YOUR LOCAL OPTION
SALES & SERVICE TAX
$ $$ $$
AT WORK

FY2020 Expenditure Report
August 19, 2020
It is exciting to see all of the improvements in services and infrastructure resulting from the increased community investment by Des Moines citizens.

— Dr. Mary Chapman
Vice President Emeritus, DMACC Urban Campus

As the city continues to grow, I thought it was important to address the number of abandoned properties in certain areas of the city. Many of these homes have been vacant for decades. I believe the city is making significant process in fulfilling this promise to the voters. I look forward to the new affordable housing that will be built in these formerly blighted locations.

— Rev. Dr. Frederick Gaddy
Member, A Mid-Iowa Organizing Strategy (AMOS)

The local option sales tax has opened up so many opportunities for Des Moines and its residents. Lowering property taxes, fixing streets and infrastructure, and investing in our neighborhoods has a huge impact on our future as a thriving urban center.

— Emily Westergaard
CEO, By Degrees Foundation

Every time I drive by and see sidewalk gaps getting filled and crosswalks being improved, I am grateful for the work of AARP volunteers to help pass the local option sales tax. Des Moines will be a safer, more age-friendly community for drivers and pedestrians of all ages.

— Brad Anderson
Director, AARP Iowa

These additional revenues have allowed the city to aggressively tackle need street repairs, and stormwater improvements. We’ve already seen how this has improved our busy streets, and has helped with the safe management of heavy rains.

— Mel Pins
President, Somerset Neighborhood Association

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DSM.city/localoption
Eighteen months ago, voters in Des Moines overwhelmingly approved Public Measure A, a local option sales and services tax. By adding just that single cent, voters put in motion a catalyst that will lead to decades of positive change and measurable difference for our City, its neighborhoods and residents.

Through that Local Option vote, residents delivered a mandate to generate new money that would go toward property tax relief, infrastructure improvements, enhanced public safety and improved neighborhoods.

As a City, we had an obligation and commitment to identify projects, services and initiatives that benefit residents, businesses and community organizations – while exhibiting financial responsibility and transparency.

Thanks to that vote, Des Moines has raised its expectations and delivered to us a source to make it happen. The revenue that is being generated has already allowed us to catch up with projects that too often were cancelled or delayed because of a lack of funding.

Through these community improvements provided by Local Option, Des Moines will only enhance its position as a great American city. That is why I am confident that in 15-20 years, we will look back and view this effort as a monumental turning point in the administration, growth and success of Des Moines.

Thank you!
Summary

In the first year, the City of Des Moines has taken great strides to deliver on the priorities residents mandated prior to approving the Local Option Sales & Services tax in March 2019. Local Option went into effect on July 1, 2019 and has since supported the City Council’s effort to stabilize property tax rates while simultaneously accelerating the City’s efforts to tackle street improvements, flood prevention, neighborhood property and service improvements, as well as supporting our firefighters and mobile mental health crisis services. City Council approved a spending policy on December 17, 2018 to ensure funds generated by Local Option continue to focus on priorities identified by feedback from residents.

Early projections estimated that Local Option would generate $37 million for these priorities (approximately one-third generated by visitors). In FY2020, Local Option generated $38.1 million. City Council reduced the City’s property tax rate to the lowest in seven years, launched the largest street repair effort in Des Moines history, increased Des Moines Public Library hours, demolished a record amount of blighted properties, launched Invest DSM and hired additional firefighters, all thanks to your investment in your city.

“With the approval of Local Option, Des Moines voters demonstrated overwhelming support for our City and its neighborhoods. They also delivered a clear mandate to all of us who serve this City and its residents, and we look forward to delivering on our promise to use these funds responsibly and in a transparent manner.”

— Scott Sanders, City Manager

Resident-mandated Local Option priorities

**PROPERTY TAX RELIEF**
By state law, 50 percent of the new sales tax revenue must go toward property tax relief. After receiving approval from voters, Des Moines City Council reduced the City’s property tax levy rate to the lowest it had been in seven years.

**STREET IMPROVEMENTS & FLOOD PREVENTION**
Visitors and commuters now help fund necessary improvements to Des Moines’ important infrastructure, including accelerated street repavement and replacement, and storm sewer upgrades.

**NEIGHBORHOOD IMPROVEMENTS**
The City is committed to using Local Option revenue to invest in neighborhoods throughout Des Moines, including accelerated removal of blighted houses and expanded library hours.

**PUBLIC SAFETY IMPROVEMENTS & EXPENDITURES**
To better serve our quickly growing city, Local Option revenue is used to fund public safety enhancements, including continued funding for 13 firefighter positions and a community grant for mobile mental health crisis services for youth.

Award-winning financial reporting

The City of Des Moines has been awarded the Certificate of Achievement for Excellence in Financial Reporting for 43 consecutive years by the Government Finance Officers Association of the United States and Canada (GFOA).
Here’s an overview of how Local Option revenue was invested in the Des Moines community between July 1, 2019 and June 30, 2020. The rest of this report will look closer at each line item and the work that was done to support the priorities laid out in City Council’s Local Option expenditure policy.

## Summary Table

<table>
<thead>
<tr>
<th>Area</th>
<th>FY2020 Budget</th>
<th>FY2020 Actuals</th>
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<tr>
<td>Property Tax Relief</td>
<td>$18,260,000</td>
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<td>Neighborhood Finance Corp. (NFC)</td>
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<td><strong>Street Improvements and Flood Prevention</strong></td>
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<tr>
<td>Street Improvements</td>
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<td><strong>Public Safety Improvements and Expenditures</strong></td>
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<tr>
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<td><strong>Total Reserve</strong></td>
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In regards to the reserve amounts, a financial buffer is established each year to account for decreases in the amount of sales tax generated annually. While we anticipate to take a substantial hit in Local Option revenue for FY2021, reserves from this year will help protect the City’s investment in the identified priorities.
Property Tax Relief

With approximately 40 percent of property in Des Moines belonging to non-taxable entities, around 60 percent of property owners have been shouldering the cost of City improvements and services. With new Local Option revenue, City Council has been able to reduce the City of Des Moines’ property tax levy charged to that 60 percent without a reduction in planned projects or service level agreements.

By state law, 50 percent of the new sales tax revenue must go toward property tax relief. After receiving approval from voters, City Council voted on March 11, 2019 to reduce the City’s property tax levy rate to the lowest it had been in the seven years prior.

The passed budget included a $0.60 per $1,000 of taxable value reduction to the property tax rate, bringing the City’s total levy rate to $16.64.

Without the support of Local Option, this levy rate was anticipated to grow substantially without a reduction in planned improvements or City services.

Property Tax Relief

Half of Local Option revenue was used to provide property tax relief in the form of a $0.60 levy rate reduction and provide for additional financial resources necessary to maintain acceptable levels of City services and neighborhood improvements.

Without the availability of Local Option, these services and improvements would have required an additional increase to the City’s tax levy rate by $1.50 per $1,000 of taxable value over the next five to six years.

NDC & NFC

Originally funded solely by the debt issuance fund, the Neighborhood Development Corporation (NDC) and the Neighborhood Finance Corporation (NFC) partner with local financial institutions to finance multi-family development projects to provide affordable housing, as well as provide low interest rate mortgages and loans to help Des Moines homeowners invest and improve our aging neighborhoods throughout the city. With Local Option revenue, these valuable resources will be partially funded by visitors and commuters.
As required by state law, half of the Local Option revenue the City of Des Moines received was used to provide property tax relief in the form of a $0.60 levy rate reduction. Local Option provides the additional financial resources necessary to maintain acceptable levels of City services and neighborhood improvements.

Without the availability of Local Option, these services and improvements would have required an additional increase to the City’s tax levy rate to the tune of $1.50 per $1,000 of taxable value over the next five to six years.

Here’s a breakdown that shows how the remaining half of Local Option revenue was used:

### Use of Funds

**Property Tax Relief — 50% State Mandate**

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<td>Neighborhood Development Corp. (NDC) and Neighborhood Finance Corp. (NFC)</td>
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<td>—</td>
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<tr>
<td><strong>Total Budget</strong></td>
<td><strong>$19,060,000</strong></td>
<td><strong>$19,060,857</strong></td>
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</table>
Neighborhood Development Corporation rehabilitation activity
From July 1, 2019 to June 30, 2020
Supported by 28E Agreements with the City of Des Moines and Polk County

NDC is a community-focused non-profit that works to revitalize neighborhoods and promote sustainable development. Through a partnership with the City of Des Moines, NDC funding is used to rehabilitate or redevelop commercial and residential properties in Des Moines neighborhoods.

NDCs projects have shown great results by redeveloping underutilized properties, in result, increasing property values and providing commercial nodes throughout the City of Des Moines.

Most recently, NDC continued its efforts in the Drake Neighborhood. NDC has invested about $10M in new construction and rehabilitation projects over the past few years. This has contributed to the revitalization and growth this neighborhood has recently realized.

NDC closed on a property at 3121 Forest Avenue. This property has been an auto repair shop for several decades and will be repurposed into commercial retail during FY2021. This will be just one more project to continue the efforts along the Forest Avenue corridor.

Also in FY2020, NDC entered into the Highland Park Neighborhood. Current plans are to complete facade improvement projects and rehabilitate existing retail and housing along 6th Avenue. We are working closely with property owners to stabilize their businesses and buildings to ensure that these neighborhood anchors, that have been long standing businesses, continue to serve our community.

Lastly, additional funds have been committed through Local Option to provide funding to designated areas which will bring new housing and commercial opportunities to underutilized properties.
NFC uses the 28E funds from the City of Des Moines and Polk County to provide forgivable loans to homeowners and home buyers in targeted lending areas. The 28E funds are used for home renovations and closing cost assistance for home buyers earning below 80 percent of the average median income (AMI) or are purchasing a home in a low or moderate income census tract.

28E funds are used as a loss reserve for loans sold to local financial institutions through Loan Pool Phase Agreements. Historically, NFC has been able to reinvest 45 percent of returned forgivable loan funds. During the five-year period of forgiveness, funds are returned to NDC to reinvest in the community if owner-occupancy is not maintained. Thanks to low delinquency and foreclosure rates, NDC is also able to reuse reserves kept for unexpected losses. 28E funds are not used for operations.

In FY2020, 100 percent of the forgiveable loan funds from the City of Des Moines were used in NFC’s designated lending area. NFC used $11.7 million in private capital, $1.28 million in NeighborWorks and CDFI capital for a 10 percent leverage ratio with 28E funds. There was a 56 percent immediate return in increased valuation after NFC-funded renovations.

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th># of Loans</th>
<th>Loan Amount</th>
<th>Subsidy Provided</th>
<th>Home Renovations</th>
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<tr>
<td>Down Payment for Other Lenders</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>190</strong></td>
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<td><strong>$1,410,115</strong></td>
<td><strong>$3,066,607</strong></td>
</tr>
</tbody>
</table>

Street Improvements and Flood Prevention

Thirty years of economic downturns resulted in tight budgets, causing many Des Moines streets to fall into disrepair. Recent storms producing record-breaking rainfall in short periods of time have generated a greater sense of urgency to measure, prioritize and improve our stormwater management systems throughout the entire city. Local Option revenue has allowed the City to supplement its Capital Improvement Plan budget, resulting in an accelerated approach to address much needed infrastructure improvement projects in every ward.

Street Improvements

In addition to the work already funded by the City’s existing Capital Improvement Program budget, new Local Option revenue paved the way for nearly 28 lane miles of additional roadway rehabilitation within a span of eight months. Local Option directly funded rehabilitation of 17 lane miles of neighborhood streets and 11 lane miles of major roadways such as Martin Luther King Jr. Parkway, Hubbell Avenue, Easton Boulevard and Hartford Avenue. This fund will continue to accelerate the City’s approach to roadwork for years to come.

Stormwater Improvements

While construction for stormwater improvements continues to be funded by stormwater fees, the City has started the process to collect additional data and formulate a master plan to efficiently and effectively address issues to our stormwater infrastructure. This citywide study will analyze our watersheds and existing infrastructure to develop a five-year capital plan and 25-year financial plan. When the study is complete, Local Option will be used to accelerate implementation.

Flood Prevention Property Buyouts

For properties in expanding floodplain areas, this program is used to supplement financial support from FEMA and Iowa’s State Revolving Fund (SRF) to relocate Des Moines families and demolish impacted buildings in order to return the path of stormwater to mother nature and better protect neighboring areas. These funds will carry over if not spent in prior years and provide the City the ability to quickly respond to homeowners hit with destruction caused by a flash flood in the floodplain.
### Street Improvements and Flood Prevention

<table>
<thead>
<tr>
<th>Area</th>
<th>FY2020 Budget</th>
<th>FY2020 Actuals</th>
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<td>$5,000,000</td>
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<td>$400,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td><strong>$5,950,000</strong></td>
<td><strong>$5,550,000</strong></td>
</tr>
</tbody>
</table>

### Street Improvements

FY2020 Local Option revenue was used to add extra streets to the 2019 Residential Paving Program, as well as fund rehabilitation efforts along major roadways such as Hubbell Avenue, Hartford Avenue and Martin Luther King Jr. Parkway. The list of streets below does not include projects funded by property or road use taxes, only Local Option.

#### 2019 Residential Paving Program

$1,589,995 in construction costs funded by Local Option

This program reconstructs the pavement between the existing curb and gutters in residential neighborhoods. Localized areas of the curb and gutters are repaired, the existing asphalt surfacing materials are removed by milling/scarring the street to an average depth of four-inches between the existing curb and gutters, then, the subgrade/subbase is prepared and the HMA pavement is constructed in two equal lifts. The program also addresses replacing existing sidewalk ramps with ADA-compliant ramps.

These residential streets saw improvements thanks to Local Option revenue in FY2020:

- 53rd Street from Franklin Avenue to Hickman Road
- 59th Street from Franklin Avenue to Francis Avenue
- Lincoln Avenue from 59th Street to 61st Street
- Francis Avenue from 61st Street to 62nd Street
- 49th Place from Urbandale Avenue south to dead-end
- Nierob Court from Washington Avenue north to dead-end
- 36th Street from Washington Avenue to Franklin Avenue
- E. Tiffin Avenue from E. 15th Street to Villa Vista Drive
- Henderson Avenue from E. 15th Street to Villa Vista Drive
- Richmond Avenue from E. 15th Street to Villa Vista Drive
- Villa Vista Drive from Richmond Avenue to Henderson Avenue
- Nevada Avenue from E. 13th Street to York Street
- E. 31st Court from E. Washington Avenue to Easton Boulevard
- Dubuque Avenue from E. 33rd Street to E. 36th Street
- E. 34th Street from Dubuque Avenue to 180 feet south of Garfield Avenue
- State Street from E. 32nd Street to E. 33rd Street
- E. 29th Street from E. Grand Avenue to E. Walnut Street
- Lyon Street from E. 29th Street to E. 30th Street
- S.E. 7th Street from Raccoon Street to E. Court Avenue
- E. Hillside Avenue from Indianola Avenue to S.E. 6th Street
- E. Gray Street from S.E. 3rd Street to S.E. 5th Street
- 19th Place from Leyner Street to Center Street
- Northwood Drive from Gilmore Avenue to Terrace Drive
- S.W. 5th Street from Park Avenue to Hughes Avenue

Future Local Option street improvement funds will continue to accelerate the City’s five-year road construction plan. Track plans for your neighborhood by exploring the City’s interactive project map at [DSM.city/projects](#).
Street Improvements (continued)

Hartford Avenue Rehabilitation
From S.E. 22nd Street to Cowanie Soccer Complex. $612,864 in construction costs funded by Local Option

This project completely reconstructed Hartford Avenue, a busy avenue on the south side of Des Moines. This reconstruction included pavement removal, earthwork, rock base, modified subbase, subdrain, Hot Mix Asphalt (HMA) paving, surface restoration, erosion control, and other incidental items.

Hubbell Avenue Rehabilitation
From E. 18th Street to Easton Boulevard. $1,619,330 in construction costs funded by Local Option

This project included the resurfacing of Hubbell Avenue between E. 18th Street and Easton Boulevard on the northeast side of Des Moines. The project involved constructing missing sidewalk connections, full depth patching, milling and HMA overlay, and storm sewer improvements north of University Avenue.

Martin Luther King Jr. Parkway Rehabilitation
From Hickman Road to Euclid Avenue. $1,171,455 in construction costs funded by Local Option

This project included the resurfacing of Martin Luther King Jr. Parkway from Hickman Road to Euclid Avenue on the northwest side of Des Moines. The project involved full-depth pavement patches, sidewalk, driveways, reconstructing medians, and rebuilding numerous storm sewer intakes.

Design Contract for Hubbell Avenue and MLK Jr. Parkway Projects
$48,000 in design costs funded by Local Option

Design Contract for 16th Street Reconstruction
$14,000 in design costs funded by Local Option. Planned reconstruction from Day Street to Ascension Street
Stormwater Improvements

FY2020 Local Option revenue was used to begin the process of developing a citywide Stormwater Master Plan without using existing stormwater fees or reducing the amount of planned construction work for storm sewers. City Council voted on July 13, 2020 to approve a two-phased approach that will be completed by the end of the 2021 calendar year.

Following City Council’s approval, here’s the timeline for collecting and assessing data to implementing a five-year capital plan and 25-year financial plan:

**Phase 1**
- September 2020 – March 2021
  - Data needs assessment
  - Asset management program development
  - Capital prioritization process development
  - Administrative and regulatory planning
- April 2021 – Phase 1 wrap-up

**Phase 2**
- June-November 2021
  - System modeling
  - Capital project list development
  - Development of five-year capital plan and 25-year financial plan
- December 2021 – Phase 2 wrap-up

No Local Option revenue was used in FY2020 for this program, so the originally budgeted $400,000 will carry over into FY2021 to support both citywide voluntary flood buyouts and buyouts necessary in the Fourmile Creek watershed.

Citywide Voluntary Flood Buyout Program
To be funded by Local Option, State SRF, FEMA HMGP and FEMA FMA

There were 208 single- and two-family homes that were inspected for damage after recent flooding. To help those impacted property owners, it is estimated to cost $31 million. This assistance could take up to 30 years to complete, depending on available funding.

**FY2020/21**
- FEMA 2019 HMGP funded buyouts are underway. $1.3 million FEMA grant with estimated $200,000 City match paid with Local Option funds.

**FY2021**
- $1 million SRF loan approved for Fourmile Creek buyouts.

**Ongoing**
- $400,000 of annual Local Option funding will pay for City-funded buyouts and any local match requirements for future state/federal grants received.

Fourmile Creek Greenway Project Buyouts
100% City-funded, with $400,000 in Local Option funding to be allocated each year

There are 27 remaining property owners affected in this floodplain, consisting of 20 houses and seven vacant parcels. The estimated cost for this project is $3.3 million, which could take up to 10 years to complete depending on available funding.

All funding for these buyouts will be paid by the City of Des Moines, with $400,000 of Local Option funding allocated to this project each year. Any excess funds will be designated in the following fiscal year and serve this project.
Neighborhood Improvements

Many Des Moines homeowners have experienced a loss of equity as their property values have decreased due to nearby nuisance properties, aging infrastructure or the financial inability to make improvements to their property. Local Option revenue has been committed to improve the City's ability to remove uninhabitable properties, as well as expanded library hours and provided financial assistance to homeowners invested in the improvement of their home and neighborhood.

Blitz on Blight
The City has a backlog of public nuisance structures citywide. Historically, the City has only been able to address 10 properties per year due to the required resources. With new Local Option revenue, that pace will accelerate to approximately 100 properties each year for the next three-to-five years. Removing uninhabitable structures improves the safety of our neighborhoods and removes a barrier for property owners to sell or develop their property. Any remaining Local Option funds for this program will be designated in the FY2021 budget.

Special Investment Districts
To support the City’s Neighborhood Revitalization Program, Local Option revenue this year helped launch Invest DSM to strengthen middle market neighborhoods. Invest DSM partners with homeowners, developers, contractors and business owners to invest in strategic improvements for their neighborhood. In its first year, Invest DSM is testing strategies in each of the City’s four ward districts. This effort is bolstered by a matching investment from Polk County.

Property Improvement Program
Once approved by City Council, this program will look at the exterior of all owner-occupied and commercial buildings throughout Des Moines for exterior maintenance problems and work with property owners to address them. The City plans to work with community businesses, faith-based organizations and other groups to establish needs-based support for those financially or otherwise unable to maintain the exterior of their property. Funds budgeted for this program will be designated in the FY2021 budget.

Neighborhood Matching Grant
This new program is designed to award small grants to neighborhood and community groups for improvement projects that build their leadership skills and help their neighborhood. Multiple neighbors coming together to invest in an improvement for their neighborhood can request matching financial support from the City. While no projects were brought forward and approved in FY2020, funds budgeted for this program will be designated in the FY2021 budget.

Expanded Library Hours
Local Option helped remove a barrier for those that depend on services the Des Moines Public Library provides. Operating hours at all six branches have been expanded, including service every day at Central Library and Franklin Avenue Library.
### Neighborhood Improvements

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### Blitz on Blight

Local Option revenue in FY2020 funded the creation of a program called Blitz on Blight, an accelerated response to reported nuisance properties that property owners are unable to address themselves. This program is designed to work through the backlog of reported public nuisance structures throughout the city that have reached the point of needing to be demolished. Demolition is sometimes a cost prohibitive option to address neglectful, absentee property owners. Through Local Option support and the launch of this program, the City has a goal of demolishing 100 unsafe structures per year over the next three-to-five years without taking ownership of the properties.

### Completed Demolitions

$1,422,870 in total estimated demolition costs, $700,000 supported by Local Option funding

In 2019 and the first half of 2020, more than 120 inspections have been completed for reported nuisance properties, and 56 demolitions at an estimated total cost of $1,422,870 have been completed. The $700,000 of budgeted Local Option revenue was used to help accelerate the City’s existing process for completing an inspection, filing City Council supported legal action, obtaining a court decree, providing needs-based extensions, and finally, tasking the City’s Engineering Department to work with contractors to safely remove unsafe structures in neighborhoods throughout Des Moines. After an unsafe structure is demolished and debris is cleared, property owners maintain ownership of the property to either sell to an interested developer or seek local support to redevelop the property themselves.

With the support of the City’s Information Technology Department, residents can follow the status of the reports the City has received through an interactive dashboard at DSM.city/blitzonblight. The dashboard includes a frequently updated summary of the total demolitions completed and estimated cost the City has spent to complete the process. In addition to a list of recent demolitions, you can track how many reported properties are in each stage of the program’s process, including the number of rehabilitation agreements reached.
The following is a complete list as of July 30, 2020 of unsafe structures demolished through the Blitz on Blight program:

- 1013 E. 8th Street
- 106 E. 29th Court
- 1063 17th Street
- 1108 13th Street
- 1126 11th Street
- 1155 Enos Avenue
- 1160 19th Street
- 1180 13th Street
- 1228 Dixon Street
- 1315 Mondamin Avenue
- 1319 12th Street
- 1339 12th Street
- 1400 E. 14th Street
- 141 S.E. 33rd Street
- 1423 E. 9th Street
- 1426 MLK Jr. Parkway
- 1457 4th Street
- 1525 E. 36th Street
- 1630 E. Walnut Street
- 1700 56th Street
- 1714 Jefferson Avenue
- 1746 Walker Street
- 1840 Logan Avenue
- 1915 E. 38th Court
- 1916 Washington Avenue
- 1937 Courtland Drive
- 1974 Indianola Avenue
- 2007 Des Moines Street
- 2009 Washington Avenue
- 2032 Capitol Avenue
- 2101 Mondamin Avenue
- 2110 E. Walnut Street
- 2202 E. 14th Street
- 229 S.E. 28th Street
- 2401 E. Walnut Street
- 2409 E. Grand Avenue
- 2521 Lyon Street
- 3125 6th Avenue
- 3130 6th Avenue
- 320 E. Clinton Avenue
- 3314 E. 7th Street
- 352 Forest Avenue
- 3612 MLK Jr. Parkway
- 3636 Kinsey Avenue
- 37 E. Gray Street
- 3933 11th Street
- 408 Titus Avenue
- 4110 S.W. 5th Street
- 4146 E. 30th Street
- 4601 S.W. 8th Street
- 5013 S.W. 6th Street
- 5708 S.W. 2nd Street
- 808 S.E. 10th Street
- 913 Douglas Avenue
- 920 28th Street
**Special Investment Districts**

This mandated Local Option priority is to provide funding for the implementation of improvements identified in small area plans, developed as part of the Neighborhood Revitalization Program. Special Investment Districts (SIDs) are selected by City Council, and this funding is designated to support the acquisition, demolition, rehabilitation/repair or new construction of housing, as well as the acquisition and holding costs associated with redevelopment. This program also supports lending programs and related services for the purpose of residential or commercial property improvement and neighborhood beautification or community building projects.

This year using Local Option revenue, the City of Des Moines partnered with Polk County to establish Invest DSM, a unique collaboration to bring a renewed commitment to neighborhood revitalization throughout Des Moines.

Invest DSM is dedicated to working in each of the City’s four wards, piloting strategies in four SIDs. The team cultivates partnerships between residents, homeowners, potential homeowners, developers, contractors, business owners and commercial property owners to invest in strengthening middle market neighborhoods.

The goal of the program is to learn how specific investments impact the increase of equity of residents within these districts and apply successful strategies to additional areas of Des Moines that would benefit from focused investment.

These are the initial Special Investment Districts that City Council directed Invest DSM to start their work:

1. **Oak Park / Highland Park**
   - Historic neighborhood business district surrounded by well-built homes plus beautiful McHenry Park overlooking the river — a great value close to downtown employment and amenities.

2. **Drake Area**
   - Beautiful historic homes on stately boulevards in an eclectic and diverse neighborhood, home to Drake University, friendly neighbors, and unique community events.

3. **Franklin Area**
   - Charming homes on tree-lined streets with friendly neighbors; top-rated schools in a convenient location; walk and bike to neighborhood icons.

4. **Columbus Park**
   - Little Italy on the rivers, spectacular views of downtown, affordable single-family homes plus upscale, modern apartments.

Following the first Invest DSM board meeting on July 24, 2019, the organization met twice with steering committees from all four SIDs, as well as launched a holiday challenge grant, a block challenge program, a homeowner renovation program and began development of a single-family developer program.

In Oak Park/Highland Park, the organization assisted with funding the renovation of the 622 Euclid Apartment, rehabilitated three properties and demolished two, supported seven projects as part of the block challenge program, and assisted with developing the Hiland Park Bakery, Hiland Park Hardware Building, Chuck’s and The Slow Down Coffee Company.

In the Drake Area, the organization assisted with funding the renovation of 1115 35th Street, acquired one property for rehabilitation and supported 67 projects as part of the block challenge program.
Special Investment Districts (continued)

In the Franklin Area, Invest DSM assisted with funding the renovation of 1446 47th Street, supported 49 projects through the block challenge program, planned work for two public art projects and supported a New Year’s neighborhood gathering at Snookie’s with more than 300 attendees.

In Columbus Park, the organization assisted with funding the acquisition of six properties for demolition and redevelopment, supported a resident-organized spring cleanup day and designed a new logo for the neighborhood.

Property Improvement Program

While City Council action on this program has been delayed until FY2021, Local Option revenue will be used to move this program forward. Once approved by City Council, this program will look at the exterior of all owner-occupied and commercial buildings throughout the city for exterior maintenance problems and work with property owners to address them.

The City plans to work with community businesses, faith-based organizations and other groups to establish needs-based support for those financially or otherwise unable to maintain the exterior of their property.

Neighborhood Matching Grant

This new program is designed to award small grants to neighborhood and community groups for improvement projects that build their leadership skills and help their neighborhood.

Matching financial support from the City is available to multiple neighbors that join together to invest in an improvement for their neighborhood. While no projects were brought forward and approved in FY2020, funds budgeted for this program will be designated in the FY2021 budget.

Expanded Library Hours

Local Option revenue helped remove a barrier for those that depend on services the Des Moines Public Library provides. Operating hours at all six DMPL branches were expanded, including service every day at Central Library and Franklin Avenue Library.

With COVID-19 preventing safe physical access to the libraries, the Local Option funds budgeted for this initiative were lowered by 25 percent for the time branches were unfortunately closed during the FY2020 fiscal year.

Once concerns over COVID-19 have been fully addressed, Local Option revenue will continue to be available to support expanded hours at all six of our library branches. Libraries provide Des Moines residents with important services, and we’ll continue to evaluate how to best continue to provide those services in a safe, limited capacity during this pandemic. DMPL has been able to focus on expanding its online and curbside pickup services and is looking forward to reopening public access to branches as soon as it is safe to do so.
Public Safety Improvements and Expenditures

Firefighters and EMS first responders remain a critical service in need of investment to continue protecting our growing population. In addition, Local Option voters identified a critical need to support mental health and mobile crisis response services, particularly for the community’s youth population. Through new Local Option revenue, the City remains committed to focusing on both public safety priorities.

Firefighter Positions

Local Option revenue secured ongoing funding for firefighter positions originally funded by a federal SAFER grant, which expired during FY2019. The security of these positions and the Des Moines Fire Department’s recent recruitment initiatives have made it possible to pursue an opportunity to construct and staff a new state-of-the-art fire station at 42nd Avenue and Hubbell Avenue to improve first response services to the expanding population in the northeast corner of Des Moines. Fire Station #11 is expected to be completed in FY2021.

Mobile Mental Health Crisis Service Grant

This Local Option funding is set aside for mental health and mobile crisis programs that supports the needs of our residents. The Des Moines Police Department, which operates its own Mobile Crisis Unit, has been working to develop a grant to support area non-profit agencies that provide additional mental health and mobile crisis services with expertise on assisting the youth population in Des Moines. The allocated Local Option funds available for this grant program will be designated in the FY2021 budget.
**PUBLIC SAFETY IMPROVEMENTS AND EXPENDITURES**

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<tr>
<th>Area</th>
<th>FY2020 Budget</th>
<th>FY2020 Actuals</th>
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<tr>
<td><strong>Public Safety Improvements and Expenditures</strong></td>
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<tr>
<td>Firefighter Positions</td>
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<td><strong>Total Budget</strong></td>
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**Firefighter Positions**

FY2020 Local Option revenue was used to secured ongoing funding for firefighter positions originally funded by a federal Staffing for Adequate Fire and Emergency Response (SAFER) grant, which expired during FY2019.

The security of these positions and the Des Moines Fire Department’s recent recruitment initiatives have made it possible to pursue an opportunity to construct and staff a new state-of-the art fire station at 42nd Avenue and Hubbell Avenue to improve first response services to the expanding population in the northeast corner of Des Moines. Fire Station #11 is expected to be completed in FY2021.

In future fiscal years, this budgeted Local Option revenue will support maintaining and improving DMFD service levels and providing necessary equipment improvements.

**Mobile Mental Health Crisis Service Grant**

This Local Option funding is set aside for mental health and mobile crisis programs that support the needs of our residents. A financial focus has been established to improve the City’s response to residents that need mental health and crisis services. The Des Moines Police Department, which operates its own Mobile Crisis Unit, has been working to develop a grant to support area non-profit agencies that provide additional mental health and mobile crisis services. Priority is given to those with expertise on providing mental health and crisis services for the youth population in Des Moines.

The Local Option funds available for this grant program carry over each year they are not spent. Funds budgeted for FY2020 are still available in FY2021 for grant purposes.
Reserves

As promised to the residents that voted to support the Local Option Sales and Services tax, all revenue received through the $0.01 sales tax will be reserved for the mandated priorities set forth in the City Council’s Local Option expenditure policy, as described in this report.

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<thead>
<tr>
<th>Area</th>
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<th>FY2020 Actuals</th>
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Designated Reserve

For some initiatives approved in the FY2020 Local Option budget, remaining funds will be preserved and designated to support those initiatives in the FY2021 budget.

As a policy to adhere to the mandate City Council received from Local Option voters, Designated Reserve funds can not be transferred between items from year to year and will only be used for the program or priority they were budgeted for. A total of $1.5 million will be carried over into FY2021’s Local Option budget.

The following Local Option budget items will carry over existing funds into FY2021:
- NDC & NFC – $800,000
- Flood Prevention Property Buyouts – $400,000
- Neighborhood Matching Grant – $100,000
- Mobile Mental Health Crisis Services Grant – $200,000

Financial Reserve

Financial Reserve funds are used to guarantee a continued delivery on the priorities identified by Local Option voters. A financial buffer is established to account for decreases in the amount of sales tax generated from year to year. While we anticipate to take a substantial hit in Local Option revenue for FY2021, reserves from this year will help protect the City’s investment in the identified priorities.

The total amount of designated and financial reserves for Local Option revenue will be published each year in the annual Local Option expenditure report.