501,602
Brenton Skating Plaza Revenues	-
PILOT	23,364
Voluntary and Miscellaneous Support	<u>\$ 252,805</u>
Total Revenues	3,160,544
Expenses	
Management, Marketing, Facility Fees	483,968
Program Expenses:	
Clean	449,360
Safe	157,231
Beautification	72,684
Downtown Maintenance	1,188,150
Cowles Commons Maintenance	27,363
Court District Security	120,000
Walnut Street Bed Maintenance	8,240
D-Line	50,000
Miscellaneous Project Support	250,000
Total Expenses	<u>\$ 2,806,996</u>
Surplus / (Deficit)	<u>\$ 353,548</u>
Estimated Ending Fund Balance	\$ 3,015,428

Operation Downtown Financials
Summary of All Units

Revenues:	Detail:	FY21 Budget	FY22 Budget
SSMID Revenues	<i>Includes Downtown Maintenance (DTM) contribution</i>	2,106,526	2,382,773
DTM Revenues	<i>City support, misc support, interest (excludes DTM SSMID revenues)</i>	459,519	474,239
Cowles Commons Reimbursement	<i>DMPA reimbursement for CC maint</i>	26,566	27,363
Brenton Revenues	<i>Brenton operating revenues</i>	463,866	0
Brenton Reimbursement	<i>RDA/City reimbursement for Brenton loss</i>	22,789	0
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>	21,039	12,000
Miscellaneous Support-Clean and Safe	<i>Farmers Mkt pmt for cleaning services, crow control</i>	59,655	61,445
Interest		38,214	39,360
Total Revenues		3,361,538	3,160,544
Expenses:			
Management Fees	<i>OD mgmt, GDMP finance (Brenton mgmt in Brenton line)</i>	346,272	356,660
Administrative Expenses	<i>Communications, travel/meetings, mkt research, website</i>	30,000	30,900
Facilities	<i>Utilities, storage rental, depreciation, repair/maint, parking</i>	61,800	75,190
Other Expenses	<i>Legal, bank, insurance, audit fees</i>	20,600	21,218
Clean	<i>Block by Block clean services, special cleaning projects, site furnishings</i>	412,000	449,360
Safe	<i>Block by Block safe services, off duty police, crime prevention - excludes Court District security</i>	152,651	157,231
Beautification	<i>Plant material and maintenance, special projects (incl hanging baskets and Walnut beds)</i>	78,567	80,924
Downtown Maintenance Expense	<i>Maintenance Contract (MLK, East Locust St., Principal Riverwalk,</i>	1,163,003	1,188,150
Asian Garden Maintenance	<i>Plants, fountain, structure</i>	-	-
Cowles Commons Maintenance	<i>Ambassadors</i>	26,566	27,363
Brenton Operations	<i>Skating and summer operations and management</i>	499,444	30,000
Court District Security	<i>Agreement with County, City, Court Dist, hotels for security</i>	120,000	120,000
D-Line	<i>Funding assistance for the D-Line</i>	0	50,000
Misc Project Support	<i>Funding to assist with specific downtown projects</i>	120,000	120,000
Contingency		50,000	100,000
Total Expenses		3,080,903	2,806,996
Increase (Decrease) in Net Assets		280,635	353,548
Beginning Net Assets		2,381,245	2,661,880
Ending Net Assets		2,661,880	3,015,428

Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) FY22 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 FY22 revenues are estimated to be \$2,382,773. 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 FY22 budget, any true-up payment will be assumed to have occurred on June 30 so that total SSMID revenue ties to the estimate provided. \$713,911 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.

Cowles Commons Reimbursement

The SSMID receives reimbursement for Cowles Commons cleaning expenses from Des Moines Performing Arts, estimated at \$27k in the FY22 budget.

Skywalk Security Cameras

With funding assistance from the City of Des Moines and Polk County, skywalk security cameras are being installed at key corridors in the skywalk. Operation Downtown is funding \$125k of the project.

Brenton Skating Plaza Revenues

The City of Des Moines will operate Brenton Skating Plaza beginning in the Spring of 2021. Operation Downtown will contribute \$30k towards the space in FY22.

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 \$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 in lieu of taxes.

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 toward 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 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 staff for Operation Downtown services. 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

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

Brenton Operations

The City of Des Moines will operate Brenton Skating Plaza beginning in the Spring of 2021. Operation Downtown will contribute \$30k towards the space in FY22.

Court District Security

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

D-Line Support

The SSMID is supporting the D-Line at \$50k.

Misc Project Support

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

Skywalk Security Cameras

Skywalk security cameras are being installed at key corridors in the skywalk. Operation Downtown is funding \$125k of the project.

Net Assets

The SSMID is projecting a surplus of \$354k at the end of FY22. The current ending net assets are a byproduct of careful planning and higher than expected SSMID revenues. The SSMID generally tries to maintain 6-9 months' worth of expenses in reserves.