

**REPORT OF THE
DOWNTOWN IMPROVEMENT DISTRICT BOARD**

SPECIAL ASSESSMENT Roll No. 8710

Downtown Area Service Enhancements

April 17, 2015

Contents

A. Summary.....	1
B. Map of the District	3
C. Assessment Parameter & Assumptions	4
D. Description of Proposed Service Enhancements	7
E. Schedule	8
F. Budget.....	9

A. Summary

On August 22, 2000, the City Commission established the Downtown Improvement District Board, created pursuant to P.A. 120 of 1961, as amended. The Board has been granted the responsibility and authority to recommend to the City Commission a list of enhanced services to be provided within the Downtown Improvement District (DID) district, and to recommend a budget for the provision of these services.

Beginning on April 1, 2001 a program of enhanced services, including maintenance, beautification, events, marketing, communications, snowmelt operations & neighborhood development was established and funded, in part, by a special assessment on properties benefiting from these enhanced services.

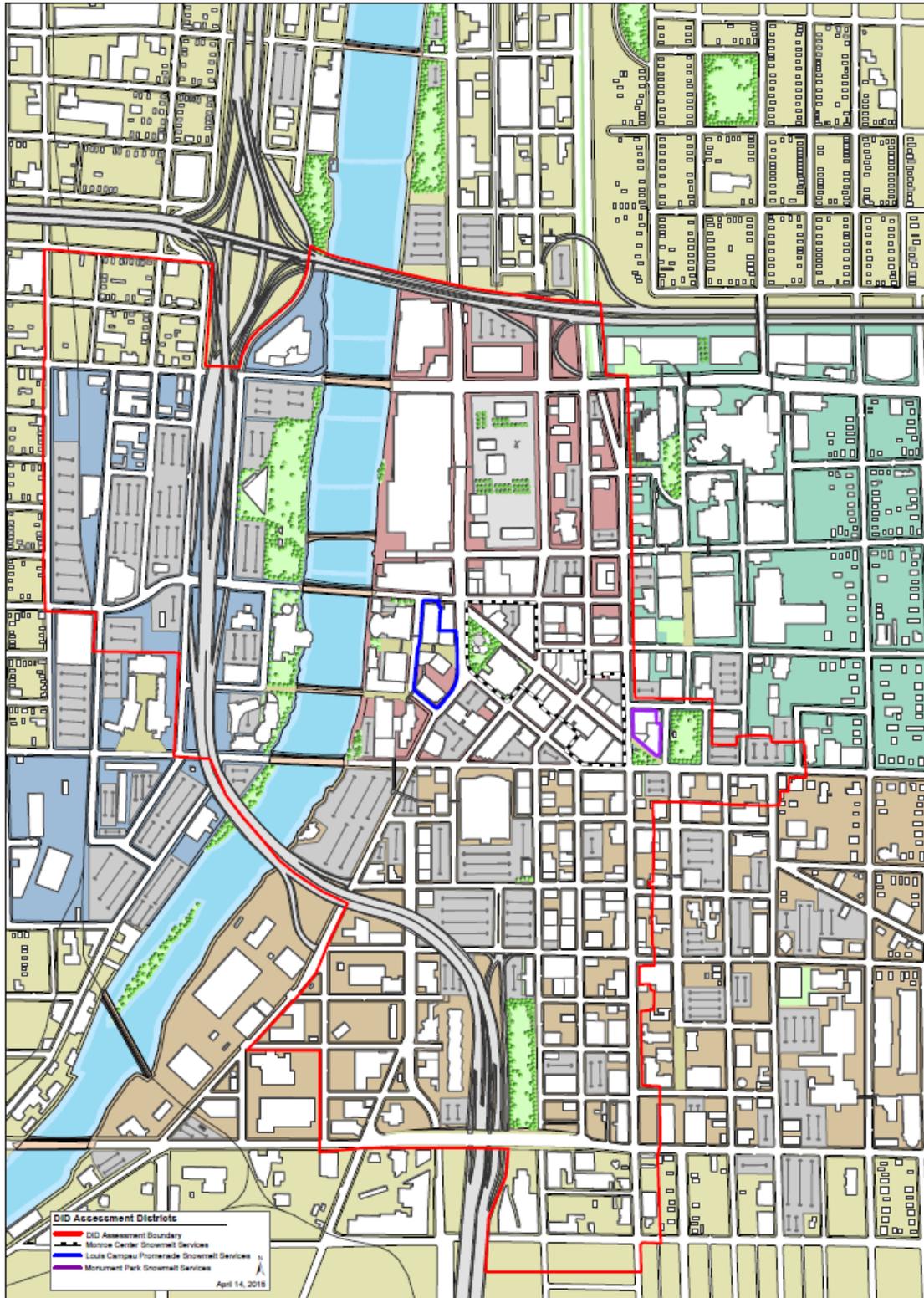
On May 12, 2009, the City Commission amended Chapter 23 of the City Code. The new provisions of Chapter 23 clarify the advisory role of the Downtown Improvement District Board, establish separate and distinct procedures for future special assessments for either public improvements or ongoing activities, and authorize the City Commission to declare to the necessity for special assessment for a period of up to five years, as authorized by State law.

On April 21, 2015, the DID Board adopted a motion recommending that the City Commission declare necessity for Special Assessment for the deliverance of enhanced services, beginning July 1, 2015 and ending June 30, 2020. A map showing properties benefiting from these enhanced services, a description of the proposed service enhancements and the proposed budget are included in this report. The types of benefits conferred in this most recent recommendation would include all of the previous services, plus enhancements to public safety and economic development.

It is proposed that each property benefiting from enhanced services be assessed in proportion to its benefit with five (5) installments. The first installment would be due and payable on September 3, 2015. The second, third, fourth, and fifth installments would be due and payable on July 1 of each of the following years beginning 2016 and concluding in 2019.

Properties will enjoy special benefit from enhanced services because they will receive services over and above services routinely provided by the City using general tax dollars. Further, properties will be relieved of a burden of commonly expected maintenance services and will benefit from enhanced property value. It is proposed to spread the entire cost of providing enhanced services amongst the various properties in the district, in proportion to the intensity of development on the property. Components used to measure the intensity of development include: land area, building area, street frontage, and parking area, as described in Section 3 of this report.

B. Map of District



structures) are exempt by law from DID assessments. Governmental units owning downtown properties are exempt by law from assessments, but will be asked to contribute their fair share to the DID, except parks, walkways & public rights-of-way.

9. Properties in the district are divided into four classes according to primary use & ownership status of the property:

<i>Class 1 – Private Taxable Property</i>	<i>Class 3 – Public Tax-exempt</i>
<i>Class 2 – Private Tax-exempt</i>	<i>Class 4 – Multi-Family residential</i>

10. The DID Board and City Assessor have determined that certain tax-exempt properties owned by non-profit organizations (Class 2 properties) benefit to a lesser degree and therefore are assessed at a reduced amount. Benefit factors for Special Assessment Roll # 8710 are:

<i>Class 1 – 1.0</i>	<i>Class 3 – 1.0</i>
<i>Class 2 – 0.6</i>	<i>Class 4 – 1.0</i>

11. The cost of providing enhanced services benefiting properties in the district is spread to each property as follows:

$$\begin{aligned}
 & (\text{Budget} \times 30\% \times (\text{Property Area} / \text{Total Property Area in the District})) \\
 + & (\text{Budget} \times 30\% \times (\text{Property Street Frontage} / \text{Total Property Street} \\
 & \quad \text{Frontage in the District})) \\
 + & (\text{Budget} \times 30\% \times (\text{Building Area} / \text{Total Building Area in the District})) \\
 + & (\text{Budget} \times 10\% \times (\text{Parking Area} / \text{Total Parking Area in the District})) \\
 \hline
 & = \text{assessment by property} \\
 & \times \text{benefit factor} \\
 \hline
 & = \text{initial assessment by property}
 \end{aligned}$$

12. After the cost of providing enhanced services is spread to each property within the district the City Assessor will calculate an annual assessment rate for each property characteristic as follows:

(Budget x 30%) / (Total Property Area in the District) =	assmt rate 1
(Budget x 30%) / (Total Property Street Frontage in the District) =	assmt rate 2
(Budget x 30% / (Total Building Area in the District) =	assmt rate 3
(Budget x 10% / (Total Parking Area in the District) =	assmt rate 4

13. The annual assessment rate will be used to calculate a properties final assessment amount:

Property Area x assmt rate 1
 + Property Street Frontage x assmt rate 2
 + Property Building Area x assmt rate 3
 + Property Parking Area x assmt rate 4

= initial assessment by property
 x benefit factor

= final assessment by property

14. Those expenses related to enhanced services described below as Area-wide Expenses are spread to all of the properties in the 2015 assessment district as shown on page 3.
15. Those expenses related to Monroe Center snowmelt operations and maintenance are spread to properties with frontage on Monroe Center. The amount spread to property owners is reduced by a contribution from the City of Grand Rapids.
16. Those expenses related to Louis Campau Promenade snowmelt operations & maintenance are spread to properties with frontage on Louis Campau Promenade.
17. The estimated impact of Special Assessment Roll #8710 on the properties within the district is shown below:

Number of Properties by Class:

<i>Class 1 – 590</i>	<i>Class 2 – 31</i>
<i>Class 3 – 85</i>	<i>Class 4 – 90</i>

Percentage of Assessment Payers by Class:

<i>Class 1 – 74%</i>	<i>Class 2 – 4%</i>
<i>Class 3 – 11%</i>	<i>Class 4 – 11%</i>

Assessment Amount by Class in FY 2015:

<i>Class 1 – \$799,200</i>	<i>Class 2 – \$43,200</i>
<i>Class 3 – \$118,800</i>	<i>Class 4 – \$118,800</i>

D. Description of Proposed Service Enhancements – FY2016 to FY2020

AREAWIDE SERVICES

Maintenance & Beautification

Maintenance: Litter pick-up, sidewalk sweeping and washing, empty waste containers, street tree & grate maintenance, crosswalk snow removal.

Beautification: Seasonal flower planting and care, seasonal decorations, banners.

Public Safety

Special uniformed police officer patrols, expanded Downtown Ambassador service delivery, vacant storefront activation and lighting.

Marketing, Communications, and Economic Development

Events, specialized business outreach and referrals, advertising, marketing & promotions, communications.

Administration

Policy Interests, City administrative costs, advocate for quality services, overhead, office expenses, program evaluation.

SPECIAL SUB-AREA SERVICES

Monroe Center

Snowmelt operations & system maintenance

Louis Campau Promenade

Snowmelt operations & system maintenance

Monument Park

Snowmelt operations & system maintenance

E. PROPOSED SPECIAL ASSESSMENT SCHEDULE 2009 – ROLL #8710

MILESTONES - SPECIAL ASSESSMENT ROLL #8710	
Date	Milestone
April 21	DID Board considers recommendation of new 5-year necessity and FY16 Budget to City Commission.
May 12	City Commission considers adoption of resolution setting date, time, and place for public hearing of necessity for special assessment.
May 15 – May 29	DID Board report available for public inspection.
June 9	City Commission conducts Public Hearing concerning necessity of special assessment.
June 16	City Commission considers adoption of resolution establishing necessity for services or project to be financed by special assessment.
June 22– July 10	Special assessment roll open for public inspection in City Assessor's Office.
Aug 11	Board of Review hearing (City Commission sitting as Bd of Review)
Aug 18	City Commission considers adoption of resolution confirming special assessment roll.
Aug 31	Billing of special assessment roll.

**F. Multi-Year Budget – Downtown Improvement District #8710
Special Assessment for FY 2016 - 2020**

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
AREA WIDE SERVICES					
Net Assessment	\$900,000	\$945,000	\$992,250	\$1,041,863	\$1,093,956
SPECIAL SUB-AREA SERVICES					
<u>Monroe Center Snowmelt</u>	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826
<u>Louis Campau Promenade Snowmelt</u>	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
<u>Monument Park Snowmelt</u>	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Total DID Assessment	\$1,105,000	\$1,157,250	\$1,212,023	\$1,269,441	\$1,329,635