

**Downtown Business Improvement District of Missoula**  
**Board of Trustees Meeting**  
**Tuesday, March 16, 2021 at 3 pm via Zoom**

**Present:** Carma Gilligan, Charlie Beaton, Scott Stearns, Karen Sippy, Ellen Buchanan, Dan Cederberg

**Absent:** Kirk Bodlovic

**Staff:** Linda McCarthy, Robert Giblin, John Corwin

The meeting was called to order by Chairman Beaton at 3:10 pm

**Presentation: Opening the AC Hotel by Lacy Dequattro:** Dequattro, Director of Sales and Marketing, provided information regarding AC Hotel. Plan for a March 31 opening. At this time, they are finishing rooms and cleaning. It is a European design style, a modern look with free-flowing art designs, emphasizing natural environment in artwork. There are 105 guest rooms. The 7th floor hosts a rooftop bar called 7R with it opening this summer. She added there will be an AC Bar Ritual once a month, comes with a free drink special. She added a story about the history of bootlegging that is incorporated in the hotel. The main floor features a traditional lounge with small plates of food. The bar is not a restaurant per se. The hotel provides guest info of what is happening in area and encouraging they take in events, etc.

At the northeast corner of the building, Pattee and Main, the windows open fully to take in outside views and activity. Buchanan added information about those windows as exits for permitting process.

Answering a number of questions, Dequattro shared the following. Number of employees planned are between 35-40. Some will work for AC only and there might some sharing between AC and Residence Inn. Some management will be shared. The rooftop bar, 7R, has its own ownership under the FIRESTONE name, and the AC lounge is owned and operated by AC property. The 7R is small and will have limited allowable occupancy. The lounge will have music and art showings. The grand opening for the hotel will be put off until June, a recommendation from marketing consultants. Dequattro was asked about how Yellowstone crew and filming affected the Residence. She allowed it helped business, and probably helped many hotels/motels in the area. She noted the production is coming back again this year. And, the benefit is other filming is planned to take place in the area by other groups. She hopes this time the crews will be able to get out and enjoy Missoula because COVID kept them in rooms. She shared how difficult it was to operate during COVID with the layoffs of staff and then trying to rehire. Between risk of illness, unemployment benefits, and PPP, many employees chose to not return. They are still looking for employees. Dequattro believes they do pay well and that should help get employments up. Occupancy during 2020 tourist season was good but fell off. Bookings are increasing for 2021. They have about 500 for the year and under good circumstances would like to see 1,000. Fall Griz football reservations are increasing. The National Parks visits by tourists contribute to stronger bookings.

Comments and questions were made by Board about how the hotels plan for tourists, vaccinations, and what are expectations for GRIZ games scheduled for April. Dequattro said ownership strictly follows CDC policy and taking the usual precautions. However, staff cannot ask about vaccines due to HIPPA.

During the presentation Beaton noted the Governor announced April 1 all population can get vaccines.

The Board shared their appreciation that the hotels are in Missoula. Sippy shared how responsible the hotels are and by example noted automatic tree well watering by hotel design.

Lacy asked about using the connection with the cemetery tour and ties to history activities at the AC. Connections and names were recommended by Board. Lacy added compliments about Missoula. She originally was nervous to move to Missoula with the Merc history. But, she is very happy to be here with Missoula downtown so attractive and fun.

**Approval of Minutes:** There were no corrections to the minutes. Sippy moved to approve the minutes with a second by Cederberg. The minutes were approved.

**Appoint Scott Stearns as a BID Representative to the DMP Board for 2021-22:** Buchanan moved to appoint Stearns as a BID Rep. to the DMP Board for 2021-22. Sippy seconded. The Motion was approved.

**Request for \$50,000 for Caras Park Amphitheater Seating & Consideration of a 3-Year Pledge:**

Cederberg explained the request for funding. The project fits one of the Master Plan ideas, to remove the hillock in Caras Park near the Pavilion. The opportunity is good as the City will install a stormwater system at the same location. The total cost is anticipated at \$1 million. The City will cover \$500,000 and BID and DT Foundation will pledge \$50,000 each. The balance of funding will be through grants and requests of private parties. Cederberg explained that we know this is not the only fundraising for the park(s) renovations. Consequently, each of the partners will be asked for three-year commitments at \$50,000 each. This shows commitment when talking with others about giving. Cederberg would like an approval for \$50,000 now and a commitment for a total of \$150,000 over three years.

McCarthy provided more information about the total project, the engineering, and funding. Beaton asked about how the Parks & Recreation office is funding. McCarthy said Parks & Rec is looking at the Open Space Bond as a source. She added that we need to decide what DMP will own and what is owned by others like Parks. For instance, McCarthy added that the Holiday Inn will help with Bess Reed Park. We need to figure out who owns what and thus take responsibility, and that will help with decisions about funding amounts and sources.

Stearns asked if there some way to know what we are getting for our donation. McCarthy shared that Caras Park is what we would be responsible for and have ownership of.

Beaton reminded all that we have money for this kind of project. In the past we struggled to use all our money. This is a good project for us.

McCarthy shared a Caras Park illustration from the Master Plan and what this \$50k could be used for. We do not know yet what are future projects, but some ideas are gateways and under bridge improvements.

Buchanan added this is a huge undertaking and with many partners. It is not about asking for new amounts every year. It is about looking for commitments for individual and in total projects.

Cederberg added that this is about showing we are committed for the next three years. Buchanan added this is about saying we are adding these amounts. Gilligan asked if we are going to have our events, how this affects events, and where will money come from? McCarthy explained sources of funds operations and Partners.

Stearns asked, what funds might be available from the State and the City for this project? He added that if we have shovel ready projects then we will have opportunity to secure money for projects. Buchanan added the City also has an opportunity to acquire money for projects. There was general agreement that projects like these would get us money. Stearns agreed and we need to make sure we can get these funds.

Giblin added that from a cash standpoint, the DMP, is in a good financial position to help fund. The District is very well positioned for the next couple of years. The Foundation has consistent revenue for license plates. We are in a good position for grants from private and public sources. He shared meetings he had when he visited Helena and talked with grantors at State. He wanted to know what they were thinking as to how funds will be available. He said the persons he talked to agreed that funds should be available for City projects like this. He said he met with Dept. Commerce and to help position us for funds.

Buchanan added we should pick projects and be shovel ready. And shovel ready means you only have a few things to finalize to be awarded funds. We need to get ahead of everyone else and to invest in design drawings.

Cederberg added that we could probably use BID funds but we should check BID regulation. He said it is a step-by-step process. We have step one done, the ideas like in the Master Plan, but we need to get step two and three done. That is, what projects do we want and then design for them. In the interim, we learn what the State will support, stay on top of the process, and take advantage of it. Cederberg asked about State and Fed money and what is available for Cities.

Buchanan added it could be \$12 to 14 Million from Federal stimulus.

Per the conversation, Carma asked about our balance from today's financials, and is the loss due to not receiving BID payments yet. Giblin said yes.

Charlie asked if we are looking for a motion today. McCarthy replied yes.

Motion: Buchanan motioned that \$50,000 be donated this year and \$50,000 each for the next two years pending revenues and learning about other funding. Further discussion by Cederberg asked if we could commit to the additional two years without the "pending" language? He would like us to make the three year commitment because we want to be able to say that to those we ask. Stearns asked if there is a friendly way to word the motion to allow us to change our minds if other funds come available. And this is about not precluding our ability to use other funds. McCarthy added that there is discussion that the entire project could total \$30 million. "Our donation is a drop in the bucket. We can make motion that we can have the funds available pending on the funding." Cederberg moved to amend the portion of the original motion that "funds for year two and three would not be applied if other funds become available through State and Federal sources." Buchanan added further discussion that the Partnership should be cautious because of BID appeals. More appeals could be coming and how would that affect revenues. Cederberg added info about the appeals to date. He noted that with some appeals resulting in lesser assessments, the overall result was still an increased BID assessment.

The Board approved the amended motion. Sippy seconded amended motion. The Board approved the motion as amended.

**Financial Review:** Giblin provided the financial report. As of Feb. 28 dated, he noted funds on account. Items of note: BID was paid PPP and combined funds were made available to use for \$50k request. BID is in a solid position. From P&L: Revenue is \$262,915 and he anticipates BID will clear \$400k this year. Expenditures: Giblin expects BID will come in under budget in certain categories. Business as usual for the District. Net for the period is in the positive and very strong projections for the year. There were no questions from the Board.

**Preparing the Budget for FY 2022:** A draft budget with a draft narrative for the City was presented. The BID Finance Committee will review and make recommendations and approve the budget and narrative to the BID Board which will then be sent to City Council. The narrative and budget will be discussed beforehand. McCarthy added we included information about the homeless outreach team. "This information was sent to the Board to review. "

**BID Annual Meeting Discussion:** McCarthy began discussion with recommending April 21 for annual BID meeting. She noted that a draft agenda was included for review by Board. She noted that the Board might consider a featured speaker. She recommended Sterling Commercial RE as they presented their annual MarketWatch recently with very impressive information that would be of interest to our BID rate payers. Beaton thought Sterling would be fine as long as the presentation isn't too long. McCarthy asked what on agenda we might remove or change. It will be a Zoom meeting. McCarthy noted some info does not need a lot of discussion: such as police, clean team. Some items of interest like the parks plan, Caras Park project, and the two-way street plans will be included.

Beaton felt 90 minutes is a good time frame with limiting speakers and then giving time for questions. Sippy added we might include info on the Heritage Plan and trails plan. Beaton added sharing info about parking is always a topic.

At that point, McCarthy added info about Tiffany Brander resignation. However, she may be available to discuss parking issues/plans for the District.

**Updates on Master Plan & North Riverside Parks & Trails Plan:** McCarthy stated that last week the Parks & Recreation Department launched riverfront plan to address erosion. McCarthy added the information to the Board packet including a survey that she encouraged board to complete. LRTP is wrapping up its planning and an open house is scheduled for next week. McCarthy encouraged input to LRTP from Board. McCarthy shared info about the W. Broadway Plan and gearing up for a charrette on April 5-9. Staff will keep Board informed on charrette.

Buchanan added MRA is looking at creating a committee for W. Broadway Plan. The Front and Main conversion engineering will be presented for approval to MRA on March 25<sup>th</sup>. HDR Engineering was selected. They are the consulting team that did the original Front & Main conversion design several years ago. The Higgins to Brooks proposals were reviewed. Nine proposals were received and dialed down to 2 to select from. The project includes land configuring, bike lanes, parking to some degree, transit services, economic impact. Buchanan added some details about history of transit, including previous idea to use Stephens/Orange vs. Brooks/Higgins. All the work for Downtown combined would be largest in the state.

**Mission Work: Clean, Safe, Economic Vitality:** McCarthy provided information about abandoned vehicles. Clean team is working at a limited capacity. She added information about our efforts to catch tagging on our building. We installed roof cameras and lights. The hope is other businesses would do the same if we can get some results.

**Business Development:** McCarthy shared that several businesses are planning to open. She shared a discussion about BN railyard cleanup by DEQ. Presently the State plans to remediate to a commercial standard. This standard is less than what is required for residential. This means no new housing could be built once this limited remediation is complete. Buchanan added comments regarding objections from City and others are advocating for better cleanup than planned. DEQ is hosting a public meeting March 24, 2021, 6:30 pm (see DEQ website for link). Comments are accepted with post marks of April 2, and electronically by 11:59 am on April 2.

**Partner Updates: MDA, MDF:** Consultants have been hired to help with marketing strategy. The Brews & Bonfires event sold out. The office has been taking in questions about our events and activities. The Health Board is revising policy for events and opening up which may be helpful. The Staff is planning OTL and DTTN with limited capacity. Roots is still on hold. Questions remain about how to host it with numbers of people. A decision will be made in April.

Advocacy had its regular meeting. At it there were comments by a member about the culture of Downtown parking employees and parking issues. There was discussion about "Robots" and dislike of them. McCarthy added that when a member wanted to discuss parking at the Advocacy meeting she thought the issues were about parking garage gates. DMP is hosting a follow up meeting to discuss concerns. It is about public and interaction with parking employees and affect with people. McCarthy will contact the Board as to date of the ZOOM meeting. Beaton commented that the Robots are the future and they do work.

**Old Business, New Business, Announcements:** Gilligan asked about homeless team and funding for it. McCarthy shared we upped funding by \$5,000 in budget to be approved by BID Board. The homeless shelter on Johnson to stay open through April. The number of people on street is due in some part to lack of housing with the very low vacancy rate.

Beaton asked about the new Board appointment replacing Bodlovic. McCarthy shared there has been no response from Mayor yet. The Mayor is looking for application for Kirk's replacement. McCarthy reminded all that May is the official date of replacement. Linda shared dates for future Board meetings and perhaps an outdoor meeting in person for May.

With no new business or announcements, the meeting was adjourned at 5:10