



BUSINESS IMPROVEMENT DISTRICT BOARD

REGULAR MEETING

June 3, 2010 – 10:00 AM

Downtown Library – Meeting Room A

Minutes

The meeting was called to order at 10:18 a.m. Members present: Scott, Gaspar, Smith, Bosch. Members absent: Frericks, Gabbert. Others present: Jennifer Schmidtbauer, Erica Beck, Chris Schiltz, Chuck Point, Ben Ronning, Josh Peterson, Dan Statema, Dave Dandar, Grant Houwman, Tom Muenster, Paul Nester, Brent O'Neil.

Approval of April 22, 2010 Meeting Minutes

Motion by Gaspar, second by Scott, to approve the April 22, 2010 meeting minutes. Motion passed 4 yes, 0 no.

Proposal to Amend BID Assessment Formulas – DTSF, Inc.

Dan Statema, DTSF Inc. provided the board with an update on the proposal DTSF is formulating for consideration by the BID board and city council. Statema noted that a public meeting was held May 25th to discuss the proposal and DTSF staff and board members have been communicating with property owners. He said the two main concerns received on the proposal are ensuring the assessment is equitable to all district property owners, and that multiple-property owners could potentially pay the maximum assessment several times.

Consideration of DTSF Proposal

Gary Gaspar stated six points about the BID, in summary: 1) DTSF revenue since 2000 has increased 13% annually while the consumer price index was at 2.5% annually; 2) Property values have grown at 8.3% annually compared to the CPI; 3) When fully implemented, the assessment payable for one identified property owner would increase four-fold; 4) The cap creates a regressive tax structure; 5) Multi-property owners may not benefit from the cap and may pay a significant portion of the total BID collection; 6) Natural property value inflation would increase the proposed collection further than stated and the proposed increases may not be needed in full.

Board members heard public testimony regarding the DTSF, Inc proposal. Grant Houwman, Dave Dandar, Chuck Point, Paul Nester, Tom Muenster, and Chris Schiltz commented. Concerns are summarized below:

Assessments should be applied in an equitable manner to all property owners.

Different areas within the downtown boundary have varying levels of benefit and association with DTSF.

The small property owners need to be treated fairly.

A request for opening clearer communication channels between DTSF and property owners.

The use and need of funds is not detailed enough.

Proposed assessments are substantially increased for owners of multiple multi-family units.

I support DTSF and its mission.

Recommend the current proposal be modified.

It's important to "take care of the middle" of the city. Downtown is a great asset.

Board members had several comments and inquiries about the proposal. Points of discussion (response) are below:

DTSF indicated that of about 250 letters sent to property owners, about 100 were returned and 95 of those supported the new BID proposal.

People have brought up personal concerns about the BID during past renewals, however, the recent renewal in 2007 did not receive opposing comments at the council meeting.

The 2009 collection of BID funds was \$130K to \$135K and the City of Sioux Falls encumbered funds in the amount of \$140K in 2010.

DTSF should document its expenses to the board and particularly show use of BID funds. DTSF stated expenses are related to the DTSF strategic plan adopted in 2008.

Memberships accounted for \$80K to \$90K of DTSF revenue; Events were \$100K to \$200K.

Statema indicated DTSF could spend additional time working to build consensus and hold a second public meeting. DTSF requested additional time to work on the proposal.

Motion by Gaspar, second by Scott, to defer review of the DTSF proposal for two weeks. Motion passed 4 yes, 0 no.

Review of Land Use Classification Map for Business Improvement District Properties

This item was not addressed at the June 3, 2010 meeting.



Other Business

No additional business was conducted at the June 3, 2010 meeting.

Set Next Meeting Date and Topics

City staff was directed by the board to determine the next meeting date after two weeks of the June 3, 2010 meeting. Once determined, it will be posted via the city's website. Guests asked to be informed of upcoming BID meetings and activities through email.

Adjournment

Motion by Gaspar, Second by Scott, to adjourn the meeting. The motion passed 4 yes, 0 no. The meeting was adjourned at 11:45 a.m.