

SDODC

Special District Operations and Development Committee
572 South Salina Street, Syracuse, NY 13202
Phone: 315-422-8284, Fax: 315-471-4503

James V. Breuer, Chair

SPECIAL DISTRICT OPERATIONS AND DEVELOPMENT COMMITTEE MEETING

Meeting Minutes

January 15, 2013

CenterState CEO Board Room
572 South Salina Street

3:00 pm

Attendance

Members: Chairman Breuer; Ms. Gagliano; Messrs. Carroll, Doucette, Fiorito, Fisher, Fournier, & Koolakian.

Ex-Officio Mr. Simpson

Staff: Mss. Finch, Hnatko, Pivovarova, Reed, Romeo, Treier; Messrs. Campanie & McFadden.

Guests: Jill Romano – Pyramid Brokerage
Paul Stemkoski – Bivens Architects

I. WELCOME AND MINUTES OF SEPTEMBER 18 AND NOVEMBER 13, 2012

a. Introduction of New Board Members

Chairman Breuer welcomed the Board members and guests present. He welcomed new Board member Ms. Jo Anne Gagliano, President of edr Companies. He also welcomed back reappointed Board members Mr. Andy Maxwell and Mr. Stephen Fournier.

Ms. Treier welcomed new staff member Adria Finch, who is the new Economic Development Specialist for the Downtown Committee. Ms. Finch started in November on a 3 month fellowship, and was recently offered the Economic Development Specialist position.

b. Approval of Minutes

Chairman Breuer asked for a motion to approve the minutes of September 18 and November 13, 2012. Mr. Doucette moved and Mr. Koolakian seconded. The motion was unanimously carried.

II. FINANCIAL STATEMENT AS OF OCTOBER 31 AND DECEMBER 31, 2012

Mr. Fournier stated that the December 31 statement represents the halfway point of the organization's fiscal year and includes the October 31 financial report. Income is running ahead of budget. Mr. Fournier stated that the parking lots are performing well this year and income

from Dining Week will start coming in. Economic Development is below budget, but now with a full staff he expects it to start incurring consistent expenses.

Ms. Fournier asked for a motion to approve the October 31 and December 31 financial statement, subject to audit. Mr. Fiorito moved and Mr. Simpson seconded the motion. The motion was unanimously carried.

III. CONNECTIVE CORRIDOR EXPANSION UPDATE

Ms. Treier reviewed the proposed expansion with the Board. She noted that at the January 2012 Board meeting, there were concerns from the Board that that needed to be addressed:

1. The Downtown Committee did not want to be perceived as the entity coming in and imposing a special assessment on property owners for maintenance of the Connective Corridor if they did not want it.
2. That an expansion of maintenance services for the Corridor would not dilute the Downtown Committee's attention or resources available for downtown.

Ms. Treier stated that the City, University and Downtown Committee have been meeting to discuss the Downtown expansion. The expansion is proposed to be in place by July 1, 2013. Ms. Treier is refining the budget with the City on the tasks they will complete, and the linear foot charge.

Ms. Treier reported that the Connective Corridor will be treated as a new zone and should not negatively impact the Central Business District funds of the Downtown Committee budget. She stated there will be a \$22,000 income line for the Downtown Committee with regards to administrative work associated with the expansion. Two additional staff members will need to be hired for maintenance work.

Ms. Treier stated that there are timing constraints with regards to the budget for the Downtown Committee and the Connective Corridor. The Downtown Committee budget needs to be submitted to the Mayor at the end of the month. Then it will be submitted to the Common Council before it is voted on in May. She noted a Connective Corridor budget needs to be finalized before May. Before the budget can be submitted to the Common Council for a vote she needs to make sure that she has the support of the property owners.

Mr. Doucette inquired about the schematic of private business owners and how much money they will provide for the maintenance. Ms. Treier responded that private business owners in this zone will fund BID activities and charges are based on linear frontage. The University is the largest contributor and entities that cannot be charged, like NY State and churches, can volunteer money if they elect to do so.

Ms. Treier stated that the Connective Corridor has a \$500,000 budget for capital items and she is working with Connective Corridor staff to assemble a budget for new equipment purchase. The maintenance department will also need a second garage in the expanded area for storage of equipment, which has not yet been secured.

Mr. Doucette stated that he drives along the Connective Corridor everyday and he notices that the snow is pushing cars to the bike lanes and turn lanes. He inquired if removal of that snow

would be the responsibility of the Downtown Committee. Ms. Treier responded that snow removal is the responsibility of the City.

Mr. Koolakian noted that there is no parking on the street within the Central Business District overnight, but there seems to be a problem with cars still parking on the street. Mr. Carroll stated that they will normally find out who the resident is and then meet with them to clarify. Mr. Koolakian's concern is that when cars are parked on the roads overnight, the snow plows can't get their blades down the street to plow effectively. There is an ongoing problem with Genesee Street and Hanover Square not getting plowed.

Mr. Simpson inquired from Ms. Treier how she feels about the budget as it is developing. Ms. Treier replied that she feels as though it is in a good place, but still needs to have a conversation with property owners. The budget amount required to maintain the Connective Corridor in an "as new" condition resulted in payments per property that were too high, so budget cuts are being made.

Ms. Treier stated that she is close to a final proposed budget amount. In the long run everything will fall back on the Downtown Committee, so she needs to make sure that people have the correct expectations about what will be happening in the Connective Corridor, with the amount of funds that have been approved for use. She stated that the Connective Corridor budget is still in negotiation, and that she needs to sit down and discuss it with the property owners before a final number is submitted. She is also working with the City and the University to find a solution.

Mr. Koolakian asked what monetary contribution the City would make. Ms. Treier stated that they are not contributing financially to the BID budget itself, but they would be contributing \$20,000 to the overall Connective Corridor initiative in regards to plowing bike lanes, maintaining light ballards, and trash pickup.

IV. SPECIAL DISTRICT PROPOSED BUDGET 2013-2014

Ms. Treier stated that a Budget Committee was formed to review, prepare, and recommend the budget to Board. She thanked Board members, Jim Breuer, Tony Fiorito, Steve Fournier, Mark Russell, Melanie Littlejohn and Bob Doucette for their contribution.

Ms. Treier provided members of the Board with a presentation detailing an Analysis of Income & Expenses of the Downtown Committee for the last 10 years, which also included current fiscal yearend projections.

Ms. Treier presented the Budget Overview. She discussed the Breakdown of Annual Income graphs. The graphs depict that income is generally increasing. The Special Assessment has increased in size, but is decreasing as a percentage of total income. Ms. Treier reported that Events are increasing in size and the income from these events is also increasing (from 8% to 14%). This can partly be attributed to the expanded 2012 Art Show, and the grant received to help fund the event. Grant income has been \$25,000 a year from 2002-2008. This income has been greater since 2009 but not a steady increase.

Ms. Treier reported that revenue from Transportation is steadily increasing. Mr. Carroll inquired about the increased income with regards to the parking lots. Ms. Treier reported that the Save the Rain construction took away some street parking so people were opting to use the lots,

which resulted in increased revenue. Also contributing were the after-hours events at Dinosaur BBQ's function room.

Ms. Treier discussed the Breakdown of Annual Expenses. She reported that expenses are generally increasing. Administration was at an all time low in 2012, with a decreasing percentage of total expenses from 24% to 15%. In the areas of Environmental Maintenance, Marketing, and Security, although increasing in size, they are still reporting fairly stable percentage of total expenses.

Ms. Treier stated that Economic Development expense increased through 2012, being approximately 10% of the total budget. Events also increased, but had a stable percentage of 8% of total expenses. Transportation is also increasing, but remained a stable percentage at 4.5%.

Ms. Treier highlighted a few items in the year-end projections: the Budget Committee is recommending up to \$30,000 contribution to the Downtown Syracuse Foundation. She reported that the parking lot and Arts & Crafts Festival beat expectations - \$28,300 profit over what was budgeted. Ms. Treier stated that, although not shown in projections, Downtown Living Tour income versus expense is expected to come in over budget as well.

Ms. Treier presented the Proposed Budget for 2013-2014. She referenced the two-page chart of the Proposed Budget – Income vs. Expenses. Ms. Treier reported that the proposed budget is similar to year's past. Ms. Treier highlighted the differences. Less income for the Arts and Crafts Festival as they will no longer be receiving a grant that has historically supported it. The Transportation line represents a more typical year, with regards to Franklin Street. Ms. Treier also reported that they are not showing any additional Grant Income (Preserve America and State retail grant) as they are projected to be expended by the end of this current fiscal year.

Ms. Treier stated that Administration shows an overall decrease in expense which is the result of a proposed office rent decrease. Associated with this proposed move are some moving and office furniture expenses.

Ms. Treier reported that Environmental Maintenance shows an increased Special Projects line for the hanging baskets program, and the Depreciation line increased because of a new tractor purchase.

Ms. Treier noted that under Marketing there is a decreased advertising expense because Preserve America is being used to supplement media buys, so no decrease in air time will be experienced. Security salary line increased to represent 2.5 full-time employees, but in general, it is consistent with year's past. There will be no major change in Economic Development this year, holding retail and office recruitment lines steady.

Chairman Breuer commented that he appreciated all the effort that went into the detailed presentation.

Mr. Koolakian asked how the Downtown Committee will increase visibility and share the excitement about what's happening to get more people into Downtown, to make a more viable future. Ms. Treier stated that while meeting with the Budget Committee, they discussed getting a working group together to explore other avenues of income, and to review the special assessment formula.

Chairman Breuer stated that the formula for special assessment can be confusing and establishing the Downtown Foundation is a good idea to increase resources as a result of donations and grant application eligibility. Ms. Treier reported that the Budget Committee recommended an increase to the special assessment next year.

Mr. Koolakian stated that the funds received through special assessment are not enough to cover Downtown Committee operations and programs. He noted that when new buildings are built the special assessment does not increase, yet the demand for services increases.

Mr. Doucette stated that a lot is going on in Downtown. Open public space, and events impact those coming in and those living here. There should be some recognition of the fact that for the amount of money that the Downtown Committee has, it is not enough to get everything done, with regards to current and new developments. Mr. Doucette stated that this is an important time and Downtown Committee does not have the resources. They do a good job with what they have, but there is a lot to do with what funds are provided.

Chairman Breuer suggested investigating a change in the formula used to calculate special assessment.

Mr. Koolakian asked what other municipalities with special assessment districts do with regards to a budget. Ms. Treier responded that she is already surveying budgets from other municipalities, and where their revenue comes from.

Mr. Carroll stated that it is time for a discussion on the Downtown Committee priorities. Given all the good news with regards to Downtown and the Downtown Committee, it is time to renegotiate the budget with the City.

Mr. Fiorito questioned how to propose a change. Downtown is in a good position, and it has the ability with events etc, but can't keep with the status quo.

Mr. Carroll stated that the Downtown Committee needs to make a case for an increase in budget. The Downtown Committee can justify asking for more as they will be doing more. Ms. Treier stated that the addition of new buildings like Pike Block, Merchants Commons, and The Inns at Armory Square build a strong case for requesting an increase in next year's budget.

Mr. Simpson stated that the strongest consensus is on changing the special district formula. He suggested the Downtown Committee spend time in 2013 to lay the groundwork for a new formula.

Chairman Breuer noted that the Budget presentation just provided shows where the Downtown Committee is today and where they came from, which poses a good case.

Mr. Koolakian stated that at the November 2011 meeting at the Onondaga Historical Association there was talk about the Connective Corridor maintenance, and that it was something that the Connective Corridor Maintenance Committee had asked the Downtown Committee to investigate. The consensus then was that there should not be a new district, but the Downtown Committee should expand. Mr. Koolakian noted that contracting out might be something they look into. The Downtown Committee should think about contracting as part of its business model.

Ms. Treier stated that, with regards to the Connective Corridor, that part of the budget is still a work in progress. The budget proposed to maintain the Corridor in an "as new" condition has proven to be too expensive for property owners to support so she is looking to reduce expenses. The Board cautioned against going too low as this will ultimately be the Downtown Committee's responsibility to maintain. The Board agreed that if the proposed budget was pushed too low, the Downtown Committee should walk away from this project. Mr. Koolakian and Mr. Doucette reiterated that the Downtown Committee's current district should not suffer with less resources due to a Connective Corridor expansion. Ms. Treier is still obtaining information from the County and the City to inform the budget. She is looking to obtain more support from the property owners. That portion needs to be finalized by May for approval by the City. Ms. Treier is currently working with Owen Kerney to finalize the City contribution and tasks.

Given the Board's concern with adequate resource provision for the Connective Corridor Mr. Simpson asked if the reserve percent (non-payment rate) should be higher to ensure the Downtown Committee will have the cash available to perform as expected.

Ms. Gagliano asked about the warranty on the Connective Corridor plantings. Ms. Treier stated that the contractor will only replace the plantings once. Ms. Gagliano stated that as the Connective Corridor project develops there will be an increased need for maintenance down the line. Ms. Gagliano asked how the Connective Corridor plantings will be maintained. Ms. Treier responded that the plantings are an expensive item to maintain as planted and that in order to reduce cost in horticulture the goal would be to select zone tolerant plants and space them farther apart as the original plantings expire. What was initially planted has been determined to not be appropriate for this environment.

Mr. Simpson stated that it is hard to increase the baseline even with the new responsibilities in the future. The budget is sound with a comparable level of services and standards. The Downtown Committee needs to be willing to admit that they can't provide all the necessary services with the funds allocated. The Downtown Committee cannot divert money from Downtown to the Connective Corridor.

Ms. Treier stated that the proposed 2013-2014 budget contains a place holder for the Connective Corridor income and expenses. She would recommend a reserve of 8%. She expects some push back in terms of the budget, but they may not be able to maintain services if a budget is pushed too low.

Chairman Breuer suggested approving the Downtown Committee's existing \$850,000 budget. He recommended finishing up discussions, then presenting a new amount to the Committee for the Connective Corridor. The Downtown Committee will need a firm number in place when they go for approval from the Common Council.

Chairman Breuer made a motion to approve the proposed 2013-2014 budget with a contingency containing a minimum of \$145,000 and a maximum of \$200,000 for the Connective Corridor maintenance should the expansion happen. The contingency is based on the level of service needed for the Connective Corridor Budget. Ms. Treier stated that the Board will see the new revised budget before it is submitted to the City for approval. Mr. Fisher moved and Mr. Doucette seconded a motion to approve the proposed budget, with a contingency line for the Connective Corridor. The motion was unanimously carried.

V. OTHER BUSINESS AND ADJOURN

With no other business to come before the Board, the meeting was adjourned at 4:30 pm.

Next Meeting: **Tuesday, March 19th at 3:00 pm**
Board Room, 572 South Salina Street