

COUNCIL ACTION FORM

**REQUEST: SET A DATE OF PUBLIC HEARING FOR THE PROPOSED AMES
CAMPUSTOWN SELF-SUPPORTED MUNICIPAL IMPROVEMENT
DISTRICT (SSMID)**

BACKGROUND:

The Campustown Action Association (CAA) has submitted a petition to create the Ames Campustown Self-Supported Municipal Improvement District (SSMID) pursuant to Chapter 386 of the Code of Iowa. The desire of CAA to create a SSMID is to further their vision to create and foster a vibrant Campustown by providing additional services and activities for the benefit of property owners in the district. The proposed SSMID boundary includes commercial properties within the Campustown Service Center, CSC, Zoning District (Attachment 1).

A SSMID is a self-taxing body that assesses and applies a levy rate to commercial properties within an approved district. Chapter 386 of the Code of Iowa lays out the process and requirements that need to be met in order to create a SSMID. The initial steps require the submittal of a petition that included the signatures of a minimum of twenty-five percent of all property owners within the SSMID boundaries and signatures of property owners that make up at least twenty-five percent of the assessed property values within the SSMID boundaries (Attachment 2). Staff has certified that the CAA petition includes 45.8% percent of the property owners that represent 41.8% of the assessed property value. The properties that have signed the petition are shown on the map in Attachment 2.

	Number of Properties	Assessed Value
Signed Petition Properties within SSMID boundary	33	\$10,228,700.00
All Commercial Properties within SSMID boundary	72	\$24,454,960.00
Percentage (Minimum 25% Required)	45.8%	41.8%

Some of the properties located within the proposed SSMID boundary are residential or a mix of residential and commercial uses. All residential properties are exempt from the SSMID levy and those properties and values are not included within the petition. Other

properties that are exempt from paying property taxes are exempt from the SSMID levy as well (e.g., churches and Planned Parenthood). If approved, the SSMID levy will apply to all commercial properties within the district regardless of the property owner's signature of support for the petition.

The levy rate for a SSMID is proposed by the entity presenting the petition. The letter and petition submitted by CAA details why said rates were chosen and what type of projects the revenues will fund (Attachment 3). City staff estimates that the combined levies will generate approximately \$50,000 to \$70,000 in the first year of the SSMID. The proposed Ames Campustown SSMID has two rates:

- \$2.00/\$1,000 of taxable valuation on buildings that are 100 percent commercial assessed
- A range of \$5.00/\$1,000 to \$8.00/\$1,000 of taxable valuation on commercial square footage of buildings that are in mixed-use buildings. **This rate will initially be \$5.00/\$1,000.** If and when the SSMID Board wants to increase this levy rate it may do so with City Council approval, as long as it does not exceed the maximum proposed rate of \$8.00/\$1,000 of taxable valuation. If at any time the SSMID Board wants to adopt a rate that exceeds the \$8.00/\$1,000, the request would have to come as new petition and go through the same approval process as if a new SSMID were being created.

On June 20, 2018, the Planning and Zoning Commission reviewed the petition for the SSMID as required by state law. Representatives of the CAA were present and spoke in support of the proposal. The Commission reviewed the proposed activities and taxing rates. The Commission also reviewed the information for the petition regarding both the number and value of the properties. The Commission also inquired about the notification procedures for the establishing the SSMID. Staff explained no notice was required with the initial review by the Commission, but at the time of setting a public hearing with the City Council notice is required by certified mail of the hearing. Staff also explained that state statute identifies a procedure to protest creating a SSMID. The Commission voted 2-1 with one abstention to find the proposed SSMID to be financially feasible and that it has merit based on the proposed programming to be beneficial to the district.

The next step in the process is that City Council will need to set a date of Public Hearing. Iowa Code 386 requires all property owners within the proposed SSMID boundary to be notified by certified mail at least 15 days prior to the public hearing. This noticing requirement makes July 31, 2018 the earliest City Council meeting available for a public hearing.

Additionally, Chapter 386 of the Iowa Code requires three readings of an ordinance in order to approve a SSMID. Statute also includes a requirement that the third reading and final approval cannot take place until 30 days after the public hearing. If the first

reading of the ordinance was to occur on July 31st, the earliest date for a third reading to establish the SSMID would be September 11th.

ALTERNATIVES:

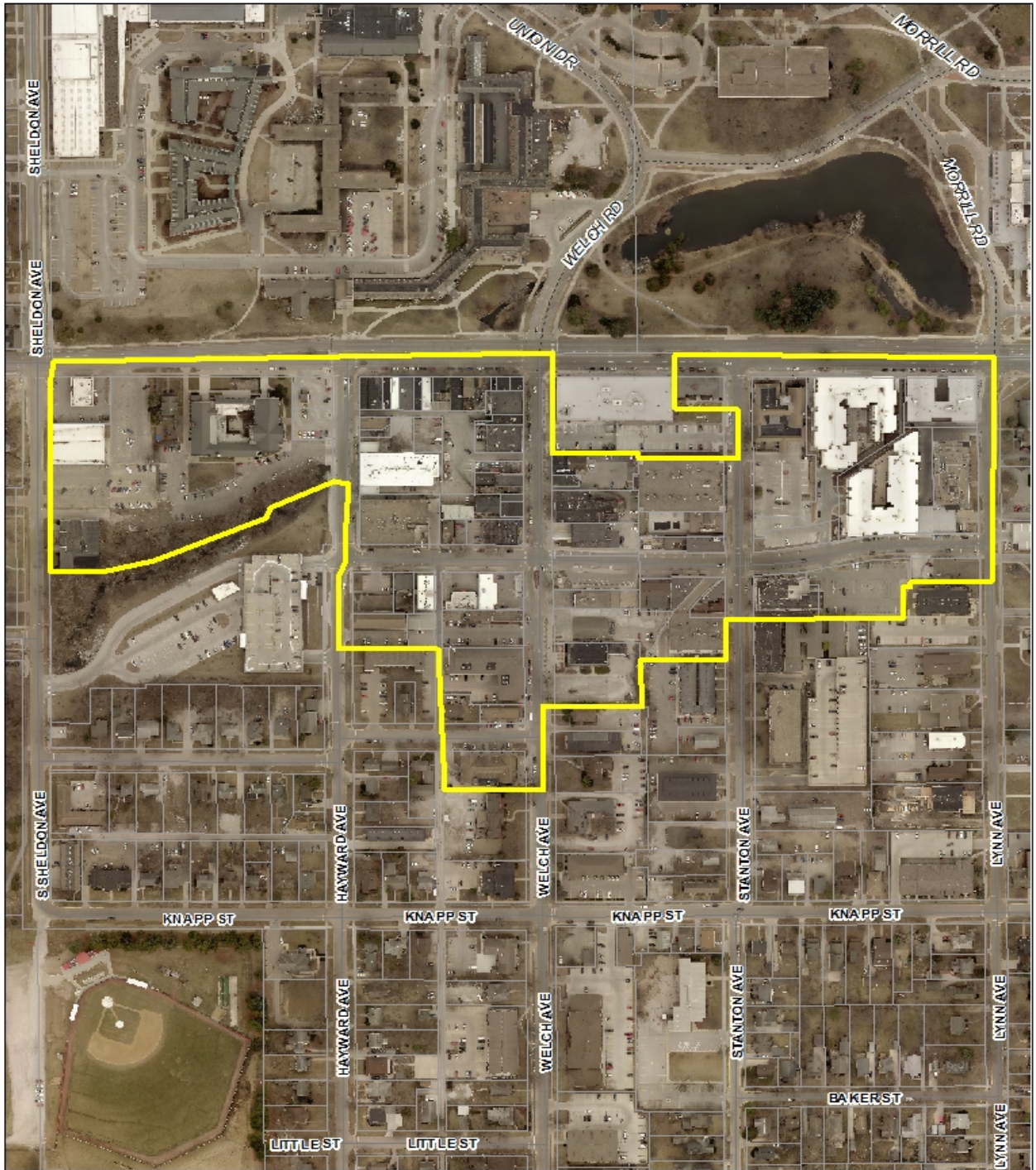
1. The City Council can set a date of public hearing for July 31, 2018.
2. The City Council can set a date of public hearing for a future date after July 31, 2018.
3. The City Council can delay setting the date of public hearing if more information is requested.

CITY MANAGER'S RECOMMENDED ACTION

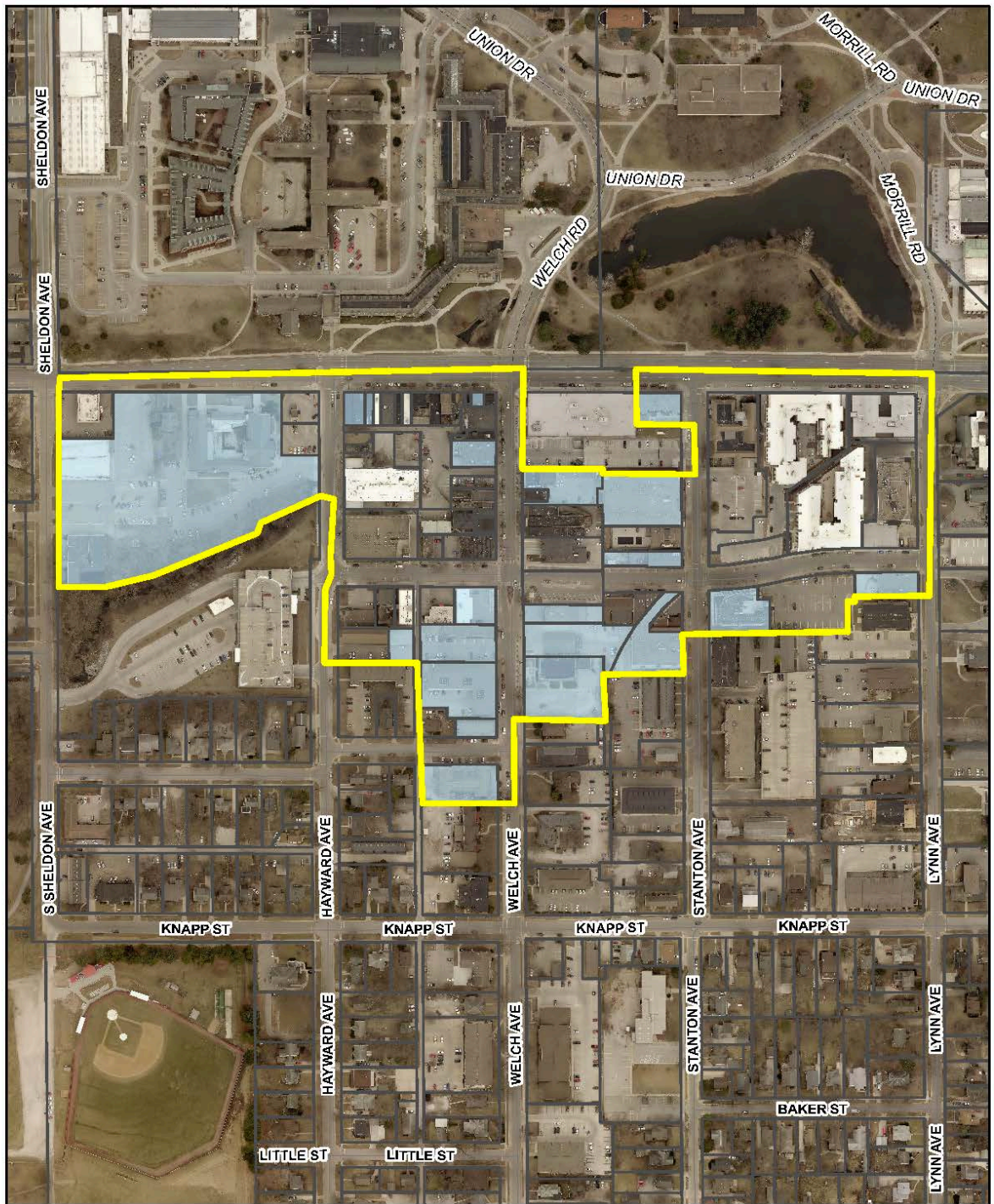
Iowa Code Chapter 386 establishes the process for authorizing a SSMID. The City Council is at the second step in the process of determining to proceed with review of the SSMID by setting a date of public hearing. Notice to properties owners is required by certified mail prior to the public hearing at least 15 days prior to hearing.

Additionally, property owners within the proposed district may also provide a petition protesting the creation of the SSMID. If property owners representing 25% of the properties or values provide a petition of remonstrance for the SSMID, the City Council would be required to approve the SSMID with a unanimous vote rather than the $\frac{3}{4}$ majority vote. If a remonstrance petition for 40% of the properties is provided prior the public hearing, the SSMID is forced to be withdrawn.

It is the recommendation of the City Manager that the City Council supports proceeding with the SSMID petition process and setting the date for public hearing on July 31st.



Properties within SSMID boundaries



Properties within SSMID boundaries

Attachment 3 CAA's request



campustown
action
association

April 17, 2018

A Self-Supported Municipal Improvement District (SSMID) is a mechanism for property owners and businesses in a defined area to fund improvements and services. Generally, SSMIDs are established to deliver a variety of services above and beyond the level of existing services. They can be used as an economic development tool to revitalize neighborhoods, improve business growth and retention, and help unify a district. Once established, the levied funds are used to pay for projects and services aimed at keeping the district economically competitive. The Campustown Action Association (CAA) is requesting approval to create the Ames Campustown SSMID utilizing the boundaries of the Campustown Service Center (CSC).

While the use of SSMID funds is dependent on the needs of an individual district, uses generally fall under two categories: maintenance or improvements. In Campustown, maintenance projects would include sidewalk snow removal, power washing and litter pick up. Improvements would cover projects that add to the appeal of the district, such as plants for sidewalk planters, additional way-finding signage, banners, or holiday lights. SSMID funds will also be used to cover a portion of the district's administrative costs, fund district events and take the place of membership dues.

CAA did extensive research on existing SSMIDs throughout the state. This information, coupled with estimates received from vendors, brought us to our proposed rate of \$2/thousand of taxable valuation. A change in legislation during our process removed the option of taxing residential portions of mixed-use buildings. The population growth of the CSC is a driving factor in our bid to create an improvement district, therefore we needed to find a way to capture these "lost" funds. The decision was made to have a separate rate proposed for mixed-use buildings. This rate of \$5/thousand of taxable valuation is only levied on the commercial portion of the mixed-use building, yet it does help account for the use and wear of these residents on the district.

Two separate mailings were sent to property owners in the CSC detailing the proposed SSMID. CAA also held multiple public meetings to gather input from property and business owners in the district. Throughout the process, our Business Improvement and Community Outreach committees made monthly efforts to reach out to those who did not respond.

SSMIDs first existed in Iowa beginning in 1977. They were conceived as a way for areas experiencing blight, or expecting growth, to finance projects aimed to create positive conditions for businesses. Through continued partnership with the City of Ames and Iowa State University we can strengthen and unify the Campustown District, making it a more appealing place for people to spend time in. The Campustown Action Association feels strongly that creating a sustainable funding source for projects and maintenance in the Campustown District will allow us to achieve a desirable environment for our businesses, residents and the entire Ames Community to enjoy.

119 Stanton Ave. #602

Ames, IA 50014

www.amescampustown.com

Attachment 3 cont'd
Ames Campustown SSMID Petition

PETITION TO ESTABLISH THE AMES CAMPUSTOWN
SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT
PURSUANT TO CHAPTER 386 OF THE CODE OF IOWA

We, the undersigned, being at least 25 per cent of all owners of property within the self-supported municipal improvement district proposed and hereinafter defined by this petition, and being owners of property within the proposed district having an assessed value of at least 25 per cent of the assessed value of all the property in the proposed district, hereby petition the City Council of the City of Ames, Iowa, pursuant to the provisions of Chapter 386 of the Code of Iowa (the "Act") as follows:

- 1) To establish a self-supported municipal improvement district in the City of Ames, Iowa, as follows:
 - a) The name of the district shall be the "Ames Campustown Self-Supported Municipal Improvement District" (hereinafter referred to as the "Proposed District"),
 - b) The purposes of the Proposed District shall be the undertaking of actions and the design and construction of any and all improvements authorized by the Act and the performance of administration, redevelopment, and revitalization of the Proposed District, as authorized by the Act, any and all of which actions and improvements are intended to benefit property within the Proposed District,
 - c) A description of the property within the Proposed District is:

A PARCEL IN THE CITY OF AMES, STORY COUNTY, IOWA; THE BOUNDARY LINE DESCRIBED AS FOLLOWS:
BEGINNING AT THE CENTERLINES OF LINCOLN WAY AND S SHELDON AVENUE, CITY OF AMES, STORY COUNTY, IOWA; THENCE EASTERLY ON SAID LINCOLN WAY CENTERLINE TO THE CENTERLINE OF WELCH AVENUE; THENCE SOUTHERLY ON SAID WELCH AVENUE CENTERLINE TO THE EXTENSION OF A SOUTH LINE DESCRIBED AS PARCEL AA IN BEARDSHEAR'S ADDITION AND PARKER'S ADDITION ON THE WEST LINE OF SAID PARCEL AA; THENCE EASTERLY 190.34 FEET TO A POINT ON THE SOUTH PROPERTY LINE OF SAID PARCEL AA IN BEARDSHEAR'S ADDITION AND PARKER'S ADDITION; THENCE SOUTHERLY 7.98 FEET TO A POINT ON THE SOUTH PROPERTY LINE OF SAID AS PARCEL AA IN BEARDSHEAR'S ADDITION AND PARKER'S ADDITION, THENCE EASTERLY ON THE EXTENDED SOUTH LINE OF AS PARCEL AA IN BEARDSHEAR'S ADDITION AND PARKER'S ADDITION TO THE CENTERLINE OF STANTON AVENUE; THENCE NORTHERLY ALONG THE CENTERLINE OF STANTON AVENUE TO THE CENTERLINE OF LINCOLN WAY; THENCE EASTERLY ALONG THE CENTERLINE OF LINCOLN WAY TO THE CENTERLINE OF LYNN AVENUE; THENCE SOUTHERLY ON SAID LYNN AVENUE CENTERLINE TO THE EXTENSION OF A SOUTH LINE DESCRIBED AS BEGINNING 45 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 5 IN GREER'S SUBDIVISION OF LOT 24 OF PARKER'S ADDITION ON THE EAST LINE OF SAID LOT 5; THENCE WESTERLY TO A POINT ON THE WEST LINE OF SAID LOT 5, 46 FEET SOUTH OF

THE NORTHWEST CORNER OF SAID LOT 5; THENCE NORTHERLY ON THE EXTENDED WEST LINE OF SAID LOT 5 TO THE CENTERLINE OF CHAMBERLAIN STREET; THENCE WESTERLY ALONG THE CENTERLINE OF SAID CHAMBERLAIN STREET TO THE EXTENDED EASTERLY LOT LINE OF WESTERLY ALONG THE CENTERLINE OF SAID CHAMBERLAIN STREET TO THE EXTENDED EASTERLY LOT LINE OF PARCEL S OF LOT 17 IN PARKER'S ADDITION, SAID EASTERLY LOT LINE IS 116.48' EAST ON A CURVE BEING ON THE SOUTH RIGHT-OF-WAY OF SAID CHAMBERLAIN STREET; THENCE SOUTHERLY ON SAID EASTERLY LINE 31.78 FEET TO A CORNER ON SAID PARCEL S; THENCE EASTERLY ON SAID PARCEL S TO A POINT ON THE EAST LINE OF SAID PARCEL S; THENCE SOUTHERLY ON THE EAST LINE OF SAID PARCEL S TO THE SOUTHEAST CORNER OF SAID PARCEL S; THENCE WESTERLY ON THE EXTENDED SOUTH LINE OF SAID PARCEL S TO THE CENTERLINE OF STANTON AVENUE; THENCE SOUTHERLY ON THE CENTERLINE OF SAID STANTON AVENUE TO THE EXTENDED SOUTH LINE OF LOT 2, SECOND ADDITION, TERRA FIRMA SUBDIVISION; THENCE WESTERLY ON SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE WESTERLY ON THE SOUTH LINE OF A LOT DESCRIBED AS THE SOUTH 120 FEET OF LOT 1 WEST OF RAILWAY, PARKER'S ADDITION, TO A POINT ON THE EAST LINE OF LOT 8, BLOCK 1, IN BEARDSHEAR'S ADDITION; THENCE SOUTHERLY ON SAID EAST LINE OF LOT 8 TO THE WEST RIGHT-OF-WAY LINE OF THE DEEDED F. DODGE, DES MOINES AND SOUTHERN RAILWAY COMPANY RECORDED IN BOOK 2012 PAGE 9886; THENCE SOUTHWESTERLY ON SAID RAILWAY RIGHT-OF-WAY TO A POINT ON THE NORTH LINE OF LOT 9 IN SAID BLOCK 1; THENCE EASTERLY ON SAID LOT 9 TO THE NORTHEAST CORNER OF SAID LOT 9; THENCE SOUTHERLY ON THE EAST LINE OF SAID LOT 9 TO A POINT ON THE NORTH 60 FEET OF SAID LOT 9; THENCE WESTERLY ON THE EXTENDED NORTH 60 FEET OF SAID LOT 9 TO THE CENTERLINE OF WELCH AVENUE; THENCE SOUTHERLY ON SAID WELCH CENTERLINE TO THE EXTENDED SOUTH LINE OF LOT 1, BLOCK 2, BEARDSHEAR'S ADDITION; THENCE WESTERLY ON THE EXTENDED SOUTH LINE OF SAID LOT 1 TO THE CENTERLINE OF THE EXTENDED CENTERLINE OF CHAMBERLAIN PLACE; THENCE NORTHERLY ON THE SAID EXTENDED CHAMBERLAIN PLACE CENTERLINE TO THE EXTENDED SOUTH LINE OF LOT 14 IN BLOCK 3 IN AUDITOR'S REPLAT OF BLOCKS 3, 4, AND 5, BEARDSHEAR'S ADDITION AND WALTER'S SUBDIVISION IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 83 NORTH, RANGE 24 WEST OF THE 5TH P.M.; THENCE WESTERLY ON THE SOUTH LINE OF SAID LOT 14 TO THE SOUTHEAST CORNER OF LOT 7 OF SAID AUDITOR'S REPLAT; THENCE WESTERLY ON EXTENDED LINE OF SAID LOT 7 TO THE CENTERLINE OF HAYWARD AVENUE; THENCE NORTHERLY ON SAID HAYWARD AVENUE TO THE EXTENDED SOUTH LINE OF PARCEL K LOCATED IN PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 83 NORTH, RANGE 24 WEST OF THE 5TH P.M., AND IN HOOVER'S ADDITION AND IN SAID AUDITOR'S REPLAT; THENCE SOUTHWESTERLY ON THE EXTENDED SAID SOUTH LINE OF PARCEL K TO THE CENTERLINE OF S. SHELDON AVENUE; THENCE NORTHERLY ON SAID CENTERLINE OF S. SHELDON AVENUE TO THE POINT OF BEGINNING.

- 2) To establish an Operation Fund with respect to the Proposed District to be known as the "Campustown Self-Supported Municipal Improvement District Operation Fund" (the Operation Fund"), and levy an annual tax (the "Operation Tax") upon the property, as defined in the Act (excluding property assessed as residential property for property tax purposes) within the Proposed District (the "Property") for the purposes of: (a) paying the administrative expenses of the Proposed District, as defined and authorized in the Act, and/or (b) paying part or all of the maintenance expenses of "improvements" as defined in the Act, with respect to the Proposed District. The district levy will continue until dissolved in accordance with the provisions of Chapter 386 of the 2013 Code of Iowa, commencing with the levy of taxes collection in the fiscal year beginning July 1, 2018.
 - a) The Operation Tax shall be levied at an initial rate of \$2.00 per thousand of taxable valuation upon parcels in buildings which are 100% commercial assessed. The Operation Tax shall not exceed a rate of \$5.00 per thousand dollars of taxable valuation on parcels in buildings which are 100% commercial assessed during the lifetime of the District.
 - b) The Operation Tax shall be levied at an initial rate of \$5.00 per thousand of taxable valuation upon parcels in buildings with mixed assessment. The Operation Tax shall not exceed a rate of \$8.00 per thousand dollars of taxable valuation on parcels in buildings with mixed assessment during the lifetime of the District.
 - c) The levy rate shall be reviewed at minimum every 3 years to ensure the Operation Fund maintains a level appropriate to performing services in accordance with the Act. Any rate change must be approved by City Council.

- 3) To disburse annually revenues collected in the Operation Fund for one or more of the following purposes, pursuant to the budget submitted to the City Council by the SSMID Board of Directors.
 - a) Communications and Advocacy including:
 - i) Develop a branding and marketing campaign for district
 - ii) Manage media relations to project a positive image
 - iii) Promote a positive image with public relations initiatives
 - iv) Advocate to attract additional resources to improve district
 - b) Director/Staff Operations including but not limited to:
 - i) Street beautification
 - ii) Cosmetic improvements such as seasonal banners and decorations
 - iii) Public event planning
 - iv) Gateways, signage and public art
 - v) Special projects to improve and beautify public spaces
 - c) Enhanced Maintenance including:
 - i) Sidewalk cleaning/power washing
 - ii) Sidewalk snow removal
 - iii) Litter pick-up
 - iv) Ongoing maintenance of SSMID-financed improvements that are deemed to be beyond the City's base level of services
 - v) Enhanced services that would not be expected from the City

- 4) The SSMID shall be guided by the board of the Campustown Action Association.
- 5) To require the SSMID Board to submit to the Ames City Council a budget showing, in general terms, proposed expenditures of SSMID funds for the fiscal year. Once the budget has been approved by the City Council and the assessment has been collected, the City will transfer the entire annual SSMID allotment to the SSMID Board who will oversee administration and allocation of those funds.
- 6) It is the intent of this Petition that the City of Ames and the District will continue to work together to establish roles of both organizations pursuant to a Memorandum of Agreement (MOA) which outlines current and future responsibilities of both organizations with regard to District services, maintenance, and operations described in this Petition.