

Downtown Sioux Falls Business Improvement District Board

Tuesday, August 22, 2023

9:00 am

City Center, Room 110
231 North Dakota Avenue
Sioux Falls, SD

Draft Minutes

The meeting was called to order at 9:01 am.

Members present: Anne Haber, Anita Wetsch, Katrin Profilet, and Erica Mullaly

Member absent: Dave Dandar and Darrell Schmith.

Staff present: Dustin Powers

DTSF Inc. staff present: Joe Batcheller, Martin Dill (Block by Block)

1. Call to Order

Haber called the meeting to order.

2. Approval of August 12, 2022, Meeting Minutes

Motion by Wetsch, second by Profilet, to approve the August 12, 2022 meeting minutes. Motion passed: 4 yeases, 0 noes.

3. Public Input on Non-Agenda Items

No public input was taken.

4. New Business

A. Hotel Occupation Tax

Powers shared the proposal for the hotel occupancy tax to be amended into the ordinance for the Downtown Business Improvement District for the Canopy by Hilton located at 120 E 4th Place.

Luke Jessen spoke on behalf of the project and indicated the the funds would go to support improvements to the area that benefit the public's use.

Motion by Wetsch, second by Haber, to recommend to the City Council approval of the Hotel Occupation Tax for property located at 120 E. 4th Place. Motion passed: 4 yeases, 0 noes.

B. 2023 Proposed BID Assessment

Powers stated that the proposed BID roll was filed with the City Finance Department July 24, 2023, and a mailed notice was given to all property owners on the roll.

Powers stated there were 235 properties in 2022 paying to the BID assessment for a total of \$203,674.28. Based on the recommendations of the BID Growth Plan the 2023 BID assessment will collect \$396,903.44 over 236 properties.

The total assessment is based on the BID Growth Plan calculation of:

- Buildings:
 - \$1.50 / 1,000 for building valuation \$0-1 million
 - \$0.50 / 1,000 for building valuation over \$1 million
- Land:
 - \$1.00 / 1,000 for land valuation \$0-200,000
 - \$0.50 / 1,000 for land valuation over \$200,000

Joe Batcheller spoke about the services provided to the DTSF BID. Services are provided by DTSF and some of those are through a 3rd party agreement with Block by Block and includes the cleaning, greening, hospitality and safety.

Martin Dill shared that the benefit of Block by Block providing the services is the frequency because with the more staff they are able to address items in a timely manner. They also track data and are able to provide reports on all elements of their services.

Batcheller indicated that DTSF is starting to make more efforts in the marketing and economic development areas of the BID services as well and will continue to ramp those efforts up in accordance with the BID Growth Plan.

Craig Markhardt, Cam Companies, indicated that he is a proponent of the services provided by the BID but had two properties that he owns to discuss on the assessment roll: 401 N. Phillips, is currently a HUD Section 8 Housing and the commercial space on the first floor is under construction but not currently occupyable. Based on the level of funding the HUD project is eligible for under that program the assessment on the property makes it difficult for the project to work.

The other property is located at 329 N. Phillips and is a property with a about 80% residential and the remaining square footage commercial, but since it is primarily residential would like it to be considered just mult-family for the 50% rate.

Duff Robinson stated that dropping the rate for smaller building owners (\$0.50 / 1,000 for total valuation, no tiers), would be beneficial for properties like his and Markhardt's.

Batcheller indicated that it could be problematic to make a one of exception like this as it relates to other property owners, and the ordinances are being followed. Discussions on future changes could occur for affordable housing projects, but they would need to be made.

Proffitt asked if this board could just recommend that HUD Section 8 Housing was considered for a discount to the assessment.

Powers indicated that this would be better suited for a discussion in the future about the ordinance and future revisions. We don't have the other property owners at the meeting that may also meet that criteria.

Wetsch stated we should just focus on the properties that have been brought up today during public input and the ordinances that we have for our recommendations. Future discussions on the assessment for affordable housing can be discussed in the future.

Motion by Haber, second by Mullaly, to formally recommend to the City Council approval of the 2023 BID assessment roll filed with the City Finance Department dated July 24, 2023. Motion passed: 4 yeses, 0 noes.

C. 2023 Budget Update

Batcheller shared the update to the BID budget and some of the differences that were previously presented when the budget was adopted. There is about \$45,000 left to be allocated to expenses for 2023 and wanted to get the Board's support to use those funds based on the recommendations in the BID Growth Plan. Mainly an economic development strategy for retail and marketing, with dove-tail well with the 2035 Downtown Plan.

Duff Robinson said this was what was presented last year and aligns with the changes that were made. Still would like to see the assessment on smaller properties reviewed again.

Luke Jessen indicated that he likes to see the funds being allocated to support retail in downtown.

Profilet asked if the funds would be allocating more funds to staff. Batcheller indicated that they currently have a marketing intern and would like to eventually hire a full time staff. This helps utilize these funds this year.

Motion by Haber, second by Profilet, to amend the budget to reflect the changes presented. Motion passed: 4 yeses, 0 noes.

D. Election of Chair and Vice-Chair

Motion by Haber, second by Mullaly, to nominate Profilet as the Chair of the Downtown Sioux Falls BID Board. Motion passed: 4 yeses, 0 noes.

Motion by Profilet, second by Haber, to nominate Mullaly as the Vice-Chair of the Downtown Sioux Falls BID Board. Motion passed: 6 yeses, 0 noes.

5. Other Business / Open Discussion

No other business was discussed

6. Adjourn

Motion by Schmith, second by Profilet, to adjourn. Motion passed: 6 yeses, 0 noes. The meeting was adjourned at approximately 11:22am.