

**COUNCIL ACTION FORM**

**REQUEST: 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 establish 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 as defined within the petition (Attachment 1).

**Staff created a webpage on the Planning Department's website under the "What's New" heading. This webpage was set up to explain in detail what a SSMID is, how it works, and relate that information to what was submitted by the CAA. Staff provided a SSMID FAQ on the webpage and included it with this report as Attachment 4.**

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. A SSMID is created by approval of an ordinance by the City Council. The Campustown SSMID process was initiated by CAA. A petition was submitted 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
All Commercial Properties within SSMID boundary	72	\$24,454,960
Percentage (Minimum 25% Required)	45.8%	41.8%

The maximum levy rate for a SSMID is proposed by the entity presenting the petition. All residential properties are exempt from the SSMID levy as well as other properties that are exempt from paying property taxes (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 letter and petition submitted by CAA details why said rates were chosen and what type of projects the revenues will fund (Attachment 3). The proposed Ames Campustown SSMID has two rates:

- A range of \$2.00/\$1,000 to \$5.00/\$1,000 of taxable valuation on buildings that are 100 percent commercial assessed. This rate will initially be \$2.00/\$1,000. If 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 \$5.00/\$1,000 of taxable valuation.
- 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.

The actual rate charged to property owners will be established annually at the time a budget is proposed for the SSMID and approved by City Council. City staff estimates that the combined levies will generate approximately \$50,000 to \$70,000 in the first year of the SSMID. The rate charged in support of the budget cannot exceed the maximum rate established for the SSMID as described in the petition. The draft ordinance for the SSMID indicates that for the first year of the SSMID, the maximum rate will be the \$2.00/\$1,000 and \$5.00/\$1,000, thereafter the rate could be increased up to the maximum levels.

Upon the conclusion of the Public Hearing, the Council may adopt an ordinance to establish the SSMID. **The proposed SSMID ordinance identifies the boundaries of the SSMID, the maximum tax levy rates, designation of a fund for the revenues, limits on types of activities for use of the funds, and designates a SSMID board.**

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. the earliest date for a third reading to establish the SSMID would be September 11<sup>th</sup>. **At any time within those thirty days a petition of remonstrance can be submitted requiring a unanimous vote of approval, or if enough signatures are submitted it can stop the process all together.** This process is explained in the FAQ attachment.

Upon establishment of a district, a SSMID Board is recognized and charged with creating budget for expenditures of the funds and proposing it to the City Council for approval of the budget its corresponding tax levy. In this instance, if the SSMID is created this year

the first year for collection of taxes will be fiscal year 2019/2020. The process for the upcoming fiscal year would include the following steps:

- City receives taxable value of properties based upon January 2018 valuations in December of 2018.
- SSMID Board submits a budget by January 1, 2019 to City Council.
- City Council would review and approve the SSMID budget at the same time the City's budget is approved, March 2019. The required property tax levy for the budget would be calculated at that time.
- 2018 property tax bills are collected for a first payment in September 2019 and a second payment in March 2020.
- The collected funds are directed to the City and placed in a separate SSMID Operations Fund for use exclusively within the SSMID for activities defined in the ordinance.

After approval of the SSMID Ordinance, City Council would enter into a Memorandum of Agreement between the City and the SSMID Board. This agreement would address how the funds are received and define the parameters for expenditures by the Board. The agreement would also require the CAA to submit an annual summary of expenses to Council provide oversight on the use of the funds. Due to the current makeup of CAA, the agreement would likely be with the Chamber of Commerce with CAA as the SSMID Board. CAA is an affiliate organization of the Ames Chamber of Commerce. The Chamber of Commerce would then distribute funds received from property taxes to the SSMID Board.

**Public Hearing notice was published and mailed to property owners within the proposed boundary by certified mail, as required by State Code. With the public hearing notice, staff included a letter outlining the proposed SSMID parameters and created a website with relevant information for review by interested parties.**

#### **ALTERNATIVES:**

1. The City Council can hold a public hearing and approve on first reading the Campustown Self-Supported Municipal Improvement District and direct staff to prepare a Memorandum of Agreement between the City of Ames and the Campustown SSMID Board prior to approval of a budget for the SSMID.
2. The City Council can take hold the public hearing and ask staff to provide more information prior to any approval.
3. The City Council can deny the request for the Campustown Self-Supported Municipal Improvement District.

#### **CITY MANAGER'S RECOMMENDED ACTION**

Iowa Code Chapter 386 establishes the process for authorizing a SSMID. The City Council is at the final step of holding a public hearing prior to approving the requested

SSMID. If approved the ordinance is approved, the SSMID Board will bring a budget back to City Council for approval annually. The SSMID Board will administer the funds once they are collected.

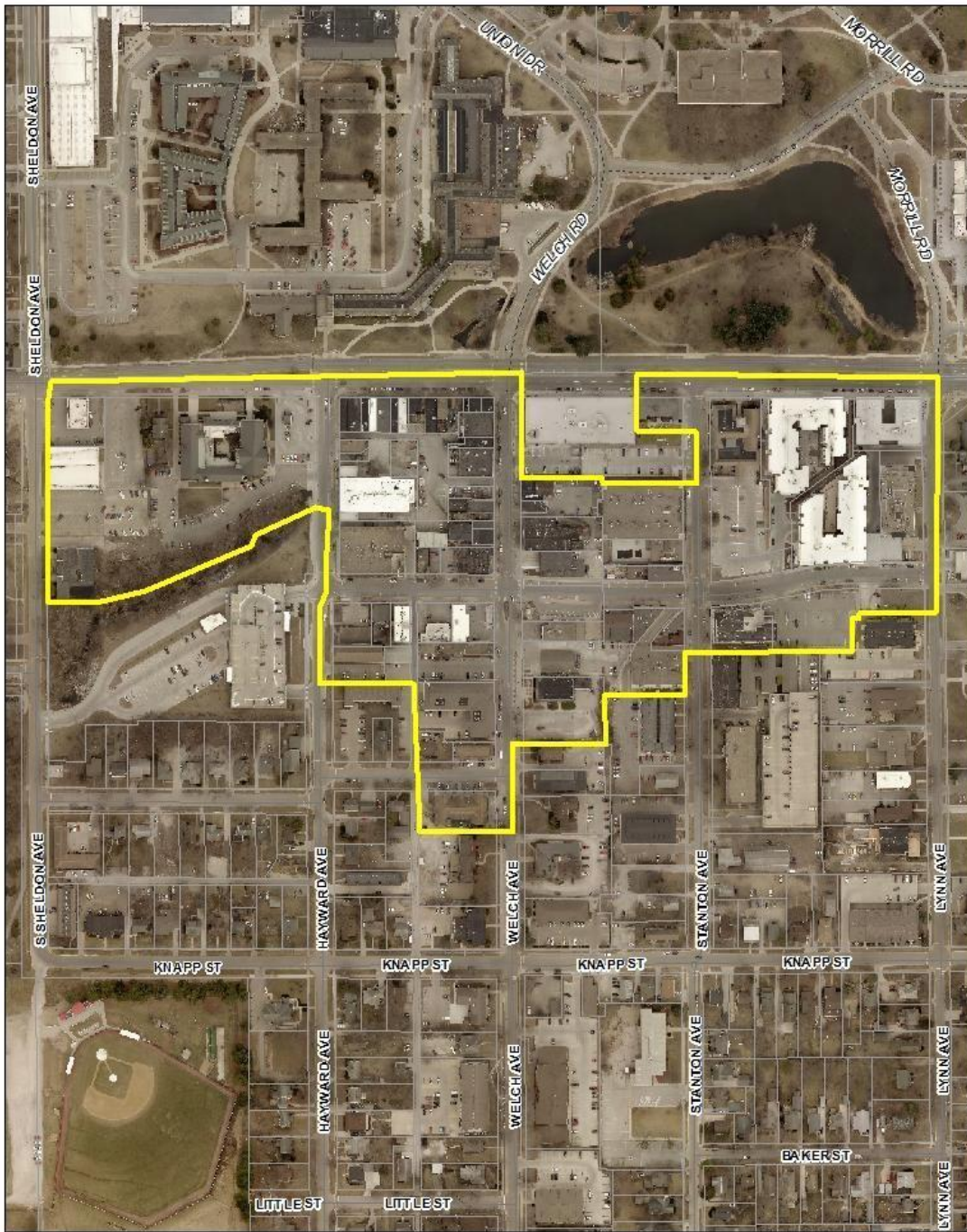
**Therefore, it is the recommendation of the City Manager that the City Council approve on first reading an ordinance establishing the Campustown SSMID and direct staff to prepare a Memorandum of Agreement between the City and Campustown Action Association (CAA).**

## **ADDENDUM**

Campustown Action Association has worked for over a year to get information out and gather signature of support for the Campustown SSMID. Outreach efforts were conducted through mailings, meetings, and other forms of outreach (Attachment 5). The petition language outlines the purpose of the district and how it will serve the overall district in a manner that may be above and beyond typical city services. The petition, as required by State Code, does provide the purpose of the SSMID and a list of services the SSMID Board hopes to provide with the use of the SSMID funds. The petition (Attachment 3) lists those services on page 3. They include marketing for the entire SSMID district general area beautification projects and additional sidewalk maintenance.

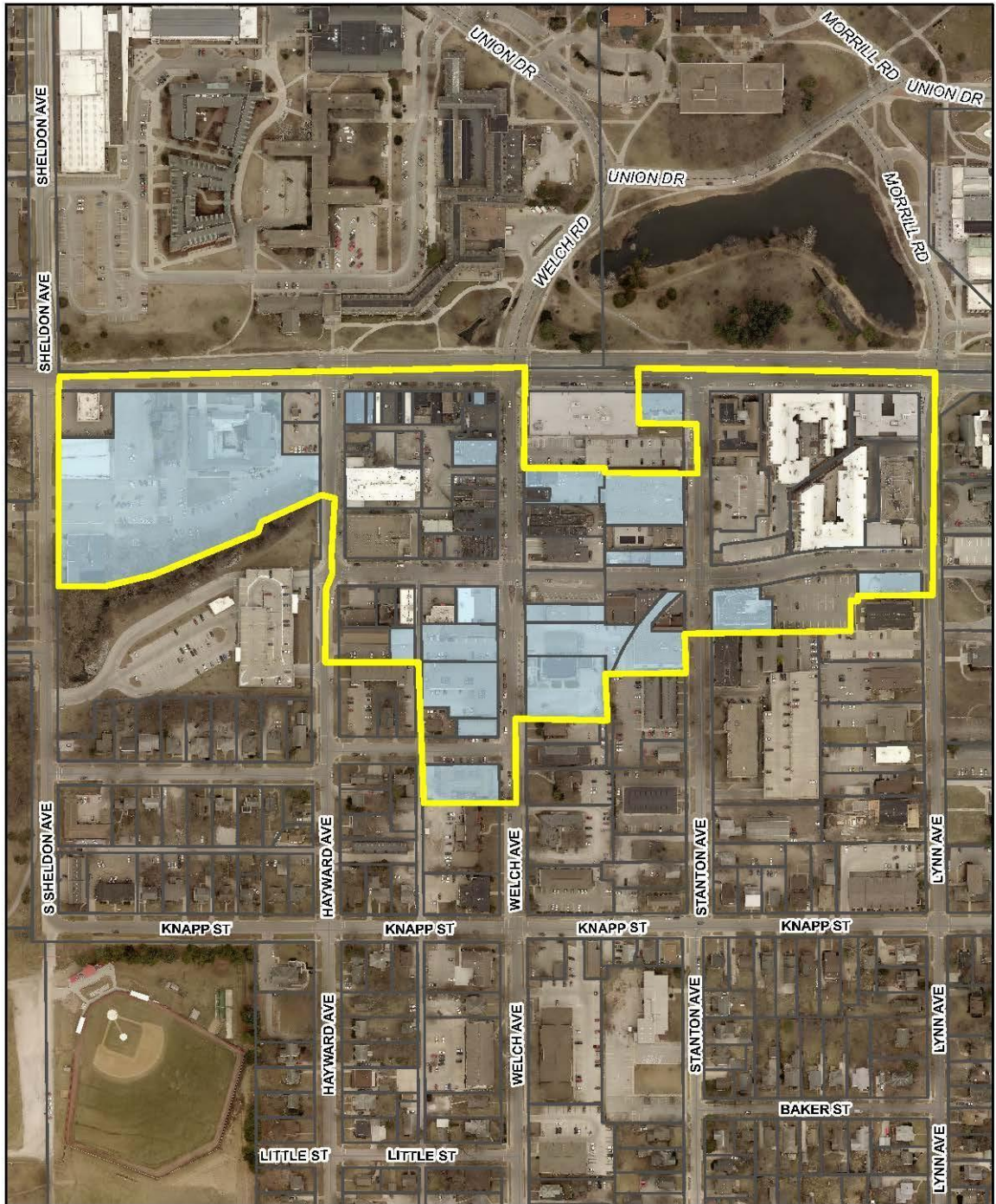
On June 20, 2018, the Planning and Zoning Commission reviewed the petition for the SSMID as required by state law. Representatives of the CAA were present and spoke in support of the proposal. The Commission reviewed the proposed activities and taxing rates. The Commission also reviewed the information 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.

### Attachment 1: SSMID Boundary



Properties within SSMID boundaries

## Attachment 2: Properties with Signed Petitions



**Properties within SSMID boundaries**

## Attachment 3: Campustown SSMID Petition



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](http://www.amescampustown.com)



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 5<sup>TH</sup> 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 5<sup>TH</sup> 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.

## Attachment 4: SSMID FAQ

### Self-Supporting Municipal Improvement District Frequently Asked Questions (FAQ)

1. What is a SSMID? A Self-Supporting Municipal Improvement District (SSMID) is allowed under the Code of Iowa Chapter 386 for a defined area within a city where properties are assessed an additional tax along with their regular property taxes to fund area improvements and services. These improvements and services that are generally above and beyond the level of existing municipal services. SSMID funds can also be used to aide in the growth and revitalization of an area.
2. Who proposed the Campustown SSMID District? The initiator of the process is the Campustown Action Association (CAA). CAA is a business membership group that works with the City of Ames and Iowa State University to foster economic, cultural, aesthetic, and social progress for commercial areas adjacent to campus. CAA's programs and events are currently funded through a combination of sources that include Iowa State University, the City of Ames, Ames Chamber of Commerce, and membership dues. CAA has provided a statement of intent that describes why they have submitted a petition to start the process of creating a SSMID district for the Campustown Area.
3. What is required for a SSMID Petition? State law requires that a petition to create a SSMID have the support of property owners representing 25% of the number of properties within the proposed district and 25% of the value of the properties within the proposed district. The proposed Campustown SSMID petition includes signatures representing 45.8% of the properties and 41.8% of the value of properties within the proposed district.
4. How Does a SSMID Work? A separate tax levy is imposed on commercial property within a SSMID, in addition to all other tax levies. Residential property assessments are excluded from the levy by state law.

The added revenues can only be used for the SSMID. They can be used for improvements to the District, administrative fees, and to pay off debt for the cost of improvements, or a combination of all three. The submitted petition lists several services and activities the funds would go towards. Paragraph 3 of the Campustown SSMID petition lists items such as street beautification, snow removal, promotion of the district, and more.

A budget must be approved annually by the SSMID Board and the requested tax levy must be approved by the City Council annually. The levy rate cannot exceed the amount established at the time of creation of the SSMID without amending the SSMID.

5. How much is the proposed SSMID tax levy rate? The SSMID tax levy rate is proposed as part of the petition. State law sets no minimum or maximum rates prior to establishing the SSMID. The proposed Campustown SSMID proposes two different levy rates based on property type.
  - An initial maximum rate of \$2.00/\$1,000 of taxable valuation on buildings that are 100 percent commercially assessed. The maximum rate during the lifetime of the district is \$5.00/\$1,000 of taxable valuation.
  - A maximum initial rate of \$5.00/\$1,000 of taxable valuation on commercial square footage of buildings that are in mixed-use buildings, e.g. commercial and residential within the same building. The maximum rate during the lifetime of the district is \$8.00/\$1,000 of taxable valuation.

- The Campustown SSMID petition states that the maximum levy rate would be reviewed at a minimum of every three years.
  - If there is a proposal to exceed the \$5.00/\$1,000 or \$8.00/\$1,000 respectively, a new petition would have to come before City Council that meets the same requirements for property owner signatures used for the initial SSMID petition.
6. What is the SSMID approval process? The minimum property owner signature requirements of 25% of the properties and property value is verified by City staff. A valid petition is forwarded to the Planning and Zoning Commission for a recommendation to the Council. The Planning and Zoning Commission reviewed the petition on June 20, 2018.

The City Council must hold a public hearing with public notice to property owners prior to approving an ordinance establishing a SSMID. The City Council set a date of Public Hearing for the Campustown SSMID for July 31, 2018. The City is required to publish notice of the meeting and notify all property owners within the proposed Campustown SSMID area by certified mail not less than 15 days prior to the public hearing.

The City Council must wait at least 30 days after the public hearing to adopt an ordinance establishing the district. September 11, 2018 would be the earliest City Council meeting that the district could be approved.

7. Can the property owners within a proposed SSMID District oppose its establishment? Yes, if 25% of property owners representing 25% of the property value within the proposed SSMID District file a valid remonstrance petition with signatures prior to the conclusion of the public hearing, a unanimous vote of the City Council is required.

If 40% of the property owners representing 40% of the value within the proposed SSMID District file a valid remonstrance petition, establishment of the District is abandoned and the process stops.

8. How is a SSMID District amended or dissolved? Procedures for amending a SSMID District are generally similar to those for creating one, requiring submittal of a valid petition. A District can be dissolved by the City Council with a rescission of the ordinance establishing the SSMID. However, dissolution would not necessarily eliminate a levy for any outstanding debt for the District.

9. What happens if the Campustown SSMID is approved? Upon approval of the ordinance establishing the Campustown SSMID, a board must be created to administer the SSMID. The Campustown SSMID petition identifies that the CAA board will serve as the Board of Directors of the SSMID. This Board would create an annual budget to detail the services and projects that the funds would go to for an upcoming year. The Campustown SSMID Board of Directors would receive the funds once property taxes have been collected and the SSMID levy has been separated out from the regular property taxes.

State Code does allow options for who manages the SSMID funds, those include City Council, a third party (i.e. Chamber of Commerce), or the entity proposing/operating the

SSMID.

9. If approved, when would the levy take effect? The Campustown SSMID petition proposes the levy would apply to 2018 taxes. **Property taxes are back paid, so 2018 property taxes will not be calculated until July,1 2019.** If the SSMID is approved a property owner would not see the SSMID levy as part of their property tax bill until the September 2019 payment.

## Attachment 5: CAA SSMID HANDOUT



### SSMID: Self-Supported Municipal Improvement District

**MARKETING BENEFITS:** CAA membership • Co-op advertising with peers • Listing on CAA website  
Social media outreach • Invitation to membership and committee meetings • Additional wayfinding

**BEAUTIFICATION BENEFITS:** Plantings and streetscapes • Litter pick-up • Special event clean ups  
Light pole banners • Sidewalk snow/ice removal • Window cleaning

SAVE  
5-15%

In addition to beautification benefits and marketing opportunities, SSMID has the ability to give added protection to "slip & fall" suits, potentially saving businesses/organizations 5% to 15% on insurance rates.

**SSMID REPLACES THE  
CURRENT CAA  
MEMBERSHIP DUES.**

## SSMID: Self-Supported Municipal Improvement District

A Self-Supported Municipal Improvement District (SSMID) is a mechanism for property owners and businesses in a defined area to fund district-specific improvements and services.

SSMIDs are established to deliver a variety of services above and beyond the level of existing municipal services. All funds provided by the SSMID levy are invested within the district and can serve as an economic development tool to revitalize neighborhoods and spur business growth and retention.

### Proposed Rates:

**\$2/1000** of taxable valuation upon parcels in buildings which are assessed 100% commercial property.

**\$5/1000** of taxable valuation upon parcels in buildings with mixed-use assessment (i.e. commercial / residential)

Total Taxable Property value in the designated area:  
Approximately \$39.4 million

**Total finances raised: Approximately \$85,000**

### Proposed SSMID Expenses:

Sidewalk snow and ice removal:  
\$50,000

Campustown Action Association Membership and Additional Marketing opportunities:  
\$15,000

Additional beautification projects, events funding, operations funding:  
\$15,000

**Total SSMID Expenses: \$80,000**

### Potential Additional City Services provided through City Grant Process:

Deep Clean Litter pick up once per week:  
\$22,000

Power washing one time per week (April-November):  
\$28,000



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## Surrounding Area SSMID Campaigns

*"The neighborhood has never been more unified than it is now. We all want our neighbors to succeed." Dave Diebler, Owner of Octopus College Hill*

*"We just felt there was a need for businesses to succeed."  
Doug Johnson, President of the College Hill Partnership, Vice President of University Book and Supply*

### COLLEGE HILL

Rate for the College Hill SSMID is \$2.25 per \$1000. The fund will be used for events, beautification, branding, and help direct more commercial development.

### DOWNTOWN DSM

In 2015 the downtown DSM SSMID rate was \$1.30/\$1000 and will be used as general funding and maintenance for Western Gateway Park, Principal Park, MLK Jr Parkway improvements and East Village Street Scape projects.

### INGERSOLL

The Ingersoll SSMID is set at \$2.25/\$1000 and is used for improving sidewalks, pedestrian crossings, events, landscaping, planters, decorative lighting, marketing and business retention.

### IOWA CITY

The Iowa City SSMID was up for renewal in summer 2016 and passed with 76% approval from valuation owners and 55% approval from "unique" property owners.

#### Uses Include:

Collaborating with the city to make downtown cleaner and safer; a police officer dedicated to the downtown area was hired, and the city has increased its powerwashing of sidewalks.

Creating Downtown District-branded events and initiatives.

Working with the city and a consultant to develop a new retail strategy.



**ORDINANCE NO.**

**AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY ENACTING A NEW CHAPTER 24, SECTION 24.18 THEREOF, FOR THE PURPOSE OF S-SMID (SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT) REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; AND ESTABLISHING AN EFFECTIVE DATE.**

**BE IT ENACTED**, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by enacting a new Chapter 24, Section 24.18 as follows:

**“Sec. 24.18. CAMPUSTOWN SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT.**

(A) **District established.** There shall be and there is hereby created in the city a self-supported municipal improvement district, as defined in Iowa Code Ch. 386, the name of which shall be the “Campustown Self-Supported Municipal Improvement District” (sometimes hereinafter referred to as the “District”), the purposes of which district are the undertaking of actions and the design and construction of any and all improvements and self-liquidating improvements, as defined in Iowa Code Ch. 386 and the performance of administration, redevelopment and revitalization of the district, as authorized by Iowa Code Ch. 386.

(B) **District boundaries.** The district shall include all non-residentially assessed properties within the following described boundary:

PARCELS 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.

(C) **Related benefit area.** It is hereby found and determined that the owners of all the property within the District have a present and potential benefit from the condition, development and maintenance of the District and that all of the property within the district is related by virtue of its location within an area of the city zoned for commercial use.

(D) **Operation fund.** Pursuant to provisions of Iowa Code Ch. 386, there is hereby established and created a self-supported improvement district operation fund which shall be known as the "Campustown Self-Supported Municipal Improvement District Operation Fund", for which operation fund the city may certify taxes (the "operation tax") against the property, as defined in Iowa Code Ch. 386 (excluding property assessed as residential property for property tax purposes) within the District (the "property") each year, in addition to all other taxes, commencing with the levy of taxes for collection in the fiscal year beginning 7-1-2019. The purpose of the levy is for paying such expenses of the district as are authorized by Iowa Code Ch. 386, including, but not limited to, the administrative expenses of the district and part or all of the maintenance expenses of improvements or self-liquidating improvements, as defined in Iowa Code Ch. 386. This levy shall continue annually until such time as the City Council rescinds the ordinance establishing The District.

(E) **Operation tax.** The operation tax, as provided in division (D) above, shall be levied as two rates based upon building types. The tax shall be levied annually upon commercial property at a rate not to exceed \$2.00 per \$1,000 of taxable value of the property in the first year of the District and may be increased by the City Council to a rate not to exceed \$5.00 per \$1,000 of taxable value after the first year. The tax shall be levied annually upon commercially assessed value of property within mixed-use buildings, buildings with residential use and commercial use, at a rate not to exceed \$5.00 per \$1,000 of taxable value of property in in the first year of the District and may be increased by the City Council to a rate not to exceed \$8.00 per \$1,000 of taxable value after the first year.

The City may disburse the amounts collected in the Operation Fund, in accordance with the recommendations made to the City Council by the Board established pursuant to the Petition, for one or more of the following purposes:

- i. Communications and Advocacy; and
- ii. Operations Planning and Improvements, including Events; and
- iii. Enhanced Maintenance.

(F) **Board.** The City of Ames recognizes the Campustown Action Association as the Board for administering the Operation Fund as described in the petition for establishment of the The District. The Board shall annually submit to the City Council by January 1<sup>st</sup> a recommended budget for use of Operation funds and the associated tax levy rate needed to sustain the actives and improvements identified within the proposed budget. The Board shall be responsible for the administration and accounting of expenditures for use of Operation Funds.

The City Council may by resolution change the designation of the Board of Directors for the The District from Campustown Action Association to a specified board of 5 or more members appointed by the Mayor or assume the role of the Board of Directors itself.”

Section Two. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Three. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Diane R. Voss, City Clerk

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John A. Haila, Mayor