

Downtown Business Improvement District of Missoula
Board of Trustees Meeting Minutes
Tuesday, December 20, 2011
ALPS Conference Room
111 North Higgins (Second Floor)

Attendees: Charlie Beaton, Ellen Buchanan, Dan Cederberg, Tim France, Carma Gilligan, Alan Newell

Absent: Rich Huffman

Staff: Rod Austin, Patrick Ryan

Guest: Linda McCarthy, Executive Director MDA

1. **Meeting Commencement:** 3:05 pm
2. **Introduction of Guests and Public Comment:** James Grunke, interim CEO of the Missoula Economic Partnership (MEP), was in attendance to address the board. Introductions were made all around.
3. **MEP – James Grunke:** James Grunke, who had previously been working on the Missoula Best Place Project with a focus on drafting strategy and fundraising, was brought in to serve as interim CEO of the MEP after Jim Bowman's departure. Grunke said his interim term would likely last 30 – 90 days. Jorgenson Consulting, who did the initial search for a president and CEO, was now conducting a new search. Grunke indicated several Montana candidates had been encouraged to apply. Initially the MEP was hoping to have the search completed by mid-January, but that date had been pushed back as Grunke, Jeff Fee and Mayor John Engen would be attending a site selector meeting and there could be some economic professionals in attendance who could be possible candidates. Ultimately, Grunke estimated having a new CEO in place by the beginning of March. Despite Bowman's departure, Grunke indicated the goals and strategy for the MEP were still in place and moving forward. Grunke distributed a document identifying the mission and goals of the MEP. Primarily, the MEP would be working on business recruitment, retention and expansion. Grunke discussed having brought twelve companies to town for recruitment and about two dozen businesses were looking to expand in the area. Grunke said this would create about 300 jobs within the fiscal year. Grunke listed the four specific goals the MEP was working toward. Creation of 2,500 jobs over the next five years with sustainable wage rates of \$37,000 annually, increase new capital investments by \$150 million, encouraging 25 new business startups with innovative and tech-related concepts, and recruiting 25 "best-fit" companies to relocate to Missoula. The MEP was focusing on being the initial point of contact to help businesses find the appropriate partner and/or resources. Many of the economic development organizations in town, like the MDA and BID, have had input in the development of the MEP. Grunke pointed out the MEP was not focused solely on downtown and asked the BID and MDA boards and staffs to refer interested businesses to the MEP. Grunke also made the point, though, that the MEP wanted to help the BID and MDA in recruiting and retaining businesses in the downtown area. Ellen Buchanan acknowledged the mission of the MEP was not to going to be retail recruitment and retention, but asked if and how the MEP would be involved with retail. Grunke said that while they wouldn't go out to specifically find retail, if retail came in with money and a plan, the MEP would certainly work with them. Alan Newell asked what sort of businesses the MEP was targeting. Grunke said there were currently four target industries: pharmaceuticals, back office operations (professional services), creative industries (professional services), and mobile entrepreneurs who create their own opportunities. Discussion ensued about how all the organizations could work together to bring businesses downtown. Grunke also indicated the MEP offices were planning on relocating to downtown by June 1 and wanted to find a way to have economic development organizations located in one area.

Dan Cederberg said, from a BID perspective, when the MEP gets inquires from businesses thinking of moving downtown, the MEP should be referring them to the BID, whose recruitment and retention committee would be able to assist them and answer questions. Cederberg acknowledged it would be inappropriate for the MEP to

pitch certain areas of the city over others, but if the BID was provided with a list of prospects, the BID could make the pitch for downtown. Discussion ensued about the need to bring large anchor retail stores into downtown and the frustration with not really knowing how to accomplish this. Grunke was asked if the MEP could provide some guidance for how to accomplish this. Grunke said they could, that they were not against retail and certainly saw the benefits a strong retail anchor. While it wasn't something the MEP could lead, they could certainly help work toward some of that. Grunke also indicated a site selector would be instructive in educating communities in areas like this.

Buchanan said the master plan called for bringing an employment center into downtown and three different locations had been identified. If the MEP was working with an employment center, how could the BID present these options to them? Grunke said, for example, if someone asked for 15,000 square feet of class A or B space, the MEP would send it out to commercial brokers, but also to the BID and take all the reports back to the prospect for consideration.

Linda McCarthy asked if the MEP ever knows why a business doesn't choose Missoula and goes elsewhere. Grunke said the question was never asked, although he was a believer in exits interviews and would like to see them conducted in these incidents. Grunke also acknowledged that sometimes site selectors were working for a specific company whose identity wasn't revealed.

Discussion ensued about how the different organizations would communicate about prospective opportunities. Grunke indicated it would be a two-way line of communication and that he would certainly be contacting the MDA and BID as opportunities arise.

In closing, Buchanan observed that expectations were pretty high for the success of the MEP and Grunke agreed, but also said they were realistic and necessary. Grunke said the community was a gift to the MEP and it was necessary to demand excellence.

- 4. Potential Expansion/Invitation Around New Poverello Center Location to join the BID:** Rod Austin said he and Dan Cederberg had discussed the possibility of including the Trail's End site in the BID boundary. Austin also suggested possible expansion beyond just that site. A map showing the proposed expansion was presented and Austin asked the board for comment. Charlie Beaton said his biggest concern with this proposed expansion, especially in light of the proposed Orange Street expansion, was BID resources would become spread too thin and ratepayers wouldn't be getting the full value of what they are paying for. This sentiment was echoed by several board members. Ellen Buchanan said it might be instructive to have a discussion with the Ambassadors, maintenance engineer, Clean Team and Downtown Police Officer to get a better sense of how they would be impacted. Laurie Johnson noted if this expansion took place, it would be very beneficial to have a bicycle for the Ambassadors. **Alan Newell said the board needed to see an analysis of both costs and revenues before any businesses around the Trail's End site were approached. Austin said he would work on the analysis.** Discussion ensued about the need to at least include the Poverello Center in the BID boundary, especially in light of the BID's support of the relocation. There was general agreement this was important and should happen.
- 5. Maintenance Staff Proposal:** A draft of the proposal was included in the board packets. The proposal called for the BID maintenance staff and the MDA facilities staff to be combined under the management of a facilities manager (this role would be assumed by Daniel Tulk), as well as a newly created assistant manager position. Rod Austin noted some of the challenges with the proposal, including determination of how to break down the scheduled hours, especially since the assistant manager would be on full time from June through September and part time October through May. Other issues could be the distribution of the work load and the acquisition and usage of new and better equipment. Austin pointed out that Daniel currently had no back-up available to cover his duties if he's sick or on vacation. The assistant manager would be able to provide such back-up. Austin said having a back-up would provide some more revenue generation through extra snow plowing and graffiti removal. Austin noted two snow plowing jobs had to be turned down this winter because of the lack of adequate coverage. Linda McCarthy, who drafted the proposal along with Austin, said one of the main goals of

the proposal was to create a comprehensive view of how to care for Downtown. Both organizations have staffing issues that currently made that difficult. In addition to the aforementioned BID problems, the MDA had problems adequately maintaining flower baskets over the past summer and had never been able to retain facilities staff during the winter, requiring retraining every year and a lack of consistency. Also, there were banner installations scheduled every month and the MDA couldn't necessarily guarantee staff for installations. Carma Gilligan noted Daniel sometimes did work for the MDA without reimbursement to the BID for these services, although McCarthy indicated reimbursement was paid more often than not. Austin agreed with this assessment. Gilligan also noted an incorrect total in the budget. Under MDA 2011 actual expenses, the total should have been \$20,722 instead of \$20,297. Charlie Beaton said most everything the MDA does benefits downtown property owners and both organizations were essentially working in the same arena doing different things. Tim France liked the idea and said it would help eliminate gaps in what's getting done and not getting done throughout downtown. Alan Newell liked the concept as well, but was concerned with costs and possible difficulties in tracking what tasks were being allocated to the MDA or the BID. Austin noted there would be specific breakdowns of what staff was working on and time spent on these projects. Discussion ensued about how staff would be hired and under which organization they would be employed. McCarthy noted it could be done in several ways, with one organization contracting services from the other. Ellen Buchanan indicated, as Daniel was already a BID employee, it would make sense to have all staff as BID employees to maintain a more consistent chain of command. Dan Cederberg agreed and added that managing workers comp and liability insurance would work best if all staff were BID employees. **Newell requested a more detailed business plan be drafted, including infrastructure and hard costs, and presented at the January board meeting. Austin and McCarthy agreed and said they would be seeking board approval at that time.**

6. Director's Report

a. Downtown Master Plan Update:

- i. **Front & Pattee Parking Structure:** Ellen Buchanan reported concrete was still being poured because of the warmer weather. The construction manager was doing a really good job. Also, a buy/sell agreement was in place and they were doing their due diligence. Buchanan said the space would be used for retail, but more like a Trader Joe's or natural food store with the possibility of stand up food service. Buchanan also noted another offer had been made, but it was felt to be too low for serious consideration. Elsewhere, the old First Interstate drive-thru had been torn down and would be converted to surface parking, but could become a senior living center at some point.
- ii. **Implementation:** Buchanan reported the consultants for the urban streetcar study were in town and meetings with stakeholders had been positive. The consultants should be able to provide some good direction about the feasibility of a streetcar. Rod Austin noted the study wasn't just about whether we should or shouldn't build a streetcar, but how economic development would grow along a streetcar route. Linda McCarthy said Matt Ellis wanted the Implementation Team to present an update to the City Council on Master Plan accomplishments and future goals, especially given the number of new council members. McCarthy also noted the MEP was looking into locating their offices within a block of the MDA/BID office. Having the MEP so close, along with the CVB, Glacier Country, MSO Hub and Tourism BID speaks volumes for what the MDA and BID do and have done.

b. Committees

- i. **Recruitment & Retention (R&R)** – Rod Austin distributed a document outlining the proposed next steps for the Downtown Inventory, including notation of what associated costs could possibly be. Austin reported the Inventory would be sent out for a peer review to seek input on the report.
- ii. **Employee Committee:** No report.

c. **Other**

- i. **Orange Street Expansion** – Austin reported having petitions for the expansion and that Hank Deeringer from Midas was continuing to talk to businesses in the area. Austin hoped to have a contract in place by the end of February to present to the City Council.
- ii. **Police Officer MOU:** Austin reported the MOU had been amended and he would get the agreement finalized and signed by Tim France and Police Chief Mark Muir.

7. Ambassadors Report: Laurie Johnson said there wasn't much to report and that the same trends were continuing as they had last month, with positive items were going up and negative ones going down. Ellen Buchanan asked if the Occupy Missoula encampment had any effect on the transients who used to be on the Court House lawn. Laurie said it had some effect, displacing transients to other locations, but they were still at the Court House. Dan Cederberg asked if, with the statistics being so positive, the BID should find a way to communicate this with the public. Perhaps a story in the Missoulian, TV stations, or an insert in the newsletter. The story could include year-to-year comparison of numbers from the Downtown Police Officer's reports and the Ambassador's report, although Rod Austin noted the police reports had changed this year and might not track well with previous years. Alan Newell suggested creating a one-page fact sheet that could be distributed to all media outlets. Discussion ensued, with Austin suggesting Linda McCarthy could write something for her Missoulian article. Buchanan said it would be beneficial to have Ginny Merriam from the Mayor's office involved somehow. Buchanan also commented that so many stories about Downtown focus on the negative aspects and it would be beneficial to all to get some positive stories produced.

8. Approval of November 16th Board Minutes: Alan Newell moved to approve the November 16th minutes. Dan Cederberg seconded and all approved.

9. Financial Report:

Alan Newell reported there had been difficulty getting accurate numbers from the City and there would be a meeting to work out the issue. The meeting would include Marty Rehbein, Brent Campbell, Rod Austin, Robert Giblin and BID Finance Committee members. Rod Austin said part of the meeting would be to establish a protocol for how the City and BID work together. Dan Cederberg pointed out a \$22,000 drop in revenue because the City had changed its assessment. Austin said the budget had been changed somewhat to make up for this shortfall, ending up with a zero balanced budget. **Dan Cederberg moved to approve the budget as amended. Ellen Buchanan seconded and all approved.**

10. Trustee Comments:

Charlie Beaton announced Hip Strip property owners had been talking about development of parking on the Strip and might look to discussions with the surrounding neighborhood as things progress. Ellen Buchanan asked if Dennis Burns was being included in any of the discussions and Beaton indicated the property owners were considering hiring Burns if possible.

Tim France reminded everyone board elections would take place at the January meeting. France also thanked the entire board and staff for all their hard work and commitment throughout the year.

11. Meeting Adjournment: 5:06 pm