

LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY
February 25, 2015

Quorum

Meeting called to order at 12:00 noon by Secretary, Nancy Neff.

Members present: Patti Connell, Tim Mentzer, Nancy Neff, Mort Nierenberg, Randy Patterson, Scott Standish, and Mark Stoner.

Staff: Marshall Snively, Executive Director
Bill McCarty, Solicitor
Toby Vargas, Assistant

Introduction of Public Guests

David Aichele and Shelby Nauman from Lancaster City Alliance were present.

Minutes

Motion by **Scott Standish**, second by **Patti Connell** to approve the November 19, 2014 minutes. Motion approved.

Approval of Board Officers

Marshall Snively informed the Board that the current Board Officers have agreed to serve again for the year of 2015. The nominations for the Board Officers are Jim Wagner, Chair; Dennis Cox, Vice Chair; Nancy Neff, Secretary; and Randy Patterson, Treasurer. Motion by **Tim Mentzer**, second by **Patti Connell** to approve the Board Officers to serve in 2015. Motion approved.

Financial Reports – November 2014 through January 2015

Mr. Snively asked Ms. Vargas to update the Board on the Financial Statements provided in the Board packet. Ms. Vargas began by reviewing the list of Financial Statements provided in the Board packet. These documents included the balance sheet, profit & loss vs. budget, deposit detail, check detail, and a quarterly Downtown Dollars report. She directed everyone's attention to the profit & loss vs. budget and stated that the year is going very well for the DID. Assessments, prior year assessments, and PILOT donations are higher than expected. Currently, the DID is \$36,000 over in revenue compared to budget for the quarter. Ms. Vargas noted that all expenses have remained on target with the exception of legal fees and legal advertising which are over budget due to the renewal process. As a result, there is a net income of \$125,000 year to date and the budget reflects a net income of \$56,000. This is an increase of \$69,000 more than was predicted at this point in the fiscal year. Motion by **Randy Patterson**, second by **Patti Connell** to approve of the financial statement from November 2014 through January 2015. Motion by **Randy Patterson**, second by **Patti Connell** to approve checks numbered 3832 through 3884 which were written between November 2014 and January 2015. Motion approved.

Ms. Vargas then explained the addition of the Downtown Dollars quarterly report to the Board packet. The quarterly report can be expected to be included in future Board packets. During the period of November 2014 through January 2015, \$7595 worth of Downtown Dollars were sold and \$4205 were redeemed. Mr. Nierenberg then inquired as to how participating merchants are recognized by customers. Mr. Snively explained the Downtown Dollars decal that is provided to participating merchants to be displayed on their storefront. He also noted that the merchants of the Downtown Merchant Committee are also looking into the continuation and marketing of the Downtown Dollars. Mr. Snively also mentioned that there is a possibility of working with City of Lancaster Office of Promotion (LOOP) to have Downtown Dollars available for purchase at the Visitor Center. Mr. Stoner also made a suggestion for the possibility of promotion through special discounts such as buying at a discounted price over the Christmas holiday. Mr. Snively acknowledged that this would be one of the many items discussed by the Committee. Ms. Neff suggested that once the Committee complete their study and have recommendations a representative should be invited to report out to the Board of Directors.

Old Business

Ms. Neff then asked Mr. Snively for a DID Renewal update. Mr. Snively announced that the renewal process had been completed and a new DID Plan was now in place to begin May 1, 2015. Mr. Snively stated that the Lancaster City Council fully

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supported the plan and actually suggested a larger expansion than was taking place in the plan. Ms. Neff asked that a thank you note go out to all the taskforce members. Mr. McCarty noted that there were no objections throughout the City Council's process.

Moving on to the next item on the agenda, Mr. Snively commented that at the last Board meeting there was a request to review all PILOT (Payment In Lieu of Taxes) payments received. He then directed the Board's attention to the tax exempt property list and the PILOT contributions list provided in the packets. The exempt list represents \$515,000 in DID revenue if taxed. Currently, we have received \$61,500 in PILOT from nine (9) properties. Two of these were new or returned from a previous lapse (Fulton Opera House and HDC MidAtlantic). Mr. Snively added that in FY11/12 only the County, HDC MidAtlantic, Verizon and Vision Corps contributed. In FY12/13 only the County, Holy Trinity, and Vision Corps contributed. He noted that last year the letter was changed and it resulted in the addition of COBY's, Salvation Army, St. James Episcopal, and the return of Verizon. Mr. Snively also suggested that the DID is leading by example as the senior pastor for Holy Trinity serves on the DID and they have continued to support the DID through a PILOT. He thanked Pastor Mentzer for the financial support. Ms. Neff also thanked Pastor Mentzer and asked the Board how they thought the PILOT program could be further developed. Pastor Mentzer suggested that Board members could personalize the requests before they are mailed and also asked if it would also be appropriate for Board members to send out thank you notes to those who gave. Ms. Neff and Mr. Snively wholeheartedly agreed that this would be an appropriate response. Mr. Stoner suggested that there be some type of public recognition of those donors. Ms. Neff also talked about the possibility of Board members actually meeting with some of the property owners and making a request for the PILOT.

New Business

Ms. Neff then led the discussion to new business. She asked Mr. Snively to continue with the budget. Mr. Snively first commented that the budget worksheet provided in the packet also included a year-end projection. The year-end projection demonstrates a net income of about \$35,000 which will be added to the reserves. This net income is after an unbudgeted expense of nearly \$9000 to prune trees in the District. When the budget was prepared last year there was only a \$5000 net income projected.

Ms. Neff then informed the Board that at the last Executive Committee meeting there was a discussion about the reserves. The Executive Committee asked the staff to come back to the Board with recommendations on how to reinvest the funds from reserves back into the DID. Ms. Neff added that this was done after first determining what amount should remain in the reserves for operational purposes. The staff consulted the auditing firm and received the recommendation that at least three (3) months of operating funds should remain untouched. Mr. Snively then asked the Board to look at the document included in their packet that outlined the status of the DID reserves and possible scenarios for reinvesting funds. He stated that \$84,000 would be available to reinvest over the next four (4) years. He also confirmed that these figures were determined based on conservative budgeting and that potentially additional funds may be available. Mr. Snively continued by presenting the various scenarios that the staff had prepared. These scenarios included two specific items, increasing bike squad hours and increasing funds in beautification. Ms. Neff took a moment to confirm that the Board was comfortable with taking steps to reinvest back into the DID. The Board affirmed they would move forward. Mr. Snively then continued providing the specifics of the three scenarios considered by staff and also explained that sustainability was an important factor. The final recommendation by staff is an eight (8) hour increase in bike ambassador activity and \$10,000 in beautification. He asked Mr. Aichele to further explain. Mr. Aichele talked about the financial impact of the increase in hours and stated that the cost over a four (4) year period would be \$30,000. He reminded the Board that the bike ambassadors are currently operating forty (40) hours a week below where we started in 2007. He responded to questions from the Board about impact and whether changes will be noticeable. He also explained that an additional squad member would be hired as a result of the additional hours. The new employee will be cross-trained on the bike squad and Clean Team just as other members are and there could be some flexibility in scheduling. Ms. Nauman was then asked to present information about how beautification funds would be spent. Ms. Nauman explained that funds could be used for items such as tree planting, trash receptacles and bike racks. She also explained the costs such as \$160 - \$220 per tree and \$1000 for a trash receptacle. Mr. Snively added that the staff often receives requests for trash receptacles and bike racks. Mr. Aichele added that the DID currently has installed one (1)

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bike rack and the City has installed six (6) bike racks in the Downtown. The bike racks that staff recommend are not large and cost about \$130 each. Mr. Standish asked if there should be a hold on installation of bike racks until after the City Bike Study is completed. After some discussion, it was determined that there was no need to wait. Mr. Snively talked about the benefits of infrastructure strengthening within the DID. Mr. Snively also reminded the Board that in the past additional funds were added to marketing. He stated that with those increased funds and the success of Velocity (an event in September) there seems to be enough funding in marketing. The Board agreed that visible infrastructure efforts was a good idea and discussed how these activities could be promoted. Mr. Stoner suggested signs (such as DID logo) on the items and Ms. Neff suggested press releases. Motion by **Tim Mentzer**, second by **Mark Stoner** to approve the proposed budget that implements staff's recommendation for an increase of eight (8) hours in the bike ambassadors and \$10,000 in beautification. Motion approved.

The next item, approval of the Management Agreement, was presented by Mr. Snively. Mr. Snively explained that the management agreement had no changes from the past with the exception of pricing. The proposed management agreement included the additional eight (8) hours approved in the budget. Mr. McCarty pointed out a couple of items in the agreement that should be changed as various conditions have changed over the last couple of years. Mr. McCarty will provide staff with changes to page 2 section 3A in regards to indemnity, page 3 section 4c in regards to removal of the words materials and supplies, and page 7 in regards to removal of the first bullet item under "Public Safety". The Board had no other questions or comments regarding the Management Agreement. Motion by **Mark Stoner**, second by **Scott Standish** to approve the Management Agreement with the recommended changes by Mr. McCarty. **Randy Patterson** abstained from the vote. Motion approved. Mr. Snively told the Board that the Management Agreement would be presented to the Lancaster City Alliance Board of Directors at their meeting in March.

Board development was the final item for discussion on the agenda. Mr. Snively informed the Board that Mr. Ramsay would be leaving the Board and three (3) other members have expiring terms. The members with expiring terms include Mr. Wagner, Pastor Mentzer, and Mr. Nierenberg. Mr. Snively expressed his interest in starting the process of recruitment as early as possible and recommended bringing on at least one new Board member. He would like to develop a list of potential recruits and present it at the May or August Board meeting. Ms. Neff suggested another merchant on the Board and especially like the idea of one who also lives Downtown. Mr. Standish recommended that the person be a millennial. The Board provided Mr. Snively with a couple of suggestions. Mr. Snively will also send a note out to all the Board members via email with a request for suggestions.

Executive Director's Report

Mr. Snively updated the Board on the progress of the tree trimming in the DID. The activity is expected to be completed in the next two (2) weeks.

He then informed the Board about various activities involving the Merchant Committee. He talked about a recent meeting in which various merchants received awards of recognition for their anniversaries. He stated that at least sixty (60) were in attendance. As he mentioned earlier in the meeting, Mr. Snively talked about the member-intra-marketing committee taking a look at the Downtown Dollars program and the event committee beginning work on the next Velocity.

Mr. Snively asked the Board to take some time to review the presentation of the City Economic Development Strategic Plan included in the Board packet. He informed them of the next upcoming public meeting on March 19th and the Jeff Speck presentation on March 4th.

Mr. Standish also announced the Planning Commission Leadership Awards on March 3rd. John Meeder would be the keynote speaker.

Adjourn

Motion by **Scott Standish**, second, **Randy Patterson** to adjourn. Motion approved and the meeting adjourned at 1:15 p.m.

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Respectfully submitted,

Marshall W. Snively
Executive Director