

**CSM Commission Meeting
DRAFT MEETING MINUTES
May 27, 2015**

Commissioners present: Phil Merrick, Jed Davis, Jeff Nick, Eli Lesser Goldsmith, Lorre Tucker, Staff present: Ron Redmond, Jenny Morse, Becky Cassidy
Visitors: Marc Sherman, Bill Kiendl, Brian Wexler, Kelly Divine

- I. COME TO ORDER
- II. AGENDA
- III. MINUTES
 - a. Motion to accept: Eli, Second: Buddy. Approved unanimously.
- IV. PUBLIC FORUM
- V. PRESENTATION AND PUBLIC HEARING RE: FY16 OPERATING BUDGET AND COMMON AREA FEE

OPERATING BUDGET FOR FY 16

- **ADMINISTRATION EXPENSES DECREASED.** Under “EXPENSES,” decline in total Administration expenses (from \$290,414 in FY 15 to \$257,461 in FY 16). Budget reflects permanent elimination of an administration position (Marketplace Assistant, which was responsible for licensing and administration). That position rolled into our Marketing Assistant position.
- **MARKETING BUDGET INCREASED.** Through a range of cost savings plus \$37K surplus projected in FY 16, we’ll be increasing our marketing budget from \$260,779 in FY 15 to \$329,582 in FY 16 or an increase of \$68,000. Funds to be applied to these marketing initiatives:
 - Underwriting on Vermont Public Radio
 - Direct mail campaigns to South Burlington, Williston, Essex, Colchester, Shelburne
 - Social media advertising
 - Retail promotions

	FY 13 Actual	FY 14 Actual	FY 15 Adopted	FY 16 Proposed	
REVENUE					
ADMINISTRATION	\$778,396.59	\$790,955.72	\$840,665.00	\$858,139.00	
PUBLIC RELATIONS	\$92,643.00	\$122,072.87	\$109,963.00	\$118,080.00	
GENERAL MAINTENANCE	\$14,330.24	\$11,000.00	\$11,000.00	\$11,000.00	
Revenue Totals	\$885,369.83	\$924,028.59	\$961,628.00	\$987,219.00	
EXPENSES					
ADMINISTRATION	\$289,714.59	\$291,359.71	\$290,414.00	\$257,461.00	(\$32,953.00)
PUBLIC RELATIONS	\$254,844.96	\$210,893.76	\$260,779.00	\$327,622.00	\$66,843.00
GENERAL MAINTENANCE	\$372,680.99	\$333,069.86	\$347,752.00	\$326,940.00	
Expense Totals	\$917,240.54	\$835,323.33	\$898,945.00	\$912,023.00	
Revenue Grand Totals:	\$885,369.83	\$924,028.59	\$961,628.00	\$987,219.00	
Expense Grand Totals:	\$917,240.54	\$835,323.33	\$898,945.00	\$912,023.00	
Net Grand Totals:	(\$31,870.71)	\$88,705.26	\$62,683.00	\$75,196.00	

**We anticipate a \$75,000 surplus at conclusion of FY 15. At the beginning of FY 15, we had projected it would be \$62,000.*

COMMON AREA FEE FOR FY 16: Looking ahead to FY 16, the Commission is recommending:

1.5% INCREASE IN THE COMMON AREA FEE FOR FY 16, from \$2.80 PSF to \$2.84 PSF.

PHASING OUT OF THE “ANCHOR EXEMPTION” BY FY 17 FOR “ANCHOR PROPERTIES,” which affects only Outdoor Gear Exchange and Burlington Town Center.

BACKGROUND: In 1991, ten years after the establishment of common area fees, a Common Area Fee Committee composed of Marketplace property owners worked diligently to develop the current formula: that common area fees be allocated on the basis of total ground floor square footage of buildings within the Church Street Marketplace District.

In 1991, an exception (also known as the “anchor exception”) was made for: properties occupied by a single tenant that operate within the confines of a single retail enterprise, in excess of 20,000 square feet on the ground floor of the property, directly fronting Church Street Marketplace. (At the time, this included J.C. Penney, Magram’s Department Store and Woolworth.) enclosed regional shopping malls, which have, within the confines of the Marketplace district or directly connected to it, total gross leaseable area in excess of 150,000 square feet. (Burlington Town Center).

The anchor exception was adopted in recognition of the advertising these particular “anchor” retail enterprises provided and benefits they conferred (“marketing dollars, parking and retail drawing power”). The 1991 Common Area Fee Committee recommended increasing fees for the anchors on the basis of their historic rates, rather than basing rates strictly on ground floor square footage measurement.

For Burlington Town Center a decision was made to assess only the first 24,904 square feet of the mall. According to the City Assessor’s office, total leasable space on Town Center’s first floor is (from the Church Street entrance on the east to the border with Macy’s on the west) is 72,552 square feet.

For the Outdoor Gear Property, total first floor square footage is 24,013 square feet.

Beginning in 2004, the Commission began working with property owners of 37 Church and 49 Church to gradually increase their common area fee with the goal of reach parity with all other Church Street property owners.

History of Common Area Fees for 37 Church St (Woolworth)49 Church St (Burlington Town Center) and all other Church Street property owners

	37 Church St	49 Church St	All other CSM Properties
1994	\$.85	\$ 1.06	\$ 1.69
2000	\$.89	\$ 1.10	\$ 1.75
2003	\$.91	\$ 1.14	\$ 1.81
2004	\$ 1.18	\$ 1.47	\$ 2.03
2005	\$ 1.35	\$ 1.66	\$ 2.07
2006	\$ 1.50	\$ 1.71	\$ 2.14
2006	\$ 1.70	\$ 1.81	\$ 2.27
2008	\$ 1.91	\$ 1.91	\$ 2.39
2009	\$ 2.00	\$ 2.00	\$ 2.49
2010	\$ 2.05	\$ 2.05	\$ 2.56
2011	\$ 2.05	\$ 2.05	\$ 2.56
2012	\$ 2.08	\$ 2.08	\$ 2.60
2013	\$ 2.14	\$ 2.14	\$ 2.68
2014	\$ 2.20	\$ 2.20	\$ 2.75
2015	\$ 2.52	\$ 2.52	\$ 2.80
2016	\$ 2.70	\$ 2.70	\$ 2.84

Between FY 08 and FY 14, the common area fee for both 37 Church and 49 Church remained at 80% of the common area fee paid by all other property owners. In FY 15, the Commission increased common area fee rate for these two properties from 80% of the established common area fee, to 90% of the established common area fee.

For FY 16, the Commission is recommending a 5% increase to 95% of the established common area fee for 37 Church and 49 Church. The Commission's goal is to have all properties paying the same common area fee by the beginning of FY 17

Outdoor Gear's Common Area Fee

FY 15 Current: \$2.52 (90% of \$2.80)
 FY 16 Proposed: \$2.70 (95% of \$2.84)
 Proposed increase between FY 15 and FY 16: \$ 3,770.00

Burlington Town Ctr's Common Area Fee

FY 15 Current: \$2.52 (90% of \$2.80)
 FY 16 Proposed: \$2.70 (95% of \$2.84)
 Proposed increase between FY 15 and FY 16: \$ 4,483.00

NO INCREASE IN SIDEWALK CAFÉ FEES in FY 16.

Discussion:

- Suggestion from Marc Sherman: Once rates are even, evaluate fees based on store frontage and not square footage
- Suggestion from Marc Sherman: Incentivize businesses to include CSM logo on print ads

VI. COMMISSION ADOPTION OF PROPOSED FY 16 OPERATING BUDGET AND PROPOSED COMMON AREA FEE

- a. Discussion on accepting vs. rejecting FY 16 operating budget. Ron Redmond summarized administration's efforts over the past year to address the credit back and how the charter language prohibiting use of city tax dollars for CSM operating expenses has created a barrier. Administration is offering to allocate capital funds in Parks & Recreation budget for replacement trees and benches in the CSM District in FY 16 budget.
 - b. Motion to accept budget and pass along to City Council: Phil Merrick. Second: Lorre Tucker. Passed unanimously
 - c. Motion to approve increase in common area fees of 1.5% and moving from 90% to 95% for properties with anchor exemption: Buddy Singh; Second: Phil; Passed unanimously
- VII. Chair's Reports
- a. Parking Update and Proposed Resolution (Kelly Divine)
 - i. Goals: Improve customer experience, make parking system fiscally stable, provide support to the downtown
 - ii. 285/1000 meters=smart meters,
 - iii. 3-5 year timeline to make investments to get system profitable
 - iv. Technology upgrades means labor cost reduction. One possible strategy: reduce 2 hours free, offset by offering a validation program that is customizable for each business.
 - v. Discussed how Cherry Street entrance of Marketplace Garage is constantly closed
 - vi. Jeff Nick's proposed parking resolution with edits was discussed:

(This document to be sent to Parking Advisory Committee)

The Church Street Marketplace has identified that our largest untapped market is comprised of the regional customers from Chittenden and surrounding counties. Since nearly 100% of these customers travel by car we must entice them to shop and dine downtown rather than choosing a more convenient setting such as the University Mall, Taft Corners, or the pending City Center in South Burlington.

In order for these customers to enjoy a quality shopping and dining experience we must ensure a safe, convenient, and ample supply of public parking. We must be mindful that simple parking management measures such as raising prices and heavy handed ticketing could create market forces that suggest customers shop elsewhere.

For years our customers have told us that the challenge of finding convenient parking has been their most consistent concern and the main reason they opt to choose an alternative shopping venue.

As the city and BBA near the completion of the Parking study the Marketplace commission on behalf of our fee-payers and merchants would like to voice our

concerns regarding a number of issues related to parking management, pricing, current supply, and future parking infrastructure.

- Reasonable pricing for parking so we remain competitive with free suburban parking.
- Ticketing past 8:00 PM will undoubtedly cause restaurant patrons to dine in the suburbs.
- Support some level with variable pricing with special consideration given to lowering parking costs in the outlying public parking facilities.
- Offer free or reduced rate parking for downtown retail and restaurant staff in underutilized lots.
- Realize that any successful parking management program may solve some near term parking problems but will not offset the need for additional parking spaces within or adjacent to the downtown core.
- Plan for the city's future growth by acknowledging that additional public parking recourses/spaces will be a necessity and start the planning process now.
- Improved Way Finding.

Motion: Lara, Second: Eli. Passed unanimously.

- b. Burlington Town Center project Update
- c. Executive Director's Report
 - i. Request to approve staff recommendations for Street Performer Rules and Regulations

SELECTION BASED UPON:

- Type of entertainment to be performed and instrument to be played
- Performance background (training and/or performing experience):
- General musical repertoire (rock, jazz, classical, country, folk, international) or entertainment repertoire (acting, pantomime, juggling, magic, ballooning, dancing and reciting)
- Professional references if requested.
- NEW: Performance rating of at least 15 on the Street Entertainer Audition Sheet (see attached) categories of **Tone, Accuracy, Balance, Presentation and Repertoire.**
- Sound Level:
 - a) Amplified sound is not permitted
 - b) Using any form of percussion requires an on-street audition and written approval by the Church Street Marketplace
 - c) Brass instruments and saxophones must be muted.
 - d) Entertainers must reduce the level of sound or mute their instruments upon request by authorized Marketplace staff or Burlington Police. If they do not comply, their license will be suspended.

TYPES OF LICENSES:

- **ANNUAL LICENSE:** \$45 per individual performer, which covers the cost of the State of Vermont background check (\$30) and US (49 states) background check (\$15). The annual license is valid through December 31 of each year.

- **YOUNG PERFORMERS PERMIT:** Free to young performers who are under the age of 18 at time of their audition. The Church Street Marketplace welcomes young performers associated with Vermont high schools, colleges, the Vermont Youth Orchestra and Green Mountain Chamber Music Festival. Permits are issued based on audition, repertoire and recommendation from music teacher or mentor.
- **TRAVELLING PERFORMERS PERMIT:** Free to traveling performers booked at local venues including Red Square, Nectar's, Signal Kitchen, Radio Bean and Higher Ground, during their venue performance days only.
- **CIRCLE ACTS:** Permits for circle acts are issued on a case-by-case basis, depending on the performer's performance and safety plan, experience performing in pedestrian marketplaces and flexibility with times and locations that are available. \$100.00 for annual license.
- permits issued are NOT valid during the City's annual Festival of Fools event (generally the last Friday, Saturday and Sunday of July) out of respect to the street performers who are part of the festival and who must rely on tips from the audiences.

Motion from Buddy, second by Eli to approve with change in annual fee to reflect 1) \$30.00 Stat of VT background check; 2) \$15.00 National background check; plus \$20 admin fee for total cost of annual permit: \$65. Second Eli. Approved unanimously..

Motion for staff to review administrative costs associated with performers' permits with City attorney: Buddy; Second: Lara. Approved unanimously

d. Discussion of open seats on Marketplace Commission.

VIII. ADJOURN