

Downtown Business Improvement District Board Regular Meeting
City of Rapid City, South Dakota
512 Main St., Ste. 980
Destination Rapid City Conference Room
Tuesday, July 30, 2019 7:30 am

1. Call to order

President Erik Braun called the meeting to order at 7:33 a.m.

2. Roll call and determination of a quorum

Members Present: President Erik Braun, Jerry Schmidt, Todd Hollan, Jon Machecek, Chance Whelchel, Don Hedrick, and Dawn Claymore.

Guests Present: Maja Cromwell, Downtown BID Board Administration Secretary, Dan Senftner, Main Street Square President and CEO, Pauline Sumption, and Greg Stroman.

3. Adoption of the Agenda

Schmidt motioned to adopt the agenda. Second by Whelchel. Motion carried.

4. Public Comments

No public comment.

5. BID Board Financial Report

No changes. No action taken.

Small note that Erik Braun and Jessi Beeson will need to get together to finalize grant payments.

6. Formal Request from DRC for Additional Funds for Main Street Square

Senftner reviewed expense document that entail 2019 requested capital expense funds.

This includes; wireless mic's (\$4,000), fountain parts (\$20,000), Aug. Concert Series (\$13,300), and replacement process for projector screen-mainly used by Movies Under the Stars (\$25,000).

Senftner further explains Main Street Square has had many difficulties and issues with the fountains and its parts this summer.

Requests a five-year agreement of \$180,000 for general operating costs and Clean Team.

Request also states that excess tax increments be split 50/50 beginning in 2020.

Whelchel asked if this \$180,000 includes the Downtown Clean Team Expenses?

Senftner explains that yes it does.

Sumption added that technically, the concert series is a sponsorship not a capital asset and inquired what is projected for 2020 BID assessment.

Nyberg provides 2020 BID assessment income at \$215,337.68 so requested funds will take roughly 90% - actually percentage 83.5%

Braun states Main Street Square already receives \$120,000 per year.

Nyberg verifies that the \$62,300 is an additional amount for 2019 and that the increase to \$180,000 would not be until 2020.

Senftner reviews Ray Hillenbrand's financial contributions to Main Street Square, not including the sculpture project, adding up to over 12 million. States there are no agreements for funding from Hillenbrand after 2026. Main Street Square has others looking to potentially step in Hillenbrand's absence of donations and sponsorship.

Sumption inquired if Main Street Square has put in place plans for aging components. States she is thinking ahead for city needs as well as attempting to consider Main Street Square.

Senftner advised that Main Street Square has received funds for some operational equipment but that it is restricted to those items.

Machacek inquired if Senftner will be seeking addition \$20,000 to the \$180,000 in 2020 for Downtown Ambassadors project.

Senftner advised that the Downtown Ambassador program has been very successful and there are talks that city will share costs.

Sumption verified that that program will most likely be a shared cost with the city.

Hollan states that he is concerned about a 5-year plan. That it may make the board less active and that an active board allows for some responsiveness.

Braun states that it would be good to write the amount as a requirement to provide to Main Street Square.

Nyberg states that the funding agreement allows for a set amount that the board verifies. While the management agreement would state that all BID funds are directed to Main Street Square. States that he has both types of documents drafted.

Pauline states that Main Street Square does serve the community purpose and brings a lot of traffic and visitors to the Downtown area.

Braun adds that Main Street Square is unable to charge admission like a theme park and therefore unable to generate revenue off visitors alone.

Sumption suggests adding donation boxes to the square.

Senftner agrees and adds that talks of such installations have been discussed.

Schmidt states he would be comfortable with a 3-year agreement.

Hollan states funds were initially designed to be directed to Main Street Square and with the excess overtime grew to where Main Street Square did not need all of the funds and other objectives were added.

Sumption adds that Zone 2 residents may voice concerns with all funds going to Main Street Square.

Braun states that as donations and sponsorships scale back perhaps Main Street Square will have to scale back events.

Senftner advises Main Street Square has been watching and reviewing closely and removing events that do not receive sponsorships.

Sumption inquired if Leadership Rapid City had been approached about sponsoring/donating for a new projector as they are the group that uses it the most.

Senftner stated they had not but that LRC has stated that the sponsorships they receive only cover the cost of the movie.

Braun suggests splitting requests into two parts. Part 1 being the additional request for funding in 2019 and Part 2 being the request for increase of annual funds and a 5-year agreement.

Schmidt motions to approve 2019 additional funding request of \$62,300 for capital assets and sponsorship.

Hedrick seconds. None opposed. Motion carries.

Braun states they will move onto the second part of the request.

Hollan inquires what the delinquency rate on the BID is.

Sumption advises minimal but that there is usually 5 or 6.

Hollan motions for a 3-year agreement at \$180,000 and a 50/50 split of annual increase after 2020.

Schmidt seconds. None opposed. Motion carries.

Senftner adds that any who are looking to reapply for the board should do so through the city and that it should be posted online sometime today.

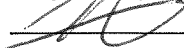
Sumption and Senftner add that a new president will be discussed next meeting as it is the last day of Braun's term and he does not intend to resubmit.

Braun also notes that next meeting it would be good to have Nyberg discuss what a city recommendation entails as there has been a request to look at zone boundaries.

7. Adjournment

Braun made a motion to adjourn. Second by Schmidt. The meeting was adjourned at 8:26 a.m.

Respectfully submitted Maja Cromwell, Downtown BID Board Administrative Secretary Signed



Nick Patton, Business Improvement District Board Secretary