

## **Main Street Business Improvement District Board**

Friday, August 12, 2022

10:00 am

City Center, Room 110  
231 North Dakota Avenue  
Sioux Falls, SD

Draft Minutes

The meeting was called to order at 10:02 am.

Members present: Anne Haber, Anita Wetsch, Katrin Profilet, Dave Dandar, Darrell Schmith, and Erica Mullaly

Member absent: None.

Staff present: Dustin Powers and Madeline Schwebach

DTSF Inc. staff present: Joe Batcheller

### **1. Call to Order**

Dandar called the meeting to order.

### **2. Approval of June 2, 2022, Meeting Minutes**

Motion by Profilet, second by Schmith, to amend the minutes to read Thursday, June 2, 2022. Motion passed: 6 yeses, 0 noes.

Motion by Profilet, second by Wetsch, to approve the June 2, 2022 meeting minutes. Motion passed: 6 yeses, 0 noes.

### **3. Public Input on Non-Agenda Items**

No public input was taken.

### **4. New Business**

#### **A. 2022 Proposed BID Assessment**

Powers stated that the proposed BID roll was filed with the City Finance Department July 22, 2022, and a mailed notice was given to all property owners on the roll.

Powers stated the total assessment for the 2020 BID assessment was \$189,776.56 and the 2021 BID assessment was \$192,493.26.. There are 235 properties in 2022 paying to the BID assessment for a total of \$203,674.28. A slight increase in the number of properties were due to the new developments of Cherapa Place and the Steel District platting additional lots for development.

Shelia Hazard indicated that the notices don't come soon enough for budgeting purposes and would like to see the notices with the amounts sent in January.

Motion by Wetsch, second by Profilet, to formally recommend to the City Council approval of the 2022 BID assessment roll filed with the City Finance Department dated July 22, 2022. Motion passed: 6 yeses, 0 noes.

### **B. 2022 Budget Update**

Batcheller indicated that the BID expenditures are tracking for this time of year. General marketing expenses are a bit lower than the normal but that will catch up in the next month or two. The Clean and Green Team is also lower and that is a result of some public improvements that didn't happen along Phillips Avenue that would have added more new planters that DTSF would be maintaining. The one item coming in over budget is the supplies and gas for the vehicles, but everyone is seeing these increases.

Batcheller shared the approved 2022 assessment will collect almost \$5,500 more than the approved budget and would like to use those funds for additional holiday lights or to support the banners that were planned to go up next year on the Eastbank. Batcheller was open to suggestions because there may be staffing difficulties if we add more holiday lighting this year since DTSF staff does the installation.

Wetsch asked if the funds could go to support the marketing for the winter games. Batcheller indicated that it could go to that.

Dandar indicated that as a resident of downtown the holiday lights have been a great addition to keeping the atmosphere during the winter months and would like to see more, but is open to other discussion.

Wetsch would like to support the holiday decorations and the winter games to support the items that impact the shoulder seasons.

Motion by Wetsch, second by Haber, to amend the budget to \$203,674.28 and with that additional funds to support additional holiday lighting and supporting the winter games. Motion passed: 6 yeses, 0 noes.

### **C. BID Growth Plan**

Batcheller indicated there was a steering committee established and there has been a number of outreach efforts, a presentation to the downtown development committee, a public workshop at the library, and a number of meetings with property owners, but still more outreach will be done before the City Council is entertaining the changes. Batcheller requested a recommendation from the BID Board today, and next steps would be for a presentation at the September 13th City Council Informational Meeting, and future Ordinance changes to reflect the BID Growth Plan in October.

This proposal is trying to make downtown as appealing and marketable as possible. Compared to Rapid City and Fargo, Sioux Falls collects the least amount of revenue, but provides the largest range of services, and has the largest geographic area.

DTSF, Inc. as an organization was able to generate \$4.3M of economic impact in 2021 through events and promotions, and on an overall budget of \$800,000, that's a 5 to 1 ratio.

DTSF brought on consultants over the last year that reached out to over 100 stakeholders, and heard from a lot of property owners, business owners and residents. Based on these discussions the following programs and essential services that were considered are as follows:

- Safety Ambassadors
- Retail Recruitment
- Enhanced Maintenance
- Enhanced Marketing
- Event Support
- Wayfinding

The original draft of the BID Growth Plan had 3 phases that would ramp up funding and services over time. Based on the comments that have been received so far for the BID Growth Plan most stakeholders are supporting Phase 1, but would like DTSF to prove the value and concept before we move forward with Phases 2 and 3. As a result the proposal for the current draft of the BID Growth Plan only reflects the original Phase 1 programs, services, and assessment methodology.

Safety Ambassadors and Enhanced Maintenance are the main programs and services that are part of Phase 1. Phase 1 will initially get 3 new safety ambassadors, but based on a downsize of our size we need to get to around 8-12 to have the best service.

To provide the Phase 1 Service the following calculation will apply:

- Replace the cap with two tiers
- Buildings:
  - \$1.50 / 1,000 for building valuation \$0-1 million
  - \$0.50 / 1,000 for building valuation over \$1 million
- Land:
  - \$1.00 / 1,000 for land valuation \$0-200,000
  - \$0.50 / 1,000 for land valuation over \$200,000

Duff Robinson proposed more of an equal weighted distribution (\$0.50 / 1,000 for total valuation, no tiers), instead of have two different rates for building and land valuations. Just have one flat rate for the entire valuation of the property. This will provide the same rate for everyone no matter the valuation of the property. Under the proposed formula, properties under the tiers will pay a higher rate on their valuation and never see the benefit of the lower rate, which seems unfair. This proposal would benefit everyone the same. After conversations with Batcheller, another alternative would be to lower the first tier to \$1.00 / 1,000 for valuation for property under \$2 million and then \$0.50 for everything above \$2 million.

Batcheller ran the numbers of the original proposal and the alternative of \$1.00 / 1,000 for valuation for property under \$2 million and then \$0.50 for everything above \$2 million. The original would collect approximately \$361,000 and the alternative would collect \$333,000, based on today's valuations.

Shelia Hazard indicated that she liked Robinson's proposal as it would simplify the formula with one rate versus a tiered approach. She indicated that we need to have the services being discussed, but would like to see where the largest share of the BID assessment comes from. Is it properties under \$2 million? Batcheller indicated that the rate for the lower valuation properties is not increasing from what it is today, this proposal only captures the additional revenue from those properties that were over the current cap limits.

Profilet asked if this proposal is adopted by City Council how long does it last. Batcheller indicated that it is indefinitely until a new proposal or changes are brought forward.

Wetsch indicated that we have been working on this awhile, have done a lot of work, and the information has been available for dissemination by the property owners. We have endorsements from many of the property owners and if we were to make changes we may need to restart the process, so struggle with making any changes at this point.

Batcheller indicated that the purpose of this BID Growth Plan is to provide the greatest benefit to the largest number of properties and believes the proposed plan does that. The proposed tier structure is the same rates as today, it just removes the cap limit and has a reduced rate for those over the current cap limit, which ultimately meets the needs of the proposed services and programs of the BID Growth Plan. Possible changes to the tiers could be looked at again if Phases 2 and 3 are brought back for consideration in future years.

Dandar believes this is a step in the right direction, there has been a significant amount of discussion, and this is something that is needed. This maybe getting 90% of everything right, and we will continue to take input on this as we move forward, but this is a good approach to improve the services and programs laid out in the plan.

Motion by Wetsch, second by Mullaly, to formally recommend to the City Council approval of the proposed BID Growth Plan. Motion passed: 6 yeses, 0 noes.

## **5. Other Business / Open Discussion**

No other business was discussed

## **6. Adjourn**

Motion by Schmith, second by Profilet, to adjourn. Motion passed: 6 yeses, 0 noes. The meeting was adjourned at approximately 11:22am.