



Madison's Central Business Improvement District (BID)

**MINUTES
BOARD OF DIRECTORS MEETING
Thursday, November 5, 2009, Noon-1:30pm
BID Offices, Board Room, 615 East Washington Avenue, 2nd floor**

PRESENT: Tom Carto, Dan Cornelius, Jack Garver, Lori Kay, Larry Lichte, Traci Miller, Maria Milsted, Stacy Nemeth, Paul Norman, Rick Petri, Mary Lang Sollinger, Alder Michael Verveer*

STAFF: Mary Carbine (Executive Director), Mitch Freund (Programming Coordinator), Susan Schmitz (DMI President)

ABSENT: John Hutchinson, Pat McGowan, Matthew Mikolajewski*, Brian Mullins, Paul Muench, Sam Parker, Jeanette Riechers, Hawk Schenkel

**Non-voting*

I. Call to Order

BID Board Chair, Lori Kay, called the BID Board Meeting to order at 12:03pm.

II. Roll Call

BID Board Members introduced themselves around the room.

III. Approval of Minutes from the October 1, 2009 BID Board Meeting

Stacy Nemeth moved to approve the minutes from the October 1, 2009 BID Board Meeting. Larry Lichte seconded the motion. Minutes were approved unanimously.

IV. Public Comment

None to report.

V. Guest Presentation – Madison Children's Museum, Ruth Shelly, Executive Director

BID Board Chair, Lori Kay turned the floor over to Ruth Shelly, Executive Director of the Madison Children's Museum. Shelly informed the BID Board about the new Madison Children's Museum that will open in August 2010 in their new location on the corner of North Hamilton and North Pinckney Streets. Shelly also highlighted the museum's longtime commitment with the public and business community in downtown Madison. Some highlights of the new museum will include: a free "Community Concourse" incorporating a Bean Sprouts café and a welcome center; an "Early Learning Gallery" housing a suspension bridge, "reading nests," and an indoor tree house; art studios; party rooms; classrooms; a four-season rooftop terrace consisting of fort-building, a chicken coop, a weather station, and Native American structures; and a 1800's log cabin. Construction on the museum has begun and will continue into 2010. The current museum will close January 4, 2010. Shelly expressed the need for corporate sponsorships from the downtown business community. She then opened the floor to questions and comments.

Board members agreed the Madison Children's Museum is a great asset to the downtown community and agreed to continue cross-promoting the museum where available, such as the Downtown Trick-or-Treat and the Downtown Holiday Open House. Board members also expressed an interest in downtown businesses being involved in museum activities.

VI. Halloween Freakfest 2009: Review, discussion

Mary Carbine reported on the recent successful Halloween Freakfest event on Saturday, October 31. Carbine thanked business and property owners for their cooperation. Madison Police reported that arrests were down, there were no significant injuries, and no major property damage. 44,000 tickets were sold for the event, compared to last year's 38,000 tickets. Carbine then reported on the event's impact on business sales. Bars, grab-and-go food, and costume items reported the best sales. Other retail businesses reported slow sales; although Sacred Feather reported sales "better than Maxwell Street Days." Suggested areas of improvement included more portable toilets. Carbine then opened the floor to questions and comments.

All board members agreed to the event went very well, and agreed that the Board should send a letter of thanks and congratulations to Frank Productions and the City of Madison.

Carbine then reported on the BID-coordinated Downtown Trick or Treat on Friday, October 30. Over 60 BID businesses participated in the event offering treats and special offerings to costumed kids and families. Hundreds of kids and families attended the event and downtown was promoted as a great place on Halloween. Overall, businesses were extremely happy with the event. Board members agreed it was a great event and we should plan it again next year.

VII. City of Madison Update

A. Alder Mike Verveer – ALDO/ALRC update, Capitol Square Streetscape Updates

Alder Mike Verveer reported on a recent Alcohol License Review Committee (ALRC) meeting where the Alcohol License Density Ordinance was discussed. He is hopeful the ALRC will amend the ordinance soon (possibly December) to allow for more entertainment options. Verveer feels there is no support to repeal the ordinance since Council will be considering whether to renew or allow it to sunset in fall 2010. Instead he will be working for an amendment. Board members agreed with this action.

Verveer then discussed proposed amendments to the City of Madison Capital and Operating Budget that would affect the District. A City Council meeting will be held Tuesday, October 10 to begin discussions of the budget and these amendments, including Capitol Budget amendments that would remove TIF funding for Capitol Square streetscape updates and street tree replacement, and Operating Budget amendments that would dissolve the Capital Revolving Fund and eliminate the Façade Improvement Grant and new Lighting Enhancement Grant, and provide additional funding for programs that address homelessness prevention (partial funding comes from increased revenues derived from alcohol-related licensing fees.)

Paul Norman moved that the Madison Central BID Board of Directors support Alder Mike Verveer's actions regarding the proposed City of Madison capital budget amendments on Tuesday, November 10, consistent with past BID Board meeting discussions. Specifically, that would be to oppose the two aforementioned Capitol Budget amendments, oppose the Operating Budget amendment that would dissolve the Capital Revolving Fund, and support the Operating Budget amendment that provides additional funding for homelessness prevention. Mary Lang Sollinger seconded the motion. The motion was approved unanimously. Voting yes: Tom Carto, Dan Cornelius, Jack Garver, Lori Kay, Larry Lichte, Traci Miller, Maria Milsted, Stacy Nemeth, Paul Norman, Rick Petri, and Mary Lang Sollinger.

B. Peace Park plans update – Alder Mike Verveer, Mary Carbine

Verveer thanked board members for their support of the upcoming Peace Park renovations. He is very excited about moving this project forward. At this time, construction is slated to begin in late winter, with completion anticipated by the end of summer 2010.

Mary Carbine reported that the City Council approved the Peace Park renovations, including the ATM on the welcome center. BID Board Members who spoke at the Council meeting included: Jeanette Riechers and Hawk Schenkel. BID business owner, Sandi Torkildson from A Room of One's Own Bookstore, also spoke. Carbine reinforced the BID's support of the ReachOut program, and reported that a ReachOut donation collection box is planned for the Welcome Center.

C. Matt Mikolajewski, Office of Business Resources

At a conference (excused absence), nothing to report.

VIII. Subcommittee Reports

A. Nominations Subcommittee Update on Board Appointments– Pat McGowan

In Pat McGowan's absence, Mary Carbine introduced incoming (Jan. 2010) Board Member, Nicole Birringer, UW Student ASM Representative, who was in attendance. New board member (Dec. 2009) Theresa Werhane, was unable to attend the meeting. The Mayor's Office is scheduled to consider renewal of Board members whose terms expire January 2010 in his November appointments meeting.

B. Assessment Method Review Subcommittee – John Hutchinson, Brian Mullins

The Assessment Review Subcommittee met October 21, and discussed two items:

1. Recommendation clarifying the application of the current assessment method to buildings under construction or major renovation:

The Subcommittee approved the attached recommendation in your packets (which was also provided to Board members with the agenda). In summary, staff asked for clarification in preparing the 2010 assessments, because there was a property wishing to join the BID that is under construction, and a property within the BID which was previously tax exempt and is no longer (meaning it would be subject to the BID assessment), BUT is under major renovation.

The recommendation clarifies that the "trigger point" at which the BID assessment is potentially effective for buildings being constructed is the date of the city's Certificate of Occupancy. The recommendation also clarifies that a building under major renovation which does not yet have a Certificate of Occupancy is not subject to the BID assessment.

The city attorney's office has reviewed the proposed policy, and determined that this is a clarification of the current assessment method, and does not necessitate any change to the approved Operating Plan.

However, there will be an impact on the BID 2010 assessment revenue: a net reduction of \$3,478, as under this policy two properties will not be subject to the BID assessment:

a. \$2,908.20 31 S. Henry St, 31 S. Henry LLC

Within current BID footprint. Was tax exempt; became non-exempt and was to be subject to BID assessment for first time for 2010. Under major renovation and does not currently have a Certificate of Occupancy.

b. \$450.00 408 W. Gorham St., 408 LG Property LLC

Not within current BID footprint, but is contiguous. Wanted to become part of the BID in 2010. Building is under construction, originally slated for a restaurant to be open in October. However, construction has ceased, and building does not yet have a Certificate of Occupancy.

2. Continued review of various methods of assessment:

In the Sep. Subcommittee meeting, it was requested that numbers be put to various methods, to illustrate how the different methods would impact the assessments for this BID. Thanks to work by Stacy Nemeth, the Subcommittee reviewed spreadsheets that showed how different methods would impact assessments for this BID. There was general discussion and review of the different methods, but no decisions were made. Subcommittee members will continue their analysis of the different methods at the next meeting slated for Nov. 18, with the intent to meet the goal of completing work by the end of the year. The analysis of the different methods will be included in the Subcommittee's forthcoming report to the full Board.

Subsequent to the Subcommittee's Oct. meeting, a letter to the Board was received from BID property owner Harold Langhammer (in your packets). The Subcommittee co-chairs and Executive Committee recommend that this request be discussed by the Subcommittee, and then discussed by the full Board when the Subcommittee report is presented. At that time, the Board can discuss and make decisions about what additional input, if any, may be needed from property owners, and whether (for example) we want to have a public meeting to which all property owners are invited, to present information and discuss the Subcommittee's work and recommendations.

IX. Treasurer's Report – Stacy Nemeth

A. Review draft 2010 BID Annual Budget

Stacy Nemeth reviewed the annual budgeting cycle: Review draft budget at the November Board meeting, approve budget and administration contract at the December meeting, and review/update annual budget in March after the official close of the city fiscal year and close of BID Map Ad sales.

Nemeth reviewed the draft 2010 Annual BID Budget. Due to some changes in the assessments (such as properties becoming tax exempt, and the newly approved assessment policy regarding Certificate of Occupancy), there is a reduction in anticipated revenue. The MG&E donation for the hanging basket program is also being scaled back starting in 2010 (due to their normal project funding cycle). Ambassador Program expenses will also increase in 2010 due to anticipated opening of new Visitor Center. Therefore, we need to do more with less money in 2010. In reaction to these changes cuts have been made to the planting programs (will reduce hanging baskets, eliminate winter boughs), reduced marketing and property owner outreach, trimmed business retention, and cut out staff travel costs to the IDA conference. Nemeth opened the floor to questions and comments.

Board members expressed their regrets that travel costs for the IDA conference and hanging baskets would have to be cut. Mary Carbine reminded the Board this is a draft budget, and depending on map ad sales and other possible funding options, the budget can be adjusted. Board members suggested the creation of sponsorships for programs. Carbine agreed and requested assistance from the BID Board to acquire sponsorships. Carbine also updated the Board that she will be presenting to the Madison Parks Foundation board in November to "enroll" the BID hanging basket project to enable donations to support the program. The Board then discussed promotional opportunities.

X. Staff Reports

Due to the time, Staff Reports were postponed until the next meeting.

XI. DMI Update – Susan Schmitz, DMI President

Due to the time, the DMI Update was postponed until the next meeting.

XII. GSSBA Update – John Hutchinson, Hawk Schenkel

Due to the time, the GSSBA Update was postponed until the next meeting.

XIII. New Business

Susan Schmitz suggested the BID Board discuss fundraising and offered her assistance.

XIV. Next BID Board Meeting – Thursday, Dec. 3, 2009 - Agenda Items

Downtown Plan
2010 Budget Approval

UPCOMING SUBCOMMITTEE MEETINGS:

Assessment Review Subcommittee:
Wednesday, Nov. 18, 10 to 11:30 am
Murphy Desmond offices, 33 East Main St., Suite 500

XV. Adjournment

Paul Norman made the motion to adjourn the meeting. Dan Cornelius seconded he motion.

The motion was approved unanimously.

The meeting was adjourned at 1:51pm.