

**Downtown Development Authority  
Board Meeting  
Thursday, January 23, 2003  
Whitman School, 248 South 4th Street**

**PRESENT:** Doug Simons, Bruce Hill, Becky Brehmer, PJ McGovern, Harry Griff, Gregg Palmer, Larry Botkin, Janet Terry, John Shaver, Karen Hildebrandt, Harold Stalf and Sue Schore.

**ABSENT:** Bruce Bengel and Pat Gormley,

**CALL TO ORDER:** Doug Simons called the meeting to order at 7:37 a.m.

**APPROVAL OF MINUTES:** Harry Griff moved to approve the minutes from the December 19, 2002 meeting. Bruce Hill seconded the motion. Carried.

**2002 FINANCIAL REPORT:** Harold Stalf distributed reports recapping 2002 financial information and reminded the Board that at the October retreat he had estimated the DDA would most likely end 2002 approximately \$9600 in the red. The latest reports show that the actual year-end figure was \$606 in the black. This reflects a concerted effort on everyone's part to spend wisely and conservatively and also reflects the Downtown Association's latest payment of \$9,500 for administrative support. This payment brought the DTA up-to-date for 2002. John Shaver informed the Board that he had been successful in stopping the collection proceedings from Dell Computer and, at this time, he has received no communication either in the form of a pay-off letter or demand letter. Several months ago he requested shipping information from Dell so the computers could be returned. That information has not been received.

Harold updated the Board regarding unemployment claims stating the former employee who had been receiving unemployment compensation last year had recently taken employment, but another individual who had been working had been laid off from her job. Therefore, the possibility of another unemployment claim is present, although no claim has yet been filed on the second claimant. If it should be, the amount would total approximately \$4800.

Board members expressed pleasure that the year had ended in the black and voiced appreciation to Harold for his efforts in bringing the DDA to this point. Bruce Hill moved that the 2002 financial report be accepted. The vote to accept the report was unanimous.

**2002 SALES TAX UPDATE:** Harold distributed copies of City financial reports through November 2002. Those reports showed that there was a significant decline in tax receipts from grocery stores, auto sales / service, jewelry stores and a general category classified as "other." December tax receipt numbers have not yet been reported, but the current numbers indicate that downtown retail has been relatively flat for the past three years. Discussion ensued as to whether or not the business trends were due to stagnation rather than to any specific incident and whether or not the big boxes have affected the decline in hard good sales, specifically at City Market. Harry cited his opinion that there very has been a trickle of people leaving the downtown and, as a result, a slight loss of tax revenue even though prices have increased. Janet suggested that Harold obtain reports from the City that compares other sales areas to downtown to learn how those other areas fared in comparison to downtown. Harold indicated that these current numbers present a good baseline and starting point for a future partnership and promotion for the downtown.

**SIDEWALK DINING:** Bruce reported that Il Bistro is still interested in working toward getting an outdoor dining area, but in order to do that they will need to redraw their plans, apply for a revocable easement from the City and apply for a new liquor license. He also explained, in describing Council's actions last spring, Council was simply stating a need to review each applicant's establishment individually rather than treating all downtown dining establishments as a whole. The 8' requirement is a concept that was accepted for consistency. Council would consider any request for a variance. In response to Becky's question of a liquor license allowing liquor to be served in dining areas across a sidewalk, John explained that the liquor license requires that the serving area be contiguous to the building, that serving cannot cross a sidewalk which separates the establishment from its outdoor dining area. Janet stressed the importance of defining the DDA's role in this process, asking if it was anything more than advocacy? John responded that it should not be more than that. Discussion focused on various scenarios that might be acceptable to Il Bistro and City Council, when Doug suggested one of the DDA's tasks should be to fully understand the rules and City's codes and be able to explain them to interested applicants. This would benefit individuals preparing their requests for revocable easements. Harold suggested that the Board should look to the successes of outdoor dining in Lo Do and asked whether the DDA should have a master plan guide to assist businesses in order to achieve the same success here. Discussion on the sidewalk / outdoor dining issue will continue at a later date.

**HAMPTON INN:** Bruce Hill reported that several years ago the Board had made a commitment to the Reimers for \$250,000 for hotel expansion and additional parking. At that time Ron Lappi reminded the Board that the money must be used for public benefit. Harold recently received a letter from the Reimers asking for the \$250,00, but it will be necessary to learn what is appropriate use of that money but before the transaction can be completed. A meeting with Ron Lappi and the Reimers might be necessary to discuss their request and to determine how the money can be spent appropriately.

**GREYHOUND DEPOT:** PJ provided an update regarding the current status, saying he was meeting with City officials, hoping to get them to understand that there might not be any cost for cleanup of the property if they are fortunate enough to get superfund money. Superfund money is available but it will be necessary to file the application papers in a timely manner or the filing agency could be assessed a penalty of 5% of the total request. Because it could take three to six months to learn of the approval for superfund money, the best tactic might be for the Smith family, Council and DDA to meet to discuss extending Greyhound's lease for one year. That would give all parties, including Greyhound, time to continue their discovery work. Harold reported that he met briefly with Museum Director Mike Perry and the Museum Board, and the Museum officials are very concerned about the prospect of Greyhound's lease being extended for another five years. The Museum is interested in establishing a partnership with the DDA on this issue and is committing up to \$10,000 for further analysis of the cleanup costs, if further analysis is necessary. Harold reported that, in his discussions with Roger Moore, Roger believes there might be adequate information already being held by the Smith family, the State archives and the City analysis to determine remediation needs.

Harry reported that he had spoken with the Smith family representative, Dick Scariano, and the family's main goal is to sustain cash flow from the property. They are considering extending the Greyhound lease for another three-five years and this situation will eventually come to a head when Greyhound determines it has outgrown the downtown location. He emphasized that Greyhound should be a part of all upcoming meetings because, if superfund monies are not available for cleanup, Greyhound must then take some responsibility.

**MOU / DOWNTOWN PARTNERSHIP:** Harold announced there will be a joint meeting between the DDA Board and DTA Board on Thursday, January 30 at 7:30 a.m. to discuss the Downtown Partnership. Gregg Palmer distributed copies of the latest MOU that John Shaver had prepared, saying this was his first view of the MOU and reiterating that the previous consensus was to have a general agreement

between the DDA and DTA and then a more detailed agreement between the City and the two agencies dealing with the financial requirements for the Partnership. John supported his document by saying it combines the concepts of a general MOU for the two and also a more formal financial agreement between all three, defining what the financial partnership will do. After discussion of varying opinions and the needs outlined for each agreement, Doug recommended that each member review the document so that this could be discussed more completely at the next meeting. He also reported that members of the DTA Board are in the process of contacting merchants, asking for confirmation of their original pledges for the downtown program.

**ANNUAL DTA DINNER:** Karen Hildebrandt invited Board members to the DTA's Annual Dinner Meeting at Two Rivers Convention Center, Friday, March 28. Tickets are \$35 per person, or a sponsorship of \$500 buys a table for ten. The DTA will be presenting awards to five businesses and, if the DDA is interested in presenting awards, that information must be forwarded to Karen before February 21. JT and the Big Dogs will be playing and the dance will be open to the general public at an admission cost of \$10 per person. Any profit from the evening will go toward the Downtown Partnership Marketing Fund.

**DIRECTOR'S REPORT:** A work session for the Westside Plan is being held at City Hall from 1-5 p.m. today. Harold will attend. A brief report on the up-dated parking showed the increased rates at the 4-hour meters at 4<sup>th</sup> and Main have caused more meters to remain open for patrons. It is apparent that this change over highlights that employees have been using the close-in parking, not downtown patrons. Casual observations of the free-meter parking over the holidays also has led individuals to believe that the close-in free parking frequently was utilized by employees, rather than shoppers.

Gregg Palmer moved that the Board adjourn to executive session. Becky Brehmer seconded the motion. The motion passed and at 8:58 a.m. the meeting moved into executive session.

At 9:05 the Board reconvened to its regular meeting and Gregg Palmer moved that Harold Stalf be authorized to execute the contract with Shaw Construction for the Reed Building renovation. PJ McGovern seconded the motion. Carried. Harry Griff moved that Harold Stalf amend the previous letter of intent to show the prospective buyer will assume 60% of the difference of increased costs between the original estimates and the accepted bid for the façade renovation. The second was by PJ McGovern. The motion passed.

Bruce Hill moved, with second by Becky Brehmer, that the meeting be adjourned. Motion passed and the meeting was adjourned at 9:10 a.m.