

# MEMORANDUM

DOWNTOWN  
IMPROVEMENT  
DISTRICT



DATE: May 14, 2018

TO: Downtown Improvement District

FROM: Tim Kelly, AICP  
President & CEO

SUBJECT: FY19 DID Budget

Agenda Item #6  
May 16, 2018  
DID Meeting

## Overview

In October 2015, the Downtown Improvement District (DID) Board and Grand Rapids City Commission approved a five-year authorization for operations of the DID. That authorization established the DID boundary, the formula for assessing properties, a description of proposed services and a multi-year budget establishing the area wide and sub area assessments for FY2016 – FY2020 (attached). FY2019 will be the fourth year of the current five-year authorization.

Included with this memo is the proposed FY19 Downtown Improvement District (DID) budget. As previously requested by the DID Board, the budget spreadsheet includes comparative detail showing the proposed line items against the previously approved FY16 - FY18 budgets, as well as the estimates of expenditures for the remainder of FY18.

## Revenues

For FY19, the total areawide assessments amount to \$1,041,863, with an additional \$227,578 to be assessed for the operation of the Monroe Center, Louis Campau and Monument Park snowmelt systems. As in years past, assessments for the snowmelt systems reflect average actual expenses incurred between FY12 – FY15, plus an annual escalation that plans for rising costs. These revenues were approved by the DID Board as a part of the DID re-authorization process and approved by City Commission in December, 2015.

Additionally, and to cover costs for proposed new projects, a fund balance transfer is recommended in the amount of \$62,525 for one-time capital expenditures, and a part-time special project Ambassador to assist in any additional maintenance needs. The remaining fund balance is \$249,854, or 22 percent of the total proposed FY19 expenditures.

Last, while the overall assessment is modestly increasing from prior years as approved in the re-



authorization, based on prior years collections of Class 2 (private, not-for-profit) and Class 3 (government) assessments, staff is forecasting \$150,000 in uncollected assessments, bringing total expected assessment revenue to \$1,109,441. Though many non-profits and government agencies do participate voluntarily, their assessments are not lienable, so the City Assessor has no ability to mandate payment. Combined with the fund balance transfer, **total revenue for FY19 is expected to be \$1,181,466.**

### Expenditures

As evidenced in the budget, the DID will continue with its current priorities to provide maintenance and beautification services, invest in marketing and communications efforts, operate snow melt systems, and participate in funding of the Downtown Ambassador and Clean Team programs. For FY19, it is recommended the DID Board approve a contract amendment with Build a Better Block for a wage increase for the Ambassadors and Clean Team in the amount of \$.50/hour. An additional \$.50/hour increase will be recommended for FY20. The wage increase is expected to aid with reducing annual turnover and will bring wages into alignment with similar jobs in Kent County.

Along with its core services, it also recommended the DID participate in new activities that align with the previously identified priorities. Those activities include updating the plantings in the Fulton Street medians and along Monroe Center in the existing planters, providing additional trash receptacles around Downtown, and helping fund new special projects Ambassadors to help with unanticipated projects that arise.

### Next Steps

Following a recommendation from the DID Board, DGRI staff will present each of the fiduciary Boards' recommended budgets to the City Commission on May 22, 2018, requesting bottom-line appropriation. After receiving City Commission appropriation, the fiduciary Boards will each adopt their final annual budgets and priority plans at their next scheduled meetings.

**Recommendation: Approve the FY19 Downtown Improvement District Budget and recommend it to the Grand Rapids City Commission.**