

**Downtown Development Authority  
Board Fall Retreat  
Thursday, October 17, 2002  
Whitman School, 248 South 4<sup>th</sup> Street**

**PRESENT:** Doug Simons, PJ McGovern, Bruce Bengé, Becky Brehmer, Harry Griff, Bruce Hill, Larry Botkin, Gregg Palmer, Pat Gormley, Kelly Arnold, Harold Stalf and Sue Schore.

**ABSENT:** Janet Terry

**CALL TO ORDER:** The meeting was called to order by Doug Simons at 3:15 p.m.

**APPROVAL OF MINUTES:** Bruce Hill moved, with second by Bruce Bengé, that the minutes of the October 2 meeting be approved. Bruce Bengé had two corrections... when referring to an organization, the statement should have read, "one of the strengths of an organization is in its newsletter" and that the recommendation for selling advertising in a newsletter, such as the Chamber does, should be attributed to him rather than PJ. Kelly Arnold also added that it was not his recommendation to take money from the parking fund for the Main Street Program, but that it was a suggestion from Harold which came about during their discussions of funding for the program. Harry Griff then moved to approved the minutes as they had been amended. Bruce Bengé seconded the motion. The vote to approve the amended minutes was unanimous.

**NEW BUSINESS:** Bruce Hill presented information about the electronic signs for Two Rivers that would be installed on the east and west ends of downtown Main Street. He recommended that further discussion of this topic be continued to a November meeting so that Joe Stevens could provide additional information for the Board.

In 2001 the Board approved paying the property owners' shares of the alley improvement assessments for the area. The City would normally bill the property owners, but Jay Valentine of the City Finance Department will notify property owners by letter that the DDA will pay the \$25,200 cost of those improvements. Monies will be drawn from the line of credit established for the 203 fund.

Bruce Hill distributed information that had been provided by Claudia Hazelhurst, manager of the City's Human Resources Department, to assist Board members in their preparation for Harold's 90-day review. Harry Griff moved that the current and past chairman of the Board prepare the review and solicit information from Board members. The motion carried. After the initial 90-day review, all other reviews will be performed on an annual basis.

**Bus Depot:** Discussion centered on the City's solicitation of proposals for the purchase of the depot and whether or not the Museum would be interested in that property, as had originally been discussed when the Museum held the first option on the property. Kelly indicated that City Council is questioning whether a parking lot is the right use for that parcel. Per the City's agreement, the City owns all rights to it and must decide if it will move forward and close on the property by July 31, 2003. Proposals are due to the City by January 2003. Bruce Hill suggested that if there isn't a suitable choice on what should be done with the property, perhaps the DDA

could execute a proposal that would be within its mission and submit it for consideration. Kelly recommended that that someone sign the sheet attached to the study stating the DDA might have an interest in the property, submit it and have a member of the Board read the environmental study. PJ informed the Board that he had received a copy of the report and will be reviewing it for his personal business, but will study it and report his findings to the Board. Harold will review the report, as well.

### **DIRECTOR'S REPORT:**

- 1) **Holiday Lights.** Harold recently met with Joe Stevens and Mike Vendegna, head of the City's Forestry division, to discuss the installation and takedown of holiday lights. He learned that the labor / financial impact of this work is approximately \$28,000 annually. Park's employees are currently in the process of testing the lights and will begin installation soon, trying to install the lighters higher in the trees, as far as the cords and power can go. Downtown's power is still not adequate to install the number of lights that everyone would like, but perhaps in the future, with additional upgrades to transformers and with heavier-duty light strings, the downtown would be able to have more lights up longer. It will be necessary to create a lighting plan in order to expand the lighting design. It will not be feasible to leave the lights up through March because that would conflict with the busy spring season for the Forestry division, but lights possibly could stay in place until late February. The Forestry division will also install the lights on the Avalon and Reed Building which last year had been installed by Curbco.
- 2) Copies of a City Services report were distributed and a letter from Ron Lappi which presented an updated analysis of parking, the parking fund and long-range projections for the fund. The parking study shows that 39% of parking is available in downtown at any given time. PJ stated that initial projections showed that the parking fund would initially receive \$150,000 each year and this year's projection is even higher. He believes the dates of the report show that the study was not performed during the peak demand area or time and a study during those peak periods could change the numbers significantly. Discussion focused on the type of parking structure that could be constructed for the downtown area and the types of businesses that could occupy the ground floor retail spaces. Kelly informed the Board that the study continues to year-end and considers the free-parking holiday season which the downtown and Council have adopted the last several years. After discussion, PJ moved, with the second by Bruce Benge, to order "free-parking" bags to be installed over the meters from Thanksgiving until New Years, to be paid for by the parking fund. The motion carried. Jody Romero will place the order for the bags and Harold will forward a letter to City Council requesting free parking in the metered downtown district for that specified holiday period. Further discussion ensued as to whether or not the parking officials should monitor the free two-hour parking spaces and handicapped spaces in and around Main Street. Bruce Hill moved to have continued monitoring of those areas. The motion was seconded and passed unanimously.

**Downtown Assessment Report:** Harold discussed his recent assessment interviews and presented his conclusions in a power point presentation. It was interesting to him to note that citizens and retailers agreed that the downtown is the hub of the region for special events, but there was mixed opinions as to what kind of community celebrations should be held downtown. Interviewees agreed that the Avalon should be used more frequently, that there is

a need for art and culture downtown, and that there should be better cooperation and involvement of the downtown groups. He indicated that somewhere into his interviews he realized that he should have included questions about housing in the downtown area, because interviewees conveyed their feelings about downtown having strong business and strong commercial areas but weak neighborhoods. He believes that housing is the answer to rejuvenate downtown. Harold would like to present his study to City Council and the general consensus was that this could be done at the annual DDA / City Council dinner meeting rather than at a workshop. Larry Botkin suggested that this study should also be presented at a Downtowners' meeting.

**Main Street Program:** Harold opened the discussion by stating the Main Street Program would provide the structure to deal with some of the problem issues identified in his assessment. He emphasized that the Board should look at the program as providing a system for the common voice. It's important to also revisit the need for advertising and promotion for the downtown, as well as strategic long-term planning. He believes there's a need for a consistent plan in order to create a neighborhood, not just a commercial zone. Economic vitality is valuable in structuring the downtown and creating common goals. Discussion ensued as to whether the DDA should submit the application in conjunction with the DTA, whether it should submit the application on its own, if it were to be done jointly and whether a joint submittal would counter the Memorandum of Understanding which is in the process of being created to make the DTA a stand-alone entity. Questions arose concerning the staff requirements if the submittal were to be done separately or jointly, if there could be a reorganization of the office with redefined job descriptions, qualification requirements of a Main Street Manager, salary issues, etc. Harold stated that the total staff might be 3 ½ persons, not necessarily 4, and that it would be necessary to bring on a part-time person with expertise for a given task. Further discussions focused on the to-date success of funding commitments by the DTA.

PJ stated that, as a new member of the DDA Board, his original beliefs were that the DDA's responsibility was to administer the 203 fund, not to commingle funds, and suggested that the DTA administer this program without the assistance of the DDA. Harry emphasized there must be a clear understanding of what the DTA, the DDA and the City would bring to the table for this program. It would be essential to keep the staff as lean as possible, and if there's a shortfall of money, additional monies must come from the parking fund. Would City Council approve that proposal? Harry added it's more important that the DDA ensure the extension of the TIF; its mission is capital improvement, not promotion of the downtown. Doug Simons suggested that the downtown retailers should form a group much like the recently formed restaurant group and put a program together in order to work together to promote themselves. Bruce Bengel added and Becky agreed that, as retailers have seen before, there are some retailers who don't want to get involved or spend money to promote downtown.

Harold reiterated that what the Main Street Program requires from the DDA is a commitment of \$5,000 annually, plus office space, furniture, computer and supplies. Additional discussion focused on the pledge commitments for support monies. The program will build a structure that is successful in the long term and is designed to force the two entities to cooperate with one another.

After the dinner break PJ moved that the board approve the expenditure and pursuit of the Main Street Program with the expenditure of the \$2500 initial fee, and the director and staff pursue alternate funding sources for the program. The decision on who would administer the program would be left for later discussion. Harry seconded the motion. After brief discussion the motion was withdrawn.

**Strategic Plan:** Harold discussed the roles and duties of the DDA and stressed that these need to be addressed in order to have a vital downtown. He believes the organization needs a good business plan and real estate strategy in order to determine when to get in and when to get out of property ownership. Bruce Hill added that in the past, part of the logic of buying buildings perhaps has been to keep something negative from coming in and part of DDA's strategy would impact the land use decisions for downtown. The DDA has made good real estate decisions. Harry stated that the Main Street Program emphasized starting with small identifiable projects so people can see the value of what is being done. He believes that other projects such as the Avalon and Two Rivers must be completed before moving on to something else. It's important to reach a goal before moving on. Bruce Hill stressed that the purpose of the DDA is not to make the Avalon whole and emphasized the importance of moving forward; the longer range is the goal. Discussion ensued with various recommendations for projects, from entrances to downtown to Main Street trolleys and housing when Kelly Arnold suggested focusing on a couple smaller projects, getting those successes behind the organization and then focusing on a major issue. Harold agreed that the members were speaking a common language of what the vision can be, now it is important to find a common goal and fund it within the DDA's means.

**BUDGET:** The Doo Zoo is three months in arrears on its lease payments and a draft letter is in place. Approximate \$15,000 has been expended on unemployment claims that were not budgeted and a \$4500 settlement fee will be paid to sever the copier lease agreement. Dell Financial has still not responded to Harold's calls regarding ending the lease agreement on the computers. He is projecting that the budget will be approximately \$9000 in the red at the year-end. Questions arose as to whether or not the DDA is part of the City's self-insurance program for unemployment claims; Bruce Hill will check on that question.

Harold reiterated that the office is functioning on a very tight budget and there could be additional deficits due to possible non-payment by the DTA and the Doo Zoo. He is trying to cut losses in a few strategic areas, after the organization started the year with potential losses in many strategic areas. He emphasized that because the DDA is no longer taking in rent, it is essential to sell the Reed building and shut it down within a month.

**MAIN STREET PROGRAM:** Harold reviewed the proposed budget for the program and discussion then focused on the possibility of providing the DTA the opportunity to function as the administrator of the program, rather than having them simply follow along with the program with the DDA as the administrator. Harold reminded members that the DDA must be the applicant, but it could later designate the DTA to administer the program. Harry moved to authorize Harold to communicate with the DTA to determine whether the DTA would join the DDA in the application process with the understanding that 1) Harold would devote ¼ of his time assisting the program; 2) Stephanie would continue to work ½ time at the expense of the DTA; 3) the DDA would front the \$2500 application fee; 4) the DTA would still be responsible for reimbursement of approximately \$20,000 they owe for

Stephanie's time; 5) the DTA would commit the \$15,000 that has been pledged to date; 6) the DTA would hire the staff person responsible for administering the program; 7) the DTA would take the lead role in addressing the City in negotiating its funding request to the City; and 8) this project would be advanced without office space from the DDA. PJ seconded the motion. Emphasis was made that the DTA should manage the advertising and promotion, as well as the management of the program manager, but that if the DDA's name is on the application as applicant, it must manage the funds as the sponsoring agency. That motion was withdrawn.

Doug stated that the motion should be as simple as stating the DDA would support the DTA in an independent effort in raising additional funds and the DDA would be the sponsoring agent, if required. Harold and Doug will go to the DTA to convey the group's consensus. Bruce Bengel moved that the board authorize Harold to complete the application, with the DDA being the sponsoring agent, if necessary. The motion passed.

**ADJOURN:** Bruce Bengel moved that the meeting be adjourned. Second by PJ. The meeting was adjourned at 8:47 p.m.