#### **SSMID Frequently Asked Questions**

#### What is a SSMID?

A "self-supported municipal improvement district" is informally referred to as a SSMID District (pronounced smid not schmid). Generally, it is an area of contiguous property within a city – often in the downtown area – either zoned for commercial or industrial purposes or a duly designated historic district. Several communities in Iowa, including Cedar Rapids, Waterloo, Cedar Falls, Davenport, Des Moines, and Fort Dodge have established successful SSMID districts.

#### How does a SSMID work?

An additional tax levy is imposed on property within the SSMID District. The added revenues can be used for improvements to the District, administrative fees, and debt for the cost of improvements.

## Why do we need this?

The downtown needs a stronger and more unified voice. The Downtown Association (DTA) has been a champion for downtown providing the marketing their membership budget allows and an advocacy voice for downtown. The problem is we have no money/resources to really make a difference. The total DTA budget is in the neighborhood of \$40,000 and 80% of that goes toward a director and operations. In order for us, the business community, to start directing where our downtown is going we need to step up and invest above and beyond DTA and into the future...our future. We cannot compete with the Coral Ridge Mall, lowa River Landing or Cedar Rapids. Each of those communities and retail operations has a management team in place to prospect/recruit new businesses. Each has a dedicated leadership team in place to work directly with the city on various incentives when it makes sense. And each of those management teams provides a tremendous return on their owners' investment.

#### What would we get from a downtown Iowa City SSMID?

The DTA's vision is to dedicate the majority of the revenue towards the hiring of a Downtown Business Development Manager whose job would be to build business opportunity in downtown. More business means more feet on the street and more people downtown. His/her primary responsibility would be to serve as a downtown commercial real estate expert. This person would have a very sound understanding of exactly what's available or becoming available and would work with property owners and commercial brokers to recruit commercial/retail business that are called out via a market mix analysis. This person would be an employee of the SSMID and be accountable to that Board of Directors.

The Downtown Business Development Manager would serve as an advocate to existing businesses and would be the political voice of the SSMID district.

Funds would also be dedicated toward sustaining and incubating new downtown events and activities. Beautification, increased maintenance, and buying down the cost of the Park & Shop/Bus & Shop program are also on our agenda.

No SSMID funds would go toward capital improvements.

# Why aren't these responsibilities assumed by traditional economic development organizations like the Chamber, CVB, ICAD, or the City itself?

None of these organizations have downtown Iowa City as their primary focus. None of these organizations provides the real estate functions of a Downtown Business Development Manager for a retail environment. Because downtown Iowa City is a major commercial area for the Corridor, it deserves to have an organization working on these activities as its sole focus.

#### How much is the SSMID levy rate?

The DTA is proposing a rate of \$2 per \$1,000 assessed value. Early estimates indicate that this would generate approximately \$200,000. The SSMID tax levy rate is determined as part of the petition and ordinance process. The law sets no minimum or maximum rates.

#### What would it mean to my bottom line?

Commercial property taxes are a little more than \$40 per \$1,000 of valuation. If a SSMID was implemented at a rate of \$2 per \$1,000, your annual tax bill would increase 5%, and be 100% dedicated for building downtown business. The table below gives an example of SSMID taxes to expect if a SSMID is implemented.

If your commercial property value is:	Your current property tax bill is:	SSMID tax bill would be:	So your total tax bill would be:
\$200,000	\$8,184	\$400	\$8,584
\$400,000	\$16,368	\$800	\$17,168
\$600,000	\$24,552	\$1,200	\$25,752
\$800,000	\$32,736	\$1,600	\$34,336
\$1,000,000	\$40,920	\$2,000	\$42,920

By itself, your increased tax amount would not go too far towards bringing more people and businesses downtown to get more feet in the streets. When combined with all SSMID revenue plus the University of Iowa's contribution each year, we estimate that your portion would buy upwards of \$300,000 worth of work dedicated to bringing more business to downtown Iowa City. We think it's a sound investment.

#### What is the SSMID term?

The DTA feels the appropriate trial period for this SSMID is four years. This allows enough time to know if the SSMID is successful or not. If the SSMID is successful, we can petition for the SSMID to be renewed with or without revisions. If the SSMID is not successful, the SSMID will sunset and the levy will no longer be part of your tax bill.

#### Would the creation of a SSMID diminish services currently provided by the City?

No. The City has explicitly stated a SSMID would in no way diminish existing city services. The DTA and SSMID Board would procure a Memorandum of Understanding with the City to this effect. We have no interest in paying more in property taxes to receive current services from the City.

#### What are you expecting from the UI and their tax-exempt buildings?

It is in the interest of the University of Iowa to participate, and they want to participate in the development and maintenance of a dynamic and robust downtown. The UI understands the importance of their role in the development of downtown and is willing to make a financial investment in its future. This investment will take the form of a payment to the SSMID organization, to replicate, as close as possible, the treatment of taxable downtown businesses, which we project as being approximately \$100,000 year. The DTA and SSMID Board would procure a contractual relationship with the University of Iowa outlining their contribution and resulting benefits.

This would provide a significant match and exponential leveraging of each business' SSMID investment. The estimate of SSMID monies increases by up to 50% with UI involvement.

## When would the SSMID levy first appear on my tax bill?

The first tax bill with the SSMID levy would be in September 2012. The City needs to include the SSMID levy in their budget that is certified by the State of Iowa. The next budget cycle is FY2013 for the period July 1, 2012 through June 30, 2013. Monies would then be available for SSMID activities in October 2012.

Because of this interim period, the DTA is working with local financial institutions, the University of Iowa, the Iowa City Area Chamber of Commerce, and the City of Iowa City to create a financial bridge of grants and/or loans so that we can begin SSMID activities as soon as possible.

#### Who would manage the SSMID funds?

A non-profit SSMID organization would be created with a Board of Directors made up of property and business owners within the district. There could be interested community members on this Board as well. We recommend that there be non-voting ex-officio Board members representing the lowa City Area Chamber of Commerce, the lowa City/Coralville Area Convention & Visitors Bureau, and the City of lowa City. These ex-officio Board members would help to continually raise the importance and visibility of downtown and ensure the SSMID district businesses are a priority in these organizations' larger marketing and advocacy efforts.

#### What happens to the DTA if a SSMID were formed?

The DTA feels that for greatest efficiency, the DTA and SSMID functions should be merged and there should no longer be dues to receive current DTA member services. The current DTA functions of organizing events that drive traffic, creating cooperative media packages, managing the downtown lowa City web site, and managing/promoting the Park & Shop/Bus & Shop Program would be incorporated into this larger, more efficient, merged organization.

DTA membership would continue as is through 2011 and for most of 2012, at which time the new, organization would subsume current DTA responsibilities.

## What happens to the Retail Caucus if a SSMID were formed?

There has already been discussion within the Retail Caucus of merging into the DTA as an important and active committee. With a SSMID in place, the functions of the Retail Caucus would also be incorporated into the larger, more efficient, merged organization.

#### How does the SSMID tax levy affect other taxpayers and Levy Authorities?

Only property owners within the SSMID District pay the additional tax levy. The District neither positively nor negatively impacts other Levy Authorities.

## Would residential properties have a SSMID levy included in their tax bill?

In buildings that are organized as condominiums, the residential condo units are not subject to the SSMID levy. Commercial properties that include residential units, but which are not organized as condominiums, will be subject to the SSMID levy.

#### How will those living downtown benefit from a SSMID?

Over time, those living downtown will feel the effects of a SSMID through a more diverse downtown, with a wider spectrum of shopping, cleaner and even better maintained public spaces, and more choices for living, working, dining, shopping, and cultural activities. SSMIDs in other areas of lowa have increased the quality of life for the entire community.

#### Who is on the DTA SSMID Committee?

The Committee is chaired by Karen Kubby, co-owner of Beadology Iowa. Other members include (in alpha order): Nick Arnold, Executive Director of the Downtown Association; Dan Brown, community member; Wendy Ford, Economic Development Coordinator, City of Iowa City; Mark Ginsberg, M.C. Ginsberg; Marc Moen, moengroup, Jim Mondanaro, Fresh Food Concepts; and Josh Schamberger, CVB. The University has been asked to participate occasionally and has done so, and will continue to engage the committee when it would be considered of benefit.

## Who would do the work?

See the following two job descriptions. The first is a new position with new responsibilities to build business downtown. The second is the existing position of the DTA Executive Director with minor changes showing how it is complementary in nature (no duplication of efforts) and could be added to the new SSMID Downtown District organization.

# Downtown Business Development Manager (BDM)

\*draft\* key points of job

A new position, accountable to the SSMID Board

#### Scope of Work

- Position the downtown as a premier destination for shopping, cultural, entertainment, and business.
- The BDM will leverage the substantial resources, energy, partnerships, and the commitment that
  exists throughout the City, including the University of Iowa and established economic development
  organizations like the Chamber, ICAD, etc. to create a dynamic downtown environment.
- A priority focus shall be to retain, grow and attract new businesses, and position downtown as a retail, entrepreneurial and entertainment destination.
- The BDM scope of work will include initiatives relating to retail, office, and entertainment users, marketing and public relations. Along with the points noted below, the BDM will be required to meet specific goals\* related to the recruitment of new business to downtown lowa City.

#### **Core Functions**

**Economic Development** 

- Know and track the downtown real estate inventory, including, owners and tenants and lease terms.
- Develop and maintain strong relationships with local and national commercial real estate brokers who will actively pursue investors for space availabilities according to established Downtown development strategies.
- Recruit and package deals with prospective investors, property owners and business owners.
- Know local, state, and federal funding resources available for "deal making."
- Canvass region to determine and develop new retail concepts for downtown lowa City.
- Work with the private sector, the University of Iowa, and City real estate property owners.
- Work in collaboration with local and regional economic development organizations.
- Serve as an advocate for downtown business.
- Raise additional funding through private, public, and non-profit sector fund raising experience.

## Marketing and Public Relations

- Articulate the vision of downtown as a center of commerce, culture, and entertainment.
- Conceptualize, design, implement, and evaluate a fully integrated strategic marketing program.
- Develop, implement and evaluate public opinion surveys and related data collection vehicles.
- Develop research-based programs that address image and brand awareness.
- Conduct media relations and issues management.

# Management and Administration

- Oversee the work of the Assistant BDM.
- Exercise fiscal management.
- Ensure implementation of additional beautification and maintenance to improve the physical appearance of downtown.
- Create a record of influencing diverse organizational stakeholders to coordinated vision in strategic planning, branding, and unified tactical implementation.

- Develop, conduct, execute and document business development activities including business retention, expansion and recruitment and property development.
- Gain the trust and confidence of diverse stakeholders, constituencies, and public and private collaborative organizations.
- \* Specific goals will include, but are not limited to the number of qualified prospects contacted, number of business recruited or assisted, properties readied for redevelopment as a result of efforts, amount of dollars reinvested downtown as a result of efforts, jobs generated in downtown as a result of efforts, and the number of local downtown events generated.

# Assistant Business Development Manager (Asst. BDM) \*draft\* key points of job

Formerly, the DTA Executive Director job with minor changes, accountable to the BDM

## Scope of Work

- Develop and maintain relationships with Downtown District (DTD) businesses.
- Maintain relationships with key community and strategic partners.
- Assist BDM in implementation of policies, procedures and programs
- Develop local marketing efforts to promote the DTD
- Maintain DTD office and manage day-to-day operations of the DTD

#### **Core Functions**

#### **Events**

- Create special events to attract more "feet in the street" downtown.
- Manage all aspects of DTD-sponsored special events.
- Develop partnerships with local sponsors for events.
- Work with City of lowa City staff, University of lowa, and other entities on event logistics.
- Work with Summer of the Arts and Englert Theatre to enhance downtown programming.

#### **Local Marketing**

- Market special events
- Local media buys
- DTD communication/newsletter
- Promote Park & Shop program
- Build awareness and brand identity for Northside Marketplace

## Management and Administration

- Supervise office interns and volunteers
- Serve as DTD liaison on committees as assigned
- Manage Park & Shop program
- Manage DTD database as required
- Keep organization books
- Fill in for BDM in BDM's absence
- Maintain program of professional development in Downtown Business District Management
- Coordinate advertising kiosk and website materials
- With BDM, prepare for SSMID/DTD Board of Director meetings