



To: Mayor Coleen Seng
Lincoln City Council
Marc Wullschleger

From: Charlie Meyer, DLA Chairman
Polly McMullen, DLA President

Subject: 2003-04 Proposed BID Budgets and Program of Work

We are pleased to submit for your review and public hearing, scheduled for August 4 at 1:30 pm, the proposed management and maintenance BID budgets and Program of Work for 2003-04. We have outlined the highlights of these budgets below. Both were approved by unanimous vote of our Board of Directors.

MAINTENANCE BUDGET

We are pleased that Mayor Seng's proposed budget for 2003-04 reflects a commitment to match the amount per front foot currently being paid by other property owners. With this support and discussions underway with the General Services Administration (GSA) of the Federal Government to begin paying maintenance fees for the Denny Federal Building and Federal parking garage blocks, we are not proposing an increase in maintenance assessment rates for the upcoming year.

We are proud that downtown Lincoln is widely perceived as clean, safe and attractive by downtown workers, residents and visitors as a result of our maintenance program. DLA maintenance workers with assistance from Community Alternatives of Nebraska are caring for an increasingly sophisticated, active environment as a result of continuing economic development in the downtown and continuing improvements to the downtown streetscape.

MANAGEMENT BUDGET

Our proposed management BID budget contains a 2.5% increase in property owner assessments which will generate an additional \$10,754 in income. (1999 ordinances establishing the management BIDs allow up to 3% or Consumer Price Index, whichever is less. March 2003 CPI was 3%). This increase is needed to address a 15% projected increase in employee health insurance costs as well as a 30% projected increase in property, casualty, umbrella, Directors and Officers and employment practices liability insurance.

Despite this modest increase, many of the 575 properties in our management BIDs will continue to see decreases in their annual assessments as a result of continued economic development and private investment in the downtown. With the implementation of the Old Federal Building residential conversion and the Downtown Entertainment Center in the next year, downtown continues its trend.

DLA thanks the City for your support of downtown Lincoln this past year and looks forward to working with you for another successful year in downtown.

CC: Ann Harrell – Mayor's Office
 Dallas McGee – Urban Development

**DOWNTOWN LINCOLN ASSOCIATION ANNUAL PROGRAM OF WORK
SEPTEMBER 2003 – AUGUST 2004**

DOWNTOWN BID PROGRAM PRIORITIES WITH BUDGET REQUIREMENTS

PARKING AND TRANSPORTATION INITIATIVES

1. Implement City, UNL, DLA coordinated parking marketing campaign to increase awareness of parking availability and locations.
2. Increase awareness of downtown parking programs and options for part-time workers.
3. Provide a parking information database through DLA web page.
4. Conduct issue research and education on parking and transportation needs, trends and options.
5. Continue parking signage program to enhance visibility of city parking facilities and private garages and lots which provide public parking.

Total Parking Budget (includes staffing) \$98,317

ECONOMIC DEVELOPMENT

1. Continue investor marketing to developers, real estate brokers, prospective tenants and building owners.
2. Continue general consumer advertising to support and promote downtown.
3. Continue a "benchmarking" system to track progress in downtown development and BID Business Plan.
4. Provide technical assistance, coordinated marketing and other support to owner-operated small businesses.
5. Continue efforts to facilitate reuse of downtown building stock.
6. Continue implementation of "do it downtown" branding campaign.

Total Economic Development (includes staffing) \$89,107

COMMUNICATIONS AND ADVOCACY

1. Publish "Downtown Beat" newsletter on bi-monthly basis.
2. Update Downtown Business Directory and map annually.
3. Publish and disseminate Annual Report and Downtown Growth Report in conjunction with annual meeting.

Total Communications/Advocacy (includes staffing) \$88,892

TOTAL DOWNTOWN BID

\$276,316

CORE OVERLAY BID PROGRAM PRIORITIES/BUDGET REQUIREMENTS

1. Facilitate adaptive reuse of underutilized core properties through feasibility studies, development plans, targeted recruitment strategies, etc.
2. Support efforts to bring additional visitors, meetings and conferences to downtown hotels and businesses through multi-purpose facility study.
3. Replace worn holiday lights and provide funding for installation of holiday displays.
4. Replace outdated benches and trash receptacles in conjunction with redevelopment and streetscape projects.
5. Provide support to downtown Events Management Corporation.
6. Continue support for "do it downtown" branding campaign.
7. Continue to organize and provide funding for downtown public space entertainment events, including Downtown Performance Series, Holiday Lighting Event and Midweek Farmers' Market.
8. Organize and provide limited financial support for Downtown Technology Fair 2004.

Total Core Overlay Budget (includes staffing) \$123,209

TOTAL PROGRAMS BEFORE MANAGEMENT AND SUPPORT

\$399,525

2003-2004 PRIORITIES WITHOUT SEPARATE BUDGET REQUIREMENTS

1. Support implementation of east downtown parking study to address current and projected downtown parking needs in east downtown area.
2. Facilitate improved utilization of existing parking supply, especially privately owned lots and structures.
3. Continue advocacy for priority development projects proposed in the 1998 "Investment Strategy for a Competitive Downtown," especially a downtown Entertainment Center, redevelopment of the Old Federal Building and increased residential choices.
4. Continue outreach, communication and accountability to downtown business and property owners through periodic meetings, distribution of "benchmarking" data and questionnaires soliciting feedback on services, issues and concerns.
5. Support efforts to address barriers to development in downtown and in older commercial areas of the city, including Antelope Valley.
6. Continue implementation of 1998 Downtown Tree Replacement Master Plan.
7. Continue to support the Antelope Valley project with special focus on east downtown development opportunities.
8. Continue to emphasize positive working relationships with all community organizations, including the Downtown Neighborhood Association, Realtors Association of Lincoln, city, county and state governments, the Lincoln Haymarket Development Corporation, University of Nebraska-Lincoln, Lincoln Independent Business Association, Lincoln Chamber of Commerce, Lincoln Partnership for Economic Development, Neighborhoods, Inc., University of Nebraska Technology Development Center and local media.
9. Continue active involvement in city-wide initiatives which significantly impact downtown Lincoln, especially the Angelou Economic Development Plan, the Infrastructure Financing Proposals and UNL "NU Directions" project to reduce binge drinking among students.

**Downtown Lincoln Association
Proposed Maintenance BID Budget
Sept. 1, 2003 - August 31, 2004**

06/19/2003

Category	2002-03 Budget	2003-04 Proposed
INCOME		
Property Owner Assessment*	184,735	185,104
City of Lincoln Maintenance Contribution*	128,660	185,104
City of Lincoln Gen. Fund/Tree Replacement	75,000	75,000
City of Lincoln/Holiday Lighting	0	0
Management Fee/City of Lincoln	18,000	0
StarTran Bus Stop Service Agreement	2,100	2,205
Parking Garage Landscape Service Agreement	12,600	13,230
LHDC Farmers' Market Service Agreement	5,255	6,900
Interest Income	375	300
TOTAL INCOME	\$ 426,725	\$467,843
EXPENSES		
Personnel Salaries/Benefits	268,125	313,061
Uniforms	1,841	2,379
Federal/PO/LHA Share Special Assessments	9,580	9,772
Holiday Installation, Repair & Maintenance	20,000	14,781
Insurance	7,668	9,532
Administrative Costs to DLA	20,000	20,000
Professional Fees	1,000	500
Professional Development	600	600
Landfill/Refuse	1,850	1,900
Rent	21,996	21,996
Utilities	6,700	6,200
Repairs/Supplies	10,243	10,000
Replacement Plantings**	57,122	57,122
Total Maintenance BID Expense	\$ 426,725	\$467,843

*60,879.503812 front ft. @ 3.04050168/front ft. => \$185,104

**remaining \$17,878 applied to personnel costs

NOTE:

Federal/PO/LHA properties equal 3,213.97 front feet x \$3.04 = 9,772.08

**DOWNTOWN LINCOLN ASSOCIATION
PROPOSED MANAGEMENT BID BUDGET
Sept. 1, 2003 - August 31, 2004**

06/19/2003

CATEGORY	2002-03 Budget	2003-04 Proposed
INCOME		
Property Owner Assessment-Downtown BID	259,909	266,407
Property Owner Assessment-Core Overlay BID	170,232	174,488
Transfer from Maintenance	20,000	20,000
Parking Marketing Contract	-	35,000
Nonprofit Contributions	48,000	48,000
Interest Income	450	250
TOTAL INCOME	\$ 498,591	\$ 544,145
EXPENSES		
CATEGORY	2002-03 Budget	2003-04 Proposed
DOWNTOWN BID ACTIVITIES & IMPROVEMENTS		
PARKING & TRANSPORTATION INITIATIVES		
Personnel		
President (25%)	25,005	26,119
Communications Manager & Intern (25%)	10,615	13,101
Research Director (45%)	15,573	16,226
Total Personnel	\$51,193	\$ 55,446
Activities/Products		
Marketing, Promotion, and Special Parking Projects	13,318	13,121
Parking Marketing Campaign	0	29,750
Information and Referral Program	1,100	0
Issue Research and Education	595	0
Total Activities/Products	\$15,013	\$ 42,871
TOTAL PARKING & TRANSPORTATION INITIATIVES	\$66,206	\$ 98,317
ECONOMIC DEVELOPMENT		
Personnel		
President (20%)	20,005	20,895
Communications Manager & Intern (40%)	16,984	20,963
Research Director (55%)	19,033	19,832
Total Personnel	\$56,022	\$ 61,690
Activities/Products		
Consumer Marketing	20,061	21,817
Business Recruitment and Retention	3,300	2,000
Benchmarking Program	0	1,100
Small Business Assistance	2,000	2,000
Adaptive Reuse Projects	2,000	500
Total Activities/Products	\$27,361	27,417
TOTAL ECONOMIC DEVELOPMENT	\$83,383	\$ 89,107

24.61%

22.30%

CATEGORY	2002-03 Budget	2003-04 Proposed
COMMUNICATIONS & ADVOCACY		
Personnel		
President (20%)	20,005	20,895
Communications Manager & Intern (35%)	14,861	18,341
Administrative Assistant (50%)	12,091	13,265
Total Personnel	\$46,957	\$ 52,501
Activities/Products		
BID Newsletter	13,500	12,000
Business Directory and Map	10,000	10,000
Annual Meeting/Annual Report	3,500	5,000
"Do It Downtown" Campaign	9,461	9,391
Total Activities/Products	\$36,461	\$ 36,391
TOTAL COMMUNICATIONS & ADVOCACY	\$83,418	\$ 88,892

22.25%

TOTAL DOWNTOWN BID ACTIVITIES & IMPROVEMENTS	\$233,007	\$276,316
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CORE - ACTIVITIES & IMPROVEMENTS		
CORE AREA IMPROVEMENTS & PROMOTIONS		
Personnel		
President (25%)	25,005	26,119
Administrative Assistant (25%)	6,046	6,632
Total Personnel	\$31,051	\$ 32,751
Activities/Products - Year 1		
Facilitate Adaptive Reuse Projects	6,000	1,000
Visitor Attractions/Promotions/Multi-Purpose Facility Study	15,000	23,000
Replace Holiday Display & Lights	15,000	15,000
Replace Street Furniture	15,000	15,000
Events Management Corp.	15,000	15,000
Downtown Technology Fair	2,500	2,000
"Do It Downtown" Campaign	12,416	12,458
Public Spaces Entertainment/Events	7,000	7,000
Total Activities/Products	\$87,916	\$ 90,458
TOTAL CORE AREA IMPROVEMENTS & PROMOTIONS	\$118,967	\$ 123,209

30.84%

TOTAL BUDGET BEFORE MGMT & SUPPORT	\$ 351,974	\$ 399,525
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CATEGORY	2002-03 Budget	2003-04 Proposed
MANAGEMENT & SUPPORT		
Personnel:		
President (10%)	10,002	10,448
Director of Finance (100%) (64% of position paid by BID)	34,848	34,493
Administrative Asst. (25%) (85% of position paid by BID)	6,046	6,632
PT Office Asst. (100%)	2,642	0
Total Personnel	\$ 53,538	\$ 51,573
Fixed Costs:		
BID Interest/Admin. Costs	16,000	14,500
Rent	18,891	18,891
Corporate Insurance	5,433	7,071
Corporate Taxes/Licenses	1,680	1,370
Total Fixed Costs	\$ 42,004	\$ 41,832
Administration:		
Telephone & Utilities	6,500	6,660
Office Supplies	6,500	6,500
Postage	2,900	3,100
Copies	5,850	5,800
Dues/Subscriptions	1,500	1,600
Professional Development	5,500	7,000
Meeting Expense	2,500	2,400
Repairs & Maintenance	1,500	1,500
Furniture, Fixtures, & Equipment Lease	8,325	6,455
Furniture, Fixtures, & Equipment Purchase	2,500	2,700
Professional, Accounting, & Legal	7,500	7,500
Total Administration	\$ 51,075	\$ 51,215
TOTAL MANAGEMENT & SUPPORT	\$ 146,617	\$ 144,620
TOTAL BID BUDGET: DOWNTOWN, CORE AND MANAGEMENT	\$ 498,591	\$ 544,145