

**Downtown Business Improvement District of Missoula  
Board of Directors Meeting  
Tuesday, January 23, 2018 from 3-5 pm at the DMP Office**

**PRESENT:** Tim France, Dan Cederberg, Kirk Bodlovic, Carma Gilligan, Ellen Buchanan, Scott Stearns, Charlie Beaton

**STAFF:** Linda McCarthy, Robert Giblin, Sarah Ferguson, Pam Udall

**GUESTS:** Andy Holloran, HomeBase Montana; Rod Austin, Missoula Parking Commission

President Tim France called the meeting to order at 3:08 pm. The board went around the room and did self-introductions for Andy Holloran.

**ACTION ITEMS**

**Meeting Commencement & Introduction of Guests and Public Comment**

**Missoula Mercantile Residence Inn by Marriott Update: Andy Holloran, HomeBase Montana:** Holloran began the presentation by thanking the board for allowing him to be here. He is thrilled with the progress of the Merc construction and the progress of Missoula. He said when he looks at Missoula and Bozeman, Missoula really has a great thing going and even though the Merc ran into some difficulty, the people in the leadership positions of the community were so supportive and there was an ability to call and communicate with the leadership and that is different than dealing with leadership in Bozeman. He says all of the development coming through is how it shows. Halloran said he looks at how predictable the process and the people are as more important than if it's tough or easy. He finds that Bozeman is unpredictable and that is their problem in the development realm. He says he does think having design guidelines is important and can drive appropriate development. Having predictability is key. McCarthy asked how the Black Olive project is coming along. Halloran responded that it is going well and the application is approved. Black Olive is full residential with a coffee shop on the ground floor. Black Olive is the fourth project in Bozeman and there are three others in the next 12 months. They have plans for the Firestone building and this summer will think about what to do. They are open to ideas and they love the location. Beaton asked if there would be any pushback from the Historic Preservation about the Firestone building. It is not on the registry. Right now they are in Phase 1 of the Merc project. By the first week of March, Phase 1 will be complete and Phase 2 will begin. They are hoping for a December opening. Ideally, the first week of December will be the opening. There is about 22,000 square feet of commercial space on the ground floor. There are two retailers interested now which would take up about 6,000 square feet. The remainder could be bar/restaurant. Halloran feels that the tenants would also be ready by December. Halloran began going through a presentation on the Merc project. There will be 175 rooms in the hotel. They are hoping to be a catalyst of bringing business and people down towards Front Street and the river. The old pharmacy space looks like it might be used for a coffee shop. There will be some parking on Front Street, but there will be some parking that is eliminated. Halloran will leave the presentation with Udall. Halloran said it is hard to build around the pharmacy because it is so fragile, but they are past the point of concern and it will work out just fine. Bozeman and Missoula are pretty similar and they are finding more people if given a choice are choosing to come

Downtown. Buchanan said Charlie McDermod from the Holiday Inn fully supports this project. Projects like these tend to help all businesses Downtown. Gilligan asked if conferences will have catering. There will not be catering, but they want to have partnerships with catering businesses and restaurants. They will not have their own room service, but are prepared to partner with a restaurant in the building if there is interest. Halloran said he fully supports the conversion of Front and Main to two-way traffic. HomeBase will hire a management company to manage the hotel. The Director of Sales will start in July and will go from there to about 50 people in the fall. A discussion on possible people to fill the Director of Sales position ensued. Halloran thanked the board for their time and the board thanked him for coming. The Mercantile name will stay with the building. A discussion on parking around the Merc ensued. A discussion on how the funding for the Front and Main conversion ensued. That project is through the feasibility phase, but it would need to be designed and engineered, approved from MDT, and funding would need to be procured.

### **ACTION ITEMS**

**Approval of DMP Allocation for 2018:** Gilligan asked if DMP would continue to need contributions from the BID. It is needed because this includes all of the staff and benefits. Giblin commented that the overhead has been dropping. It's 30% this year and the goal is to get it to 20%. The BID pays rent and utilities to the MDA per month. The BID's contribution in 2018 would be \$186,373.34, this would be a 1% increase over 2017. The changes this year in labor is the reduction of the Ambassador program and the creation of the Business Development Director position.

Buchanan moved to approve the DMP allocation for 2018 from the BID. Cederberg seconded the motion, and the allocation was unanimously approved.

**Approval of Appointee to the DMP Board:** Stearns moved to reappoint Beaton for another 2-year term on the DMP Board. Cederberg seconded the motion, and Beaton was unanimously approved to the DMP board.

**Approval of Allocation for the Downtown Master Plan Update 2018:** McCarthy reminded the group that the goal is to raise \$400,000 for the update. McCarthy asked that the board allocate \$40,000 of its \$50,000 allocation to the update, which would leave \$10,000 in the budget to use for other programs. Beaton moved to approve the BID allocation of \$40,000 for the DTMP. Stearns seconded the motion, and the allocation was unanimously approved.

**Approval of November Minutes:** Gilligan moved to approve minutes from the November meeting. Stearns seconded the motion, and the minutes were unanimously approved.

### **NON-ACTION ITEMS**

**Finance Report:** Giblin reported as of Dec 31, the BID checking account had \$194,079.51. The city did not send out assessments until late this year which is showing that the tax assessments coming in are lower than December last year. There was \$5,000 paid toward garbage removal in Dec. Garbage is doing much better now

that Daniel is back full time. Net income was about \$128,982.63 which is missing the \$37,000 from assessments. The BID is in a solid position for the remainder of the year. The board did not have questions.

**MDA Awards Banquet: Wed., Jan. 31 from 5-8 pm at Missoula College:** McCarthy said there is a cap of 225 people and encouraged the board to get a seat soon. Two BID board members have been nominated for awards: Buchanan and Cederberg.

**Update on DMP Strategic Plan:** McCarthy received the documents from Cascadia and has included them in the board packet. The two priorities identified were Communications & Stakeholder engagement. The next step is the completion of the DMP Communication Strategy.

**Proposed Business Development Strategy for 2018:** The board received a first draft of the business development strategy. Udall reviewed the strategy, suggesting the primary goal be to serve as the primary destination for economic development information for Downtown Missoula. The first strategy is research which would gather data from ratepayers, business owners, consumers and event attendance, as well as review the Downtown inventory and leasing options and price points. Creating opportunities for engagement and outreach is another priority to be accomplished by collaboration and the creation of a business advisory board. Communications is the last element of the strategy to help the DMP tell its story and tell the story of the Downtown Missoula businesses and community. We will look to profile new businesses, emerging technology, and start-ups in Missoula and use the new website and as a tool to engage the media and developers.

We are also planning to launch a “*Welcome to Downtown Missoula*” initiative to welcome new businesses, make those personal connections early on, and to help new investors in downtown get connected to their community. The goal is to get this plugged in right away.

Udall is also working with City Development Services and the private sector to acquire information regarding the demographics and an inventory of Downtown Missoula so that it can be as accurate as possible. McCarthy asked the board to please look the strategy over and to send suggestions or changes to Udall.

**2017 Year End Stats on Clean & Safe:** McCarthy announced the year-end stats were in the board packets, but she opted to not review each report during the meeting.

**Ratepayer Communications:** The semi-annual BID Newsletter will go out at the end of this month and will include the 2018 calendar. The annual ratepayer meeting will be in March or April. The board suggested that Andy Holloran be the presenter and it be held at Stockman Bank. A discussion on what the ratepayer survey should ask ensued. The survey will likely be rolled out at the meeting with a follow-up mailed piece. Beaton suggested the board take a more active role in getting people to attend the meeting.

McCarthy asked the board for content for the newsletter. Suggestions include the Master Plan Update, recent development projects, and highlights from the year-end stats.

**Update on MDA:** MDA is in the midst of event planning and sponsorship sales, collecting dues, and preparing a member survey to be distributed at the end of the month. Brooke Redpath will serve as President of the Board for the MDA in 2018.

**Update on MDF:** The foundation finalized the details on the Caras Park Endowment. The gift was \$40,000, and \$28,000 was invested with the Montana Community Foundation to get the state tax break. The MDF is looking into using the rest to use towards a MDF Sustainability Fun with a potential \$10,000 match. The foundation continues to see close to \$7,000 per month from license plate revenues. Anne Guest will serve as the President of the Board for 2018. The Friends of Downtown closed out at about \$10,000 with an additional \$2,500 or so in final parking meter sales. The foundation will be looking into changing that campaign. There is a committee working on Downtown Heritage Tourism, and are looking to develop a guided walking-tour program out of our office. Alan Newell is working on it and looking into opening up the basements and tunnels under Downtown Missoula buildings. A discussion on the success of the underground tour last summer ensued. The MDF Poker Tournament is set for Sunday, March 4.

**Announcements:** McCarthy announced that Downtown Gift Card Sales increased by 15% between 2016 and 2017 year up to nearly \$290,000 in sales. Sales at the MSO Hub increased to \$50,000 in 2017. A discussion on the retailers and the Christmas season ensued.

Gilligan announced that she is enrolled and planning to attend the City of Missoula Police Department's Citizen Academy.

**Adjournment:** With no additional announcements, the meeting adjourned at 5:16 pm.