



DOWNTOWN MOBILE DISTRICT MANAGEMENT CORPORATION
ANNUAL REPORT

2005 - 2006



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D M D M C B O A R D O F D I R E C T O R S

2005-2006

- Lee Moncrief, President - *Wachovia*
- Dee Gambill, Vice President for Public Spaces - *AmSouth Bank*
- David Constantine, Vice President for Development - *Lyons, Pipes & Cook*
- Dr. George Sinclair, Treasurer - *Government Street Presbyterian Church*
- Kenny Coleman, Secretary - *Alabama Power Company*
- Howard Bronson - *Mobile Register*
- Mike Dean - *Mobile County Commission, July - March*
- Juan Chastang - *Mobile County Commission, April - June*
- Scott Gonzalez - *Three George's Southern Chocolates*
- John Klotz - *The Three Fifty Four Corporation*
- Susan Lloyd - *Regions Bank*
- Joseph Moreno - *Mobile Area Chamber of Commerce*
- Brian Metcalfe - *Metcalfe & Company*
- Bill Monahan - *Grand Central*
- Ruby Moore - *Spot of Tea*
- Zemmie Murray - *Richard Murray & Company*
- John Peebles - *Peebles & Cameron*
- Joseph Toole - *The Retirement Systems of Alabama*

S T A F F

- Elizabeth Sanders, Executive Director
- Sharon Hawkins, Office Manager
- David Calametti, Business Development Manager
- Carol Hunter, Communications Manager
- Evelyn Marshall, Administrative Assistant

S E R V I C E G R O U P , I N C .

- Clayton Ratledge - BID Operations Manager
- John Carpenter - Assistant BID Operations Manager

S T E W A R D S

- Alicia Brues
- Jarvis McNeal
- Janet Mayo
- Joe Ragona

R E G E N T S

- Elizabeth Carpenter
- Gabriel Owens
- Nakia Watts
- Amanda Sutton
- Nick Tugeon

C O R E P U R P O S E

The core purpose of the Downtown Mobile District Management Corporation is to make downtown Mobile the premier urban center of the Gulf Coast.

M I S S I O N

The mission of the Downtown Mobile District Management Corporation is to insure the vitality of the business, residential and arts district in Downtown Mobile, and to stabilize and increase the property values in downtown while retaining existing businesses and attracting new business investment to the District.

Right: The Mobile Downtown area map. The shaded section represents the Business Improvement District, or the BID.

Below: The "Crewe" of the BID.

V I S I O N F O R
D O W N T O W N M O B I L E

Downtown Mobile is a charming urban village where Southern warmth and hospitality meet French heritage; where street level art galleries snuggle next to eclectic museums, fine cuisine restaurants and funky diners. Educational facilities draw students and faculty, and with them, a seven-day per week vibrancy. Centered on a wonderful historic park, Downtown Mobile draws visitors from nearby residential developments on foot, and from miles away on cruise ships and water taxis. Businesses thrive in Downtown Mobile because of great accessibility, affordable rents and a tech-smart workforce. Downtown Mobile is a colorful and vibrant port city center - a place of constant delight.





DEAR PROPERTY OWNERS:

It is hard to believe that a year has gone by since the Downtown BID was formed. Since that time Hurricane Katrina hit our city and flooded about half of the district, one month later Bayfest brought thousands of music lovers to our district, followed several months later by the festive Carnival crowd and nearly two dozen parades. All of this brought visitors and economic activity & mountains of debris.

The BID began operations shortly after Katrina left mud, limbs, and building parts scattered throughout the district. We were still negotiating a contract with our clean and safe service provider, Service Group Inc. when the storm hit. They hired a temporary workforce and began cleaning up the sidewalks. The City was extremely cooperative and appreciative of the assistance the BID employees provided in bagging up the small debris and sweeping behind as the large piles of debris were removed each day. After about six weeks of intensive debris removal throughout the district, SG1 had the beginnings of a permanent staff and began daily litter control, weed abatement, and sidewalk cleaning. During this time, SG1 began training the employees who eventually became known as "Regents." These are the employees who would be trained to provide concierge and security services within the boundaries of the district. By November, they were on the streets, patrolling on foot and by automobile. By the time the Carnival season arrived in February, we had a seasoned staff of men and women on both the Crewe of Regents and the Crewe of Stewards. In March, we launched the BID Hotline number – 251-327-SAFE. A cooperative effort with

Cingular Wireless, the Hotline number provides a direct call to the Crewe of Regents. People may use it to report hazardous or noxious conditions; report suspicious activity; or request the assistance of a Regent. The Regents provide escort and motorist aid services to visitors and residents within the district. Many a customer's day has been brightened after receiving help from a Regent after their car would not start or finding a flat tire after a long day at work. Daily, the Regents patrol the sidewalks providing directions and information, as well as a reassuring uniformed presence for our visitors and residents.

In October, the DMDMC hired the executive and administrative staff and opened an office at 261 Dauphin Street. The former Catholic Maritime Club building proved to be an ideal location for an office after a renovation that included adding walls to make offices. Masland Carpet and Mobile Paint were wonderful partners in this process with the donation of materials needed to bring the office up to a suitable standard. We were very fortunate to be given office furniture, including desks, filing cabinets, tables, and chairs from a variety of downtown businesses. For this we were most grateful. In March, we held an Open House in conjunction with a LoDa Art Walk. Thousands came through the office enjoying food and beverages donated by downtown eateries and art works from local artists.

In September of 2005, Nicholas Madaloni filed a lawsuit in Mobile County Circuit Court against the DMDMC. Also named as defendants are the City of Mobile and the State of Alabama. Mr.

Madaloni contends that the state statute and municipal ordinance authorizing the creation of the Business Improvement District (BID) are in conflict with the Alabama Constitution, and he seeks a declaratory judgment voiding the statute and ordinance. DMDMC believes Mr. Madaloni's claims are without merit and is vigorously defending the lawsuit.

We worked throughout the year with the City of Mobile and Main Street Mobile, Inc. to determine the relationship between these entities and the DMDMC. In April, Mayor Sam Jones announced a reorganization of the Main Street Department into a city-wide service division. Main Street Mobile, Inc. reached an agreement with the City that was culminated in May with a contract approved by the City Council that spun off business development and downtown marketing initiatives to Main Street Mobile, Inc. Main Street Mobile, Inc. then reached a mutual working agreement with the DMDMC. The new working relationship of these two groups necessitated the formation of an umbrella organization which now serves as our public identity, the Downtown Mobile Alliance. The two organizations, now working under the Alliance banner, have begun to work together on research initiatives including a Residential Demand Analysis and a Retail Market Analysis and Recruitment Strategy, both of which will begin in August.

The goal of the two organizations with regard to downtown development is to be a resource to developers and to create an environment conducive to development. The BID's Crewe of Stewards and

Crewe of Regents work daily to enhance the physical state of the public environment. The economic development activities of the DMDMC are aimed at helping the property owners and would-be property owners enhance the physical state of the private environment. We have been compiling a comprehensive list of available properties and getting that onto the website – www.downtownmobile.org. We have provided thousands of hours of consultation on downtown issues to would-be developers and their associated professionals from appraisers to architects. We have conducted focus group discussions on the Go Zone Act and the challenges of developing properties downtown. We have begun discussions with property owners in a target block to create a mixed-use development incorporating residential, office, retail, and public parking. We have begun discussions on the creation of a new development plan for downtown. This will undoubtedly be a major initiative in the coming year as we continue to work with County, the City, the Retirement Systems of Alabama, Main Street Mobile, Inc. and our property owners in encouraging the healthy and sustainable redevelopment of our downtown.

We conclude the first year of the Downtown BID with a 99% payment rate from you our property owners. We thank you.

Lee Moncrief
Lee Moncrief
President

Elizabeth Sanders
Elizabeth Sanders
Executive Director



B I D O P E R A T I O N S

One of the primary functions of the Downtown Mobile District Management Corporation is to provide “Clean and Safe” services to properties within the 75-block district. In August 2005, Service Group, Inc. was hired to provide these services, and soon after a dozen team members were on the streets and sidewalks of the district. To create a professional, welcoming look for our teams, we enlisted the services of Lewis Communications. Their creative staff developed an identity uniquely Mobile’s, branding our clean team as the Crewe of Stewards (historically, those responsible for the maintenance of a district) and our safety guides as the Crewe of Regents (those responsible for the oversight of a district). Together our Stewards and Regents have begun to transform the streets of Downtown Mobile.



C R E W E O F R E G E N T S

The mission of the Crewe of Regents is to support the police department, property owners and tenants in overall crime prevention efforts and reduction in District street disorder, while offering a friendly, reassuring presence to pedestrians.

- The Regents provide highly visible District security and are intended to supplement individual building security and the Mobile Police Department.
- The Regents are on duty seven days a week, on foot, bicycle and truck patrols.
- These patrols deter aggressive panhandling, theft and burglary, and handle disorderly conduct situations.
- The Regents report illegal street vending, illegal dumping and building code violations, while providing assistance to stranded motorists and escorting office workers to parking.
- In the course of their patrols, the Regents greet pedestrians on the street, offering assistance to visitors or anyone needing information.

	MEET & GREET	MERCHANT VISITS	PATRON ASSIST	VEHICLE ASSIST	SAFETY HAZARD INVENTORY	HOMELESS REFERRALS	POLICE ASSIST
JAN - FEB	19,000	230	200	25	75	35	2
MAR - APRIL	20,263	254	251	32	65	26	4
MAY	11,379	314	164	31	109	15	1
JUNE	15,601	495	142	33	250	40	1



C R E W E O F S T E W A R D S

The Crewe of Stewards has been established to consistently deal with the many maintenance issues in the District. The areas addressed include:

- **Sidewalk Maintenance** – Uniformed personnel sweep and vacuum litter and refuse from sidewalks and gutters of the district daily.
- **Trash Collection** – Stewards collect trash from receptacles when needed to supplement City services.
- **Graffiti Removal** – Painters remove graffiti by painting, using solvent and pressure washing. The district maintains a zero tolerance graffiti policy.
- **Weed Abatement** – Weeds are regularly removed as they become unsightly or by special request.
- **Landscape Maintenance** – Stewards regularly trim tree branches, edge, mow and conduct basic maintenance of the public right-of-way.
- **Landscape Improvement** – Additional seasonal plantings of colorful flowers to supplement those already planted by the City.
- **Paper Sign and Handbill Removal** – Paper signs and handbills attached to public property are removed.
- **Power Washing** – Sidewalks are power washed throughout the District on a regular basis.

	TRASH PICK-UP	LANDSCAPING	DEBRIS REMOVAL	GRAFFITI AND STICKER REMOVAL
SEPT - DEC	1500 BAGS		45 TRUCK LOADS	
JANUARY	1225 BAGS	22 SITES	15 TRUCK LOADS	26 SITES
FEB - APRIL	1075 BAGS	8 SITES	27 TRUCK LOADS	24 SITES
MAY	218 BAGS	16 SITES	17 TRUCK LOADS	12 SITES
JUNE	264 BAGS	19 SITES	12 TRUCK LOADS	29 SITES



COMMUNICATIONS

The first year of DMDMC operations has been a golden opportunity to communicate to the region the importance of a vibrant, dynamic downtown. The stories, both large and small, have been unfolding throughout the year, from the grand opening of our offices to the highlighting of the daily work of our Stewards and Regents. In addition to generating tens-of-thousands of dollars worth of Public Relations value in the local media, the DMDMC and our marketing arm, the Downtown Mobile Alliance, have become the preferred source of information for reporters developing stories about downtown. The Mobile Area Chamber of Commerce even featured the extraordinary progress of the DMDMC in a cover story for their July Business View, which is distributed to several thousand businesses and individuals each month.

The creation of our "hot line" for motorist and visitor assistance has generated a great deal of interest and response from folks working in and visiting the District. The number, 251-327-SAFE (7233), is provided by Cingular Wireless at no charge. Our Stewards and Regents have distributed more than 1000 of the convenient key tags that provide a handy reminder of the hot line services whenever assistance is needed.

Early in 2006 a "brand" was created for the public face of the DMDMC, primarily the Stewards and Regents. A logo was also created for the Downtown Mobile Alliance, the umbrella organization that encompasses both the DMDMC and Main Street Mobile, Inc. These logos are emblazoned on our uniforms, vehicles and equipment, an unmistakable sign to the public about who exactly is keeping downtown Mobile streets clean and appealing. In an effort to spur discussion about the future of Downtown, the DMDMC sponsored a luncheon with Mayor Sam Jones in May. The sold-out event gave property and business owners the opportunity to hear the mayor's vision and ask questions about his specific plans for the heart of our city.

Our DMDMC newsletters have been published monthly since December, but in the future will be available primarily on-line and through email. We will continue publishing the quarterly newsletter, Around Downtown, and have just printed the latest edition of the LoDa Dining and Shopping Guide. Our marketing efforts have been enhanced by the creation of collateral material focusing on the "walkability" of downtown Mobile, and our newly designed web site, www.downtownmobile.org.

ECONOMIC AND BUSINESS DEVELOPMENT

Economic and Business Development issues represent a core area of responsibility for the DMDMC. Our first priority was to quantify the current state of development by updating the inventory of available residential and commercial properties previously maintained by Main Street Mobile. This process confirmed the dramatic pace of development activity in the downtown area as more than 40% of the commercial space and 50% of residential listings in the 2005 database had been sold or leased. In addition to posting this information on the Downtown Mobile website, we display available properties on a rotating basis in the window of our Dauphin Street office. In response to requests from a number of real estate professionals, members of the news media and potential developers, we also compiled a roster of development activities from the past five years as well as current projects under development or on the drawing boards.

The next phase of our inventory work is to identify dormant parcels that could be assembled for future significant development projects. As a part of that process, we selected a target block and, working with a local architect and property owner, produced a mixed-use concept for presentation to the individual property owners on that block. Initial response has been positive and discussions are continuing, but the real benefit of this exercise will be to create a template for future projects involving complicated ownership issues.

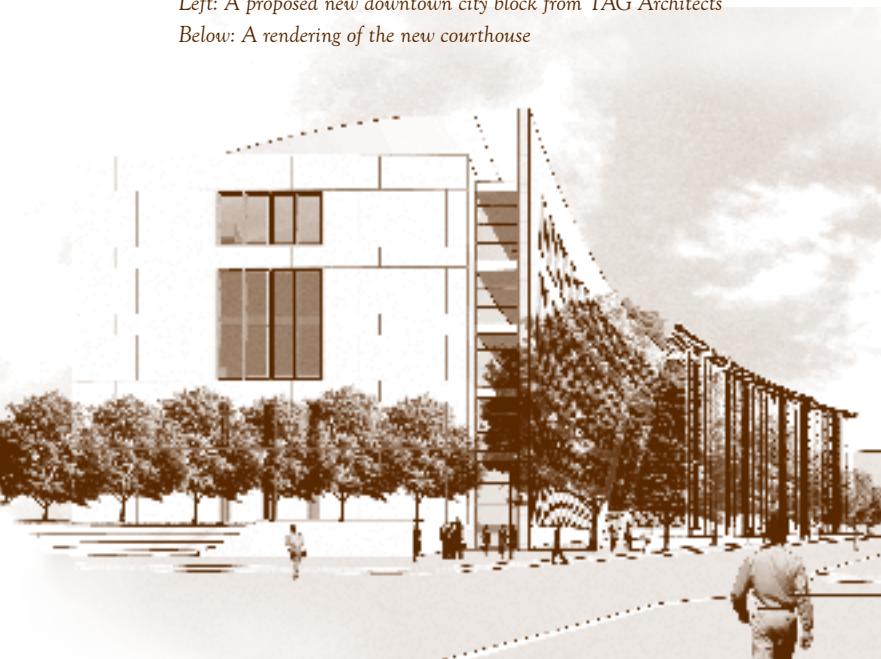
This background work is an important precursor to two research initiatives which have been commissioned for the second half of 2006. Zimmerman/Volk Associates has been engaged to undertake a comprehensive residential market analysis for the downtown area. This analysis will establish the depth of the market, the type of residential best suited for the area, and the appropriate draw areas for our future residents. We are also finalizing selection of a Retail Market Analyst to undertake a study of downtown's retail market potential and to recommend effective recruitment strategies to fill that critical sector for downtown Mobile. Our collateral material currently being produced will incorporate the results of these studies as well as our project summary work to market downtown Mobile to new investors.

Finally, one of the most significant roles for the DMDMC is advocacy. We represent our property owners' interests with the City, County and other government and regulatory agencies and provide a forum to address a wide range of issues. DMDMC has taken the lead as a resource for information on the Gulf Opportunity Zone Act of 2005 - hosting workshops, distributing background material and answering inquiries. Further, we are spearheading an initiative to create access to attractive tax-exempt "GO-Zone" bonds for individual downtown projects by combining them into a single downtown Mobile application. We anticipate that qualified developers will be awarded some \$40 million dollars of bond allocation - funding hurricane-damage re-



pairs, new construction and adaptive re-use projects throughout downtown. In May, we began a series of focus group meetings designed to give voice to our constituents. The first series on development issues highlighted key areas of concern and produced some very practical recommendations for solutions to these challenges. Results from these meetings are being formulated into an action plan which will be implemented in the coming months. We will continue to work diligently to be an active resource for individuals and businesses interested in locating downtown, for developers looking for new projects, and for our existing downtown property owners.

Left: A proposed new downtown city block from TAG Architects
Below: A rendering of the new courthouse



DOWNTOWN MOBILE DISTRICT MANAGEMENT CORP

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS (UNAUDITED) AS OF JUNE 30, 2006

ASSETS

Cash and Cash Equivalents.....	\$267,646
Capital Assets and Improvements, net.....	\$63,267
Total Assets.....	\$330,913

LIABILITIES AND NET ASSETS

Liabilities	
Payroll Taxes Payable.....	\$1,149
Deferred Revenue.....	\$152,100
Total Liabilities.....	\$153,249
Net Assets	\$177,664

Total Liabilities and Net Assets..... \$330,913

STATEMENT OF REVENUES AND EXPENSES – MODIFIED CASH BASIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2006

SUPPORT AND REVENUES

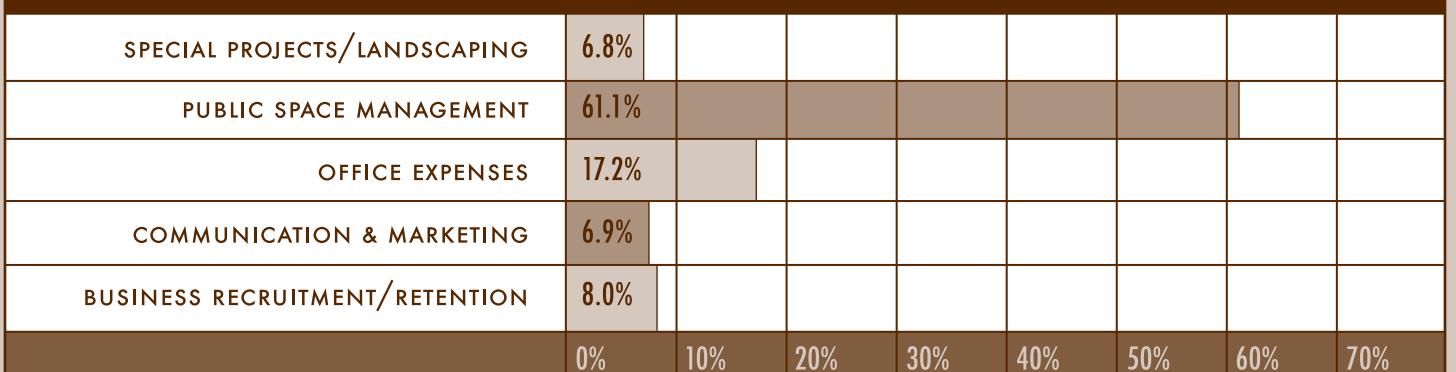
Assessments.....	\$566,561
Contract Revenue.....	\$227,000
Interest.....	\$6,436
Total Support and Revenues.....	\$799,997

EXPENSES

Business Recruitment/Retention.....	\$49,729
Communication & Marketing.....	\$42,836
Office Expenses.....	\$107,173
Public Space Management.....	\$380,387
Special Projects/Landscaping.....	\$42,207
Total Expenses.....	\$622,332

Excess of Support over Expenses..... \$177,665

EXPENSES BY PERCENT



DOWNTOWN MOBILE DISTRICT MANAGEMENT CORP

BUDGET FY 2006

BUDGETED CASH INFLOWS

Property Assessments.....	\$592,000
RSA Agreement.....	\$125,000
City In Lieu.....	\$77,000
County In Lieu.....	\$75,000
Contract with Main Street Mobile, Inc.....	\$30,600
Contract with GSA.....	\$5,000
Interest Income.....	\$6,000
<i>Reserve for slow/non-pay 2.5%</i>	-\$14,800
Total Budgeted Cash Inflows.....	\$895,800

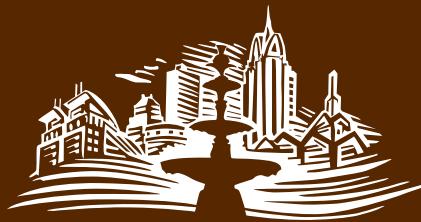
BUDGETED CASH OUTFLOWS

Public Space Management.....	\$580,080
Communication/Marketing.....	\$74,080
Business Recruitment/Retention.....	\$112,080
Special Projects/Start Up Costs.....	\$50,000
Professional Services.....	\$41,500
Office Expenses/Capital.....	\$68,060

Total Budgeted Cash Outflows..... \$925,800

Budgeted Net Cash Outflows..... -\$30,000
Transfer from Reserves..... \$30,000

Net Budgeted Surplus (Deficit)..... \$0



DOWNTOWN MOBILE ALLIANCE

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