

**Downtown Business Improvement District of Missoula
Board of Directors Meeting
Tuesday, March 16, 2016 from 3-5 pm at the DMP Office**

Present: Carma Gilligan, Tim France, Charlie Beaton, Kirk Bodlovic, Dan Cederberg, Ellen Buchanan

Absent: Alan Newell

Staff: Linda McCarthy, Robert Giblin, Leidy Wagener, Will Greenway

MEETING COMMENCEMENT & INTRODUCTION OF GUESTS & PUBLIC COMMENT

WELCOME & INTRODUCTION OF WILL GREENWAY

ACTION ITEMS

APPROVAL OF FEBRUARY MINUTES

Cederberg moved to approve the amended minutes. Buchanan seconded the motion and all voted in favor.

REVIEW & APPROVAL OF \$5,000 FOR MAX WAVE PERMITTING

McCarthy reported that the finance committee determined that \$5000 could be taken out of planning and permitting section in the budget to contribute to the Max Wave.

Buchanan moved to approve the recommendation from the finance committee of a \$5000 contribution to the Max Wave project. Cederberg seconded the motion and all voted in favor.

REVIEW & APPROVAL OF ORI CLEAN TEAM CONTRACT

McCarthy reported that the ORI Clean Team Contract was renegotiated as a 3-year contract. The contract includes several small changes to scope of services. Gilligan asked whether Missoula Fresh Market would pay ORI to return the carts, which hasn't been determined.

Beaton moved to approve the contract. Buchanan seconded the motion and all voted in favor.

REVIEW & APPROVAL OF BID-MDA RENTAL AGREEMENT

Giblin reported that the scope of the contract hasn't changed, but the contribution by the BID to the MDA for rent and facilities usage/condo association fees has changed. He detailed several of the line items on the budget work up sheet. The formula for determining the BID payment has not changed for several years. He outlined how the rental amount was calculated and the price compared to market value. The BID will be amortized over the length of the contract for rents paid last year. McCarthy said that the finance committee recommended the 4-year contract because the rent cost would remain fixed over the life of the contract but other fees might fluctuate. Discussion ensued regarding the cost and other contract details. France shared Newell's thoughts that notices should go to the board chair rather than just to staff. He would also like to see a renegotiation of the rent if the MDF becomes able to contribute in the next few years.

Gilligan moved to approve the agreement. Beaton seconded the motion and all voted in favor.

REVIEW & APPROVAL OF BID POSITION STATEMENT ON THE MISSOULA MERCANTILE

McCarthy presented the position statement that she wrote for the BID. France expressed his belief that perhaps it is too early to come forward with such a statement when all avenues for repurposing the current building haven't been flushed out. Buchanan reported that there will be a meeting with the developer to discuss what due diligence they have done to ensure that there are no other options but deconstruction for the building. The BID and MRA will likely be asked for support of the project. The Historic Preservation Commission will have to approve the demolition permit; if the permit is denied or delayed it will be appealed to City Council who will make the final decision. Cederberg expressed his belief that the best option is to have a good, viable business in that space and perhaps a compromise can be found that is different than total demolition. Cederberg did some research and contacted a structural engineer about the building, who reported that some of the walls are structurally permissible and the brick could also be viable. He believes it may be possible for the developer to save the walls in question and still be able to build the building with that façade. But it is unknown how much that would impact the usability of the interior space. Discussion ensued regarding the details of that idea and the feasibility of compromise. Buchanan said that it can be difficult to comply with historic tax credit requirements when trying to do things such as seal brick to make it structurally viable. She believes that Home Base has looked at a lot of options, starting with keeping the building, she has seen some of those options. The building is not a great example of good architecture on the exterior, but does have an old downtown feel and has value insofar as the mission of the BID. All agreed that the position statement should not be released until more discussion has happened on a community level and all possibilities have been explored. Buchanan gave details on the structural integrity of the brick. Lawsuits could happen if the project is moved forward as is, so the developers need to be thoughtful of that if they decide to deconstruct the building. The Historic Preservation Commission could elect to take 90 days to investigate whether there are other viable options to deconstruction and if they haven't made a decision by the end of the 90 days the permit will be automatically be granted. Discussion regarding public sentiment and reaction to the proposed project ensued. All agree that the building shouldn't sit empty any longer and that the proposed project does align with several of the goals of the Master Plan. Whether the hotel will be in competition with other projects on the horizon was discussed and response was varied. All thoughts of whether a lawsuit will happen are based on what has historically happened in such situations in Missoula. It is important to get factual information out to the public, but that is hard to determine. McCarthy reported that she has received several calls asking what the MDA/BID position is and that the sooner a position can be presented the better. She will adjust the language of the statement and send out for review again after next week's meetings and then a special meeting to approve could be held. The developers have every intention of preserving the feel of the building inside by using and repurposing the interior materials. Discussion regarding the timeline of the project ensued.

NON-ACTION ITEMS

FINANCE REPORT

Giblin reported that the cash position is less than last year due to wayfinding, police contract, and design guideline contribution, but there are no cash flow issues. Tax assessment taxes, snow removal invoices, and the garbage payment from the city all came in as income last week. In a good position to make the last payment to the Partnership and the end of the fiscal year.

REVIEW OF PROPOSED FY2017 BUDGET FOR THE CITY OF MISSOULA

Giblin presented the budget and highlighted several items including the initial projections for tax assessments, which is lower than previous because it is based on what was brought in the previous year. From an income standpoint, all other figures match previous year figures and projections. The city garbage contract will increase and end in June 2018. Changes to salaries, benefits, taxes, and facilities contracts are all included in the budget. Administrative costs in 2017 will be higher due to salary adjustments. The facilities contract includes what was just approved for the payment of rent to the MDA. Despite the finance committee decreasing the amount for several items, the budget is still in deficit because the revenues from the tax assessment were lower than projected and the increases in rent payment and salaries. However, there are a lot of projects going on in Downtown that will contribute to tax assessment revenues in future and the tax assessments will be every two years rather than every six years. Discussion regarding how tax values are assessed ensued. This will likely be a one year reduction, but can't rely on the assessments making up the deficit in future years. Wayfinding could be pushed back and it is likely that not all payments will go out in the next fiscal year. It was proposed to cut the wayfinding budget in half and take half of remaining out of business development and the other half out of project planning and development. McCarthy reported that there have been some stakeholders who have expressed interest in funding wayfinding and it is possible to fund the vehicle layer through city CIP.

Every March a budget narrative is presented to the city which includes the scope of all the services provided to the BID. Giblin presented the budget that outlines that and is the final document that will be presented to the City. Amendments to the budget will be made and brought back to the next meeting for final approval prior to submitting to the city.

ANNUAL MEETING WITH CITY & COUNTY REPRESENTATIVES: WEDNESDAY, MARCH 16 FROM 4-6PM

McCarthy presented the draft of the agenda. City and County reps were invited, only one will be unable to attend, as well as some other City/County employees. She gave an overview of what will be presented and discussed. Bags will also be distributed to everyone. The presentation will be brief and will allow time for questions at the end.

BID RATEPAYER ANNUAL MEETING: WEDNESDAY, APRIL 20 FROM 4-5:30PM AT GLR

McCarthy asked all to put it on their calendar. Programming needs to be determined. Last year all major projects were reviewed, which was effective. Greenway will be designing a survey to distribute, Gilligan would like to help develop that. Invitations will be in the mail by April 1. It is good to have materials for people to take home.

DMP, MDA, MDF Reports

DMP – McCarthy reported that Williams will be leaving the DMP to work at Forward Montana and Wagener will take over the Membership position, Greenway has started as Community Development Manager.

MDA – McCarthy reported that Winter BrewFest was very successful, membership dues reminders were sent out, and sponsorship sales for all events are underway. Planning for Out to Lunch, Downtown ToNight, Garden City BrewFest, and Roots fest is ongoing. Advocacy and Retail committees met together and another retail meeting will happen after spring break. Sackett is developing a handbill on parking to give to retailers and their customers.

MDF – McCarthy reported that the poker tournament was successful with 70-75 players. The MDF board expressed concern about MEP’s fundraising project. Ann Guest is joined the MDF board. The parking meter repurposing project will commence soon.

MISSION REPORTS

CLEAN – McCarthy distributed the Clean Team Stats, Ambassador Statistics. She and Giblin met with Daniel to discuss power washing the Downtown sidewalks for free in the spring. Daniel reported that it would take about one day per block and hundreds of gallons of water to do a light wash. The feasibility of that and other options for cleaning the sidewalks was discussed. Perhaps targeting those food/beverage businesses that provide sidewalk dining and are problem areas and offering a discounted rate for spring would be better. Discussion regarding the scope of BID services and what is possible to provide ensued. It was decided not to pursue power washing all the sidewalks at this time, but to make a flier to distribute to businesses advertising the service.

SAFE – Discussion regarding the Downtown ambassador ensued. Retailers have asked for a safety meeting. A new HOT team coordinator has been hired.

BUSINESS DEVELOPMENT – Greenway will bring some reports that he has developed to the next meeting; he has a lot of experience with economic development.

MARKETING – Nothing to report, all agree that Sackett is doing a great job at all marketing efforts.

MASTER PLAN – Buchanan reported that getting focused on next year and a half and what can be accomplished in that time is mainly what they are working on.

ANNOUNCEMENTS & NEW BUSINESS:

Cederberg announced that he is meeting about the second Downtown officer on Monday to try to get that programmed into the budget for the next fiscal year to have another officer on by the middle of the summer. Andy Roy will commit to another 3 years if we can get another officer. One of the main arguments for the second officer is to fill in when Roy is out of town and the SRO’s are on vacation.

McCarthy reported that Alan Newell will not be renewing for another term on the board. France’s term is also up in May. Newell represents property larger than 20,000 square feet so all need to think about potential candidates to fill his role. Discussion regarding who to approach ensued.

The meeting adjourned at 5:03 p.m.