

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT OF MISSOULA
Board of Trustees Minutes
Tuesday, October 29, 2013 3-5 pm
MDA Conference Room
218 E. Main St., Suite B

Board of Trustees: Tim France, Charlie Beaton, Ellen Buchanan, Dan Cederberg, Carma Gilligan, Alan Newell

Staff: Linda McCarthy, Laurie Johnson, Julie Walsh

Guests attending: Dan Lambros, Todd Frank, Dick Clemow

1. Meeting Commencement and Introduction of Guests and Public Comment

France called the meeting to order at 3:10 pm. Guests in attendance were Dan Lambros, Todd Frank, Dick Clemow.

2. Light Our Bridges Presentation & request for Support

Lambros reported that five months ago, five couples from Missoula took a trip to Portugal and saw a bridge lit up. After returning to Missoula, he and Tom Boone formed a committee with the mission to light bridges in Missoula, starting with the Higgins Ave Bridge. They realized Madison and Van Buren pedestrian bridges are under control of the City and more likely to get permission to be lit than would Higgins. Their initial concept was to use colors that change to celebrate upcoming occasions or sporting events, but that idea was not popular. They decided to only use white lighting. Lambros visited those bridges in the dark and realized there is not enough light to identify a stranger that is walking on the bridge. Their committee spoke to the UM student body and one woman said she doesn't feel safe crossing that bridge at night. To address this matter of safety and beauty, the committee met with City Council, the Missoula Downtown Association (MDA), the Missoula Public Art Committee, and Associated Students of the University of Montana (ASUM), who have agreed to write letters of support. The committee is now seeking BID support. The total cost of the project is at \$155,000 and they have already raised \$82,000. Their goal is to raise only private money, although the City would be in charge of powering the bridge lighting. Using LED lighting will cost less than lighting these two bridges currently. There is the possibility for security cameras on both sides of the bridge. Beaton asked how quickly this project would get going, and Lambros said hopefully it will be complete by the middle of 2014. Newell asked whether LED lighting can provide a sufficient amount of safety lighting, since they are typically duller. Lambros said the designer assured it's designed for safety. Not using LEDs would make it cost more in than what the City is using now to light the bridges. Buchanan remarked the trails lighting going in around town now is LED. She added this bridge project will make light levels higher and maintenance costs lower. France stated he likes the cameras, because there is a lot of graffiti down here already. Beaton said he likes the idea from a tourism standpoint. Cederberg moved to have BID director draft a

letter of support to be signed by a BID chairperson. Beaton seconded and the motion passed unanimously. Lambros departed from the meeting.

3. Proposed Downtown Missoula Partnership Request for Support

McCarthy gave a PowerPoint presentation detailing the proposed Missoula Downtown Partnership. She explained since Rod Austin left last spring, the MDA, BID and Missoula Downtown Foundation (MDF) created a restructuring committee to plan how to streamline resources and duties for a new staffing structure. Each entity retains its board of directors and budgets. Linda explained there is overlap of MDA and BID members. There is currently a contract between MDA and BID to share office space and resources. Last year, there was a facilities staffing contract added between the two organizations. The MDF doesn't have staff, but there will be a fundraising staffer under the Partnership. The Partnership will reduce confusion, fragmentation of resources, and will retain quality employees. The Partnership can better meet needs of constituencies. This model follows the trends of other downtown organizations across the country and region. The Partnership will formalize messaging and workflow, help reach the full potential of downtown, reduce duplication of services and more. It will streamline processes and make room for long-term giving. There are lots of grants that are a good fit for downtown projects, but there is no staff with time to write these grants. A new staffer could direct a capital campaign for downtown projects funding. Other needed skills to represent downtown interests are business development and knowledge of economic development, as well as the ability and skills to maintain and use downtown inventory. The Partnership reorganizes staff and adds skills to the office. It will be a nonprofit corporation with one contract for staffing. Each entity will have separate bank accounts and processes. The Partnership will have Director and Officer liability insurance. We are looking for implementation on January 1. The Partnership board will be two representatives from each board plus one additional appointee. There will be a four-way contract for management services. The Partnership board will meet quarterly or perhaps monthly as needed. Each of the three boards will have monthly meetings. The reorganization committee has studied other communities' partnership formats. Various concerns, such as conflicts of interest, loss of identity, too many bosses, fuzzy boundaries and roles, and the impact of events season on other programming, have been addressed in the planning process. The MDF doesn't pay anything in the first year and pays 5% in later years. If this proposal is approved by all three boards, what's left to do is approve partnership bylaws, draft and approve a contract for services, draft and approve a prospective budget for 2015, develop and improve a new employee manual, and hire one community development staff in January. The Partnership will grow resources for downtown. France said there are so many duplicated services between the BID and MDA that we ascertained we could use the budgets of both organizations. This Partnership lets us get the Foundation started. Cederberg remarked since this process will be reviewed after two years, it would be easy if we reverted to standalone organizations. Beaton remarked those in Billings say their partnership has worked well for them. McCarthy said the four-way contract is between the MDA, MDF, BID and Partnership.

Clemow mentioned he had previously heard about contemplation of this at a social event two weeks ago. He emphasized the need to keep very few ratepayer dollars going toward administration and to keep a lot of money going toward bricks and mortar projects. He remarked wayfinding and Master Plan

projects are intangible. Clemow voiced concern that it appears 40% of the BID rate base goes to salary and 3% goes toward administration, and that he was told his rate base would be \$200-300 per year when this was launched. He also voiced concern of having someone who is on both the BID board and the MDA board advocating for the Partnership. Cederberg assured administrative costs do not amount to 40%. The 40% include salaries for the maintenance manager and ambassadors. When Rod Austin was the full-time director, the maximum administrative expenses were 20%. Newell said he too is concerned about administration and program budgets and is very careful to keep administrative costs low. Newell offered to review the budget in detail with Clemow so he could gain a better understanding of how the BID rate base is used. Clemow departed from the meeting.

McCarthy said Partnership bylaws address resource management, and program management stays with the separate entities. Newell remarked he believes this is much more than just an HR management change, though he is supportive of it. At a minimum, the partnership board is going to have to be responsible for managing that contract, which is a lot of work. Buchanan said calling it HR may be limiting, but the Partnership does not set policy. It may set HR policy, but it does not set program policy. Newell emphasized the importance of recognizing what we are embarking on. Newell said he would like to see the BID budget on a monthly basis to monitor contract performance. Gilligan voiced concern that an appointed BID board would perhaps become a nonprofit board, but Newell assured the way the Partnership is organized takes care of all legal, fiduciary and statutory responsibilities. Cederberg clarified the BID board is not giving up any authority. The BID is contracting with the Partnership to provide services. Newell added the committees will remain functioning the same way, except the personnel committee. The Partnership should lower administrative costs. Buchanan said it may not lower administrative costs, it would add skill sets. Newell said as the MDF grows, it will contribute more. Cederberg suggested voting on the Partnership at the November board meeting since some ratepayers may interpret from the letter we will be voting on it in November. Delaying the vote will not delay the process. It would be a short agenda item. Frank remarked waiting also gives more time for ratepayers and trustees to follow up. Gilligan asked if the Business Development Committee is considering contracting with the Buxton company for a market analysis. Newell said that is on hold at this time. Cederberg moved to table the vote on the Partnership until the November meeting. Gilligan seconded, Cederberg abstained, and the motion passed.

4. Request for \$5,000 for Front & Main Conversion Study

Buchanan explained the MRA secured \$100,000 of CMAC air quality funds which were not needed for the signal optimization fund. MRA managed to get that money reallocated for the Front and Main Conversion study. MRA has to pay MDT for indirect costs, so the study is over budget by \$29,000. On behalf of the MRA, Buchanan said she is asking the BID for \$5,000 toward the study. MRA is providing the match for this project. This is the number one priority project for downtown streets. The study will look at parking as well as economic impact of one-way versus two-way streets, focusing on retail. Newell reported the finance committee discussed this and wanted to contribute to the study and take it out of special projects. Newell moved take \$5,000 out of the special projects budget to contribute to the Front and Main conversion study. Beaton seconded and the motion passed. Buchanan abstained. Buchanan said the MRA will award the contract on November 20. Buchanan said for the full conversion to be

completed, we have to raise the money, and this study will give us the tools. McCarthy remarked it may cost around \$1.5 million.

5. Approval September 17 Board Minutes

Newell moved to approve the minutes as amended. Buchanan seconded and the motion passed unanimously.

6. Financial Report: Finance Committee

Cederberg explained that one reason ratepayers' rates may have increased since inception of the BID include the is that property values have increased. Also, new buildings have been built in the district, which adds money to the BID budget. McCarthy said Partners Creative has contributed \$16,000 of in-kind services toward the business development publication and deserves recognition.

7. Update on West Broadway BID Expansion

McCarthy said she will setup meetings through November with property owners on West Broadway to discuss expanding the BID there. If expansion is approved by property owners, McCarthy expects it would be a July 1, 2014 implementation. She suggested the BID start services for the additional properties on July 1 and tax assess on July 1 for a half-year assessment. Cederberg said the City is signing off on two properties on West Broadway.

8. Safety Report: Ambassadors, Downtown Policing, Panhandling Ordinances

Johnson reported numbers for assisting citizens are up. Bill postings this year are down which may be attributed to Colin Hickey, who had a relationship with many of the bands posting the bills. Panhandling is up. Johnson said Andy Roy, the downtown police officer, handles some situations before she even arrives. Ambassador assists to the police is similar to last year. There was pushback at the Mayor's Downtown Advisory Commission (MDAC) against the proposed panhandling ordinance. Now, however, there are City Council representatives who are in support of it. Some initially had concern there would be selective enforcement. Johnson said Andy keeps stats and sends them to us. He also keeps stats on warnings. There was some concern about him being too rough, but looking at his amount of warnings shows he is reasonable. He is not busting everyone and he educates many of them. Gilligan suggested that because the Rainbow Gathering people were here this year, there should be a footnote on the stats sheet indicating that may be the cause of some higher numbers in 2013. Johnson said Caitlin Copple, Dave Strohmeier and John Engen offered, respectively, to carry panhandling bill if no one else does. The next MDAC meeting is in November. There's going to be referral out for the ordinance next Friday. Cederberg said there is a good possibility the ordinance will pass before the end of the year.

9. Downtown Master Plan Report: Higgins & Madison Bridges, Mountain Line Levy, Wayfinding

Buchanan said MDT hosted a public discussion on the Higgins and Madison Street Bridges. It was a screening criteria for all design options that was based on the level of construction. The options are minor rehab, major rehab and replacement. There is no six-lane option. Buchanan hopes to keep minor rehab on the table. The Master Plan team would prefer a new bridge or a wider bridge. The option of

major rehab can be widened only if minor rehab can't happen. There will be a 30-day comment period. McCarthy said the Master Plan calls for 3 or 4 lanes. The best scenario is to raise the money for a new bridge. Also, the MDA and Southgate Mall came out with a great letter in support of the Mountain Line mill levy. The Chamber of Commerce wrote a letter as well. Wayfinding consultants were back for their third visit and their final visit will be in January. The City Council had a consent agenda item to support the wayfinding design.

10. Committee Reports

a. Business Development

McCarthy said she has been distributing the new business development publication. The committee is still looking at the market analysis, the pros and cons with Buxton's services and assessing another service called Downtown Works.

b. Marketing

McCarthy reported the committee will be working on holiday promotions.

c. Personnel

McCarty said Laurie Johnson is doing the reviews for Daniel, Ernie and Rick. Laurie's review will be done by Linda and Melanie and the employee committee. The restructuring committee is talking about how to manage salaries.

d. Streetscapes

Beaton said the request for more garbage cans is being driven by needs or requests of ratepayers. Buchanan suggested letting the property owner use the spare if there is immediate need. McCarthy said the BID streetscapes committee offered \$1000 to cover the purchase of more bulbs on the downtown Christmas tree. McCarthy said Alex Pichacz, former Downtown Inventory intern and current facilities staff, will do a class project mapping out trash cans, banners and flower baskets. The BID added many garbage cans, so the updated map will be great. McCarthy said on the Hip Strip there is a destroyed tree guard and tree from part of the former Boys and Girls Club building that fell off. Buchanan suggested reporting it to the City Parks or Development Services.

11. Trustee Comments

McCarthy said the US Forest Service is relocating their employees from downtown to Fort Missoula. GSA will fill the building with other office type uses. They have told the mayor there will be no net loss of employees downtown. The move will begin incrementally in January.

12. Executive Session (closed to the public)

The meeting went into executive session for employee evaluations at 5:25 pm. Johnson, Frank and Walsh left the meeting.