

Downtown Mobile District Management Corporation
Budget
FY 2018-2019

Budgeted Cash Inflows

Property Assessments	\$	960,000	
Delinquent Assessments Collected		5,000	
Allowance for Uncollectible/Valuation Adjustments		(21,000)	
RSA Agreement		348,000	
City in Lieu		120,000	
County in Lieu		125,000	
Contract with DMA		24,000	
Contract with GSA		21,000	
Interest Income from Investments		1,000	
Interest and Penalties on Assessments		20,000	
Annual Meeting Income		50,000	
Main Street Program Funds		74,000	
Total Inflows	\$	1,727,000	
PLUS: Surplus Carryforward		67,000.00	
Total Budgeted Cash Inflows	\$	1,794,000	

Budgeted Cash Outflows

User Experience	\$	945,000	(53%)
<i>Hospitality/Safety/Maint./Landscaping</i>	\$	920,000	
<i>Special Projects</i>	\$	25,000	
Marketing & Collaboration		319,000	(18%)
<i>Communications/Marketing</i>	\$	241,000	
<i>Education/Annual Meeting</i>	\$	78,000	
Economic Development		278,000	(15%)
<i>Recruitment/Retention</i>	\$	278,000	
Professional Services		54,000	(3%)
Office Expenses		123,000	(7%)
Office Repairs/Capital Expenses		50,000	(3%)
Renewal Expenses		25,000	(1%)
Total Budgeted Cash Outflows	\$	1,794,000	
Net Budgeted Surplus (Deficit)		-	

**Comments
on the
Downtown Mobile District Management Corporation Budget
For
Fiscal Year July 1, 2018 – June 30, 2019**

Cash Inflows

Property Assessments are expected to be billed at \$960,000. This is an estimate as we annually have parcels wherein the Revenue Commission provides us a different valuation than is ultimately provided the property owner, either because of Board of Equalization adjustment or other factors. This requires adjustments to the invoices with these accounts. The attached budget provides for a \$21,000 inflow reduction because of the potential for adjustments.

We anticipate collecting some small percentage of the delinquent assessments from previous years. The budgeted amount is \$5,000.

The County-in-lieu, City-in-lieu, and RSA income reflect contracted revenues totaling \$593,000. The General Services Administration contract amount increased slightly as of April 2018 to \$21,000. The City's Main Street Program Funds are shown as level funding. The city adopts its budget in late summer/early fall.

We are showing a small amount of income generated from interest and penalties on delinquent assessments. This may be derived from both current year assessments that are paid late, and previous year assessments that may be paid during the year. The remaining income sources show little to no change.

Cash Outflows

User Experience – \$945,000

As detailed in the 2014 Management Plan, this is the term for the work we do in addressing all of the elements that contribute to the user's downtown experience. The plan calls for us to proactively improve the total experience of each person who uses downtown –whether they are a resident, visitor, or worker. This we do every day to the best of our ability with the resources provided.

The largest percentage of the budget is directed to the Crew of Regents and Crew of Stewards. These teams work seven days per week to improve the user's experience by keeping the district clean and free of unpleasant substances; patrolling to provide hospitality and informational services to visitors, coordination with the police in street disorder matters, and assisting stranded motorists; and providing colorful displays of flowers in key locations. All of these services are meant to enhance the district's competitive advantage with other shopping or business centers and other modern residential neighborhoods, most of which provide like services to their tenants/residents. This budget includes a rate increase from our labor provider and a concurrent base pay increase for the BID Services employees. The budget also provides for an additional employee that can work in a supervisory and/or mechanical operator position in the Regent division.

A small allocation is recommended under the heading Special Projects/Landscaping. This is a continuation of an allocation from each year since formation. It provides flexible funding for projects such as design and research projects.

Marketing and Collaboration – \$319,000

It was stated in the 2014 Management Plan that it is important to communicate to the district’s stakeholders the story of the improvements and happenings in the district.

Specifically, the plan states, “A main goal of Marketing and Collaboration is to reinforce the economic development work. To tell the story of why Downtown Mobile is a good environment for investment, whether that investment is a commercial building, a residence or a business.” This is what we propose to do with the communication and market programs for FY 18-19.

This budget envisions coordinated joint marketing activities that will drive customers to the district. The budget projects level funding for this program area.

This area also includes our education and meeting expenses including the major expense associated with the production of the annual meeting. These activities are crucial to our mandate to coordinate communication amongst the various stakeholders influential to the success of the district’s revitalization as well as to communicate the efforts of the corporation to provide valuable services to the investors. This item is proposed for reduced funding compared to FY 17-18.

Economic Development – \$278,000

The 2014 Management Plan suggests an aggressive and ambitious agenda in the economic development of the district. The agenda calls for a dramatic reduction in derelict buildings, an enhanced retail offering, high quality sidewalk dining, higher office occupancy, a near doubling of the housing units downtown, and a 30% increase in the number of employees – all by 2020. Conceptual architectural and design assistance services are provided to property and business owners on a request basis.

Professional Services – \$54,000

This area includes expenses for outside professional legal, payroll, auditing, and basic maintenance services. This item is increased \$3000.

Office Expenses – \$123,000

This area includes office supplies, utility and rent expenses, copy machine costs, corporate liability insurance, and dues and subscriptions to various professional organizations. This item reflects an increase of \$9,000 to cover projected costs related to rent, insurance, and supplies.

Office Repairs/Capital Expenses – \$50,000

This allocation is recommended to receive a funding decrease of \$75,000. The estimated expenditures proposed include monies to continue acquiring holiday décor to adorn the major corridors of the BID, BID Services capital equipment, office maintenance, and replacement of one computer.

In conclusion, the budget we present for your approval accomplishes with the resources we have, the goals for each program area as spelled out on pages 4 and 5 of the 2014 Management Plan. The funding priorities are designed to enhance what the stakeholders told us in 2014 they liked **most** about downtown:

- | | |
|---------------------------------------|-----|
| 1. Lively Street Scene | 37% |
| 2. Restaurants & Entertainment Venues | 17% |
| 3. Landscaping/Flowers | 14% |
| 4. Walkability | 13% |
| 5. Historic Buildings/Architecture | 10% |

It is also designed to address what the stakeholders told us they like **least** about downtown:

- | | |
|---------------------------------|-----|
| 1. Vacant/Unappealing Buildings | 41% |
| 2. Garbage Cans on Sidewalk | 23% |
| 3. Parking | 14% |
| 4. Homeless/panhandlers | 9% |
| 5. Lack of Retail | 4% |

Every action we take and the expenditures we make are designed to achieve the vision identified by the 2009 Renewal Committee in the Management Plan and renewed in the 2014 Management Plan. The vision for downtown in 2020 is that Downtown Mobile will:

- Have active, positive, street level uses on all of its major streets
- Be a very walkable downtown, both day and night, in which pedestrians have priority over automobiles
- Be a place where women, families, children and their pets feel comfortable and are using the downtown on a daily basis
- Be a place that is alive both during the week and also weekends with a high number of events and activities
- Be a place that has increased residential opportunities at all levels
- Be a place that is better connected to its waterfront

We submit this budget as our best estimate of how to reach for this vision with the financial resources provided by the existing assessment rates.