

Church Street Marketplace District Commission Meeting Minutes
June 21, 2017

CSM Commissioners present: Jeff Nick, Lorre Tucker, Buddy Singh, Linda Magoon, Phil Merrick, Lara Allen. CSM Staff present: Ron Redmond, Jenny Morse, Becky Cassidy. Visitors: Richard Rogow, Luke Wight, Lloyd Salasin-Deane, Mark Kalloz, Brian Lowe, Mayor Weinberger

- I. COME TO ORDER
- II. AGENDA
- III. MINUTES
 - a. Motion to approve minutes – Lorre; Second – buddy. Minutes pass
- IV. PUBLIC FORUM
- V. CHAIR'S REPORTS
 - a. Finance
 - i. On track to pay off debt. Ron to meet with Alice Astarita this week regarding the close of FY17.
- VI. EXECUTIVE DIRECTOR'S REPORT
 - a. Recommendations from CSM License Committee
 - i. Recommendation to approve transfer of license from Reflections in Gold and Silver to Luke Wight, owner of Kiss the Cook
 1. Motion to approve: Buddy Singh. Second: Linda Magoon Transfer approved
 - ii. Recommendation to approve retail cart vendor license at these established locations:
 1. Crystal Cottage, operated by Diana and Craig Piazza, City Hall Block. Motion to approve: Linda Magoon. Second: Phil Merrick. Motion passes
 2. Winter Salasin, operated by Lloyd Salasin-Deane and Jordan Renouf. Motion to approve: Buddy. Second: Lorre. Motion passes. Request for follow up with additional merchandise.
- VII. COMMISSION DISCUSSION With Mayor Weinberger
 - a. Welcome to Mayor and Introductions
 - b. Review of Agenda
 - c. Update on Expansion
 - i. Commission discussed barriers that downtown property owners will have about an expanded business improvement district that includes the current Marketplace charter. Downtown property owners will not want to inherit/assume barriers that Church Street property owners currently face.
 - ii. How do downtown businesses outside of the Marketplace feel about a full service BID for the downtown district? Survey results of downtown businesses near Church Street, conducted in 2016, were positive. Respondents were generally supportive, wanted to know more about types of services and costs – they identified specific services they would like to see.
 - iii. How do Church Street businesses feel about expanding services? – CSM surveyed its businesses about an expansion. Outcome: supportive and positive results. CSM businesses see the need for “more oxygen” in the

downtown, meaning we need to give our local and tourists more reason to come to our downtown. CSM businesses recognize that a rising tide raises all boats. Expansion will provide the greatest experience possible for our guests.

- iv. Mayor discussed possible downtown stakeholder trip to Greenville, South Carolina. CEOs for Cities: Key municipal leaders, key business leaders meeting had gone there for a conference. Greenville has done some remarkable things that are transferrable to Burlington.
- v. Mayor and Commission discussed possibilities of modernizing the outdated Charter, created in 1980.
 1. CSM has no access to city's capital budget. CSM can never raise enough funds to cover current capital repairs, now estimated at \$800k.
 2. Strategy needed to address the municipal services paid through the property tax, but not provided by the City. Remains a sticking point for Church Street payers.
 3. Commission acknowledged and thanked Mayor and administration for his efforts to provide support to the Marketplace while staying within the boundaries of the current charter.
 4. Increased clarity needed re: Commission's influence on establishment of annual operating budget, common area fee. Currently, fee payers fund lion's share of Marketplace District (70%), but have no influence, no authority over operating budget, common area fee. All control is with Mayor, City Council. Common complaint Commissioners hear from Church Street fee payers and businesses is "taxation without representation."
- vi. 2017 is the right time to examine the Charter but Mayor anticipates reluctance from City Council and the public to relinquish control from public management (CSM operated by a City Department) to private non-profit management (CSM operated by a 501c3 or 501c6). Open to change on strict prohibition of municipal subsidization of those amenities on Church Street not provided elsewhere in the downtown.
- vii. Discussed the public/private governance model Downtown Santa Monica, CA established when it expanded from a three block pedestrian mall (Third Street Promenade) in 2007 to a 30+ square block area, is applicable to Burlington.
 1. Downtown Santa Monica Inc Board
 - Develops budgets
 - adjusts annual assessments
 - oversight for day-to-day service delivery.
 - One-half City Council appointed (6 appointees). One-half Property-owner appointed (6 appointees).
 - One City Manager or designee.
 - Representation from each zone.

- Goal is to have mix of downtown property owners, downtown businesses, downtown and Santa Monica residents
- viii. Concerns from Commissioners– capital projects, indirect fees, Changes necessary for Commission to start planning for the future.
- ix. Challenges of being a local business owner expressed by Lara Allen.
- x. Governance structure has served stakeholders well, marketplace has thrived for a long time – argument to change charter with voters will need to be convincing and compelling.
- xi. Mayor: open to flexibility but the spirit of the charter should remain the same. Blending of the Marketplace and City versus Marketplace separating from the city.
- xii. Fall of 2018, good time for a charter change to be on the ballot.
- xiii. Mayor is advocating for the Mall Redevelopment, Plan BTV form based downtown code, expansion of sworn officers, consequences for municipal citations – change in ordinance and/or state law.
- d. Review of accomplishments to date re Marketplace Departments budget
- e. Issues Commission to address in FY19 (see attached spreadsheet)
 - i. Cost to power CSM street lights
 - ii. Fund future repair and replacement of CSM’s electrical system
 - iii. Collaboration via Street Outreach Advisory Committee
 - iv. Indirect Fees
 - v. Closing and Commitments

- VIII. Capital Improvements Plan, \$800K (Redmond)
- IX. Merchant & Marketing (Morse)
- X. ADJOURN

Year	Issue / Concern	Action	Outcome
2012	CSM Charged by DPW for the cost of cleaning catch basins	City worked with DPW	No charge for Vactor Truck Service in the Marketplace District
2013	12 catch basins repaired using FHWA funds. Concerns re: future repairs and CSM's inability to fund cost	City worked with DPW	Because catch basins are part of downtown infrastructure, DPW to provide repairs at no charge going forward
2013	BED bill for Electricity	City requested BED to analyze the commercial rate that CSM was being charged.	Annual bill for electricity reduced by 50%
2013	<p>CSM concern re electricity:</p> <p>A) REPLACEMENT AND REPAIR. CSM is responsible for replacement and repair of new \$2 million electrical system, installed in 2012 using FHWA funds. No capacity in CSM budget to repair and replace electrical system and street lights.</p> <p>B) COST OF POWER FOR STREET LIGHTS. CSM pays to energize the same type of street lights used in other parts of the City. Can City explore with CSM how the cost to energize streetlights (separate from accent lighting) can be charged to the property tax and NOT to the Common Area Fee?</p>	<p>May 18, 2015 memo "Church Street Marketplace finances," from City Attorney:"Section 324(b)(1) provides that Commission has the same status as a private user in relation to electric department. That seems to mean that the costs of maintaining and repairing streetlights is borne by the Commission budget (out of common area fees and not taxes), and BED is only responsible for paying for costs that it would pay if the Marketplace were a private customer.</p> <p>A) REPLACEMENT AND REPAIR of CSM electrical system could be resolved through either a charter change or MOU between the City and BED w/ City responsible for basic electrical system and street light fixtures; CSM responsible for all electrical enhancements</p> <p>B) If "BED is only responsible for paying for costs that it would pay if the Marketplace were a private customer, CSM to request BED cover the cost of energizing Street Lights through the property tax and not the Common Area Fee. This could save CSM as much as \$5,000/year.</p>	
2015	CSM reduces staff by 1 FTE following retirement of CSM employee. Gap created for A/P duties	City (through C/T) authorized direct support to CSM staff to manage A/P duties.	CSM Staff. Indirect fee for C/T services has remained relatively flat although service level to CSM has increased.

2015	CSM unable to access City's capital budget.	City requested opinion from City Attorney re: City Charter and Marketplace District. (May 18, 2015) "Improvements that are unique to the Marketplace and part of its operations should be paid out of the Marketplace's budget; betterments that are maintaining and repairing City infrastructure, similar to infrastructure in other parts of the City, could be paid out of the capital projects budget." (page 5)	<ul style="list-style-type: none"> • Access to City Capital budget for replacement of trees, benches and trash receptacles via Parks Recreation and Waterfront.
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Year	Issue / Concern	Action	Outcome
2015			<p>Opinion also brought clarity to these expenses, which CANNOT BE FUNDED by the City, per the charter.</p> <ul style="list-style-type: none"> • Advertising and promotion expenses; • salting and snowplowing streets and sidewalks (unless the Marketplace willing to accept City's standard for plowing and salting); • holiday lights; • rent for Marketplace Office; • City contribution to common area fee for City Hall, Firehouse; • Marketplace's Annual Maintenance Fee;
2016	CSM District not included in city-wide capital plan due to Charter provisions.	DPW worked with CCRPO to fund 80% (\$16,000) of cost for CSM infrastructure assessment, performed by Dubois & King. CSM paid 20% (\$4,000) of cost	Capital plan completed June, 2017, identifying repairs and improvements totaling \$800k.
2016	CSM Surveys of Church businesses and downtown businesses show strong support for an full service BID for the Downtown District, pending clarification of services and fees	City (through DPW) and BBA advance plan to hire consultant to explore various models and structures for a full-service Downtown/Waterfront Improvement District (DID) and make recommendations to Mayor, City Council.	

2017	<i>Impending FY 18 funding gap for Howard Center Street Outreach Program</i>	<i>City & CSM staff worked with Howard Center</i>	<i>For FY 18, City allocated \$65K – plus an additional \$12,500 to reduce Marketplace’s FY 18 contribution from \$20k to \$7,500. The \$12,500 reduction in Street Outreach Program expense was reallocated to FY 18 Capital Fund.</i>
2017	CSM needs the City’s partnership, working with other Street Outreach Program funders (State Mental Health Dept, UVMHC, United Way) to find funding path to increase FTE’s from 4 to 6 beginning FY 19. Potential gap of \$200K	City and CSM Commission working with Street Outreach Advisory Committee to find a sustainable path for funding 6 FTE's in FY 19.	
2017	In advance of FY 19 budget, CSMC requests City provide further clarification about Indirect Fees charged to enterprise funds 1) how they differ from those services already funded through the commercial property tax: 2) how they are calculated and allocated to enterprise departments; 3) how they can be more predictable in the future.	City and CSM Commission to work together for resolution by January, 2018, in time for FY 19 budget planning.	
Year	Issue / Concern	Action	Outcome
2017	CSMC concerned about how to fund future surfacing repair of Church Street as fee payers limited in their capacity to raise the needed capital funds. (\$800K for primarily brick repair identified by Dubois & King).	CSM to continue building capital reserve but awaiting recommendations from consultant report. Change in City's charter would give CSM access to city's capital budget for brick repair.	