

**REGULAR MEETING OF THE  
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT  
AND REVITALIZATION DISTRICT**

**Tuesday, May 28, 2019 – 10:00 AM  
Council Offices - Second Floor  
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

**MINUTES**

**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

*Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A) (3).*

1. Call to Order

Chairman Stilley called the Regular Meeting of May 28, 2019 to order at 10:03 a.m.

2. Roll Call

**MEMBERS PRESENT:**

Chairman David Stilley  
Vice Chairwoman Karen Kinne-Herman  
Member Steve Chatinsky  
Member Jerry McLaughlin  
Member John VanLandingham

**MEMBERS ABSENT:**

Others present: District Attorney Dana Kjellgren; District Treasurer Brandi Suda; District Clerk Stacy Saltzburg; FDBA Director Terry Madeksza

3. Approval of Minutes of the Board Meeting of April 9, 2019.

**Vice Chairwoman Karen Kinne-Herman moved to approve the minutes of April 9, 2019; seconded by Member Steve Chatinsky; passed unanimously.**

4. Consideration of Resolution No. 2019-04: A resolution of the District Board of the Flagstaff Downtown Business Improvement and Revitalization District of Flagstaff repealing Section 2 of Resolution No. 2019-03, canceling the special election of March 5, 2019, and declaring the names of the Board of Directors and respective terms, and replacing it with a new Section 2 stating the correct names of the Board of Directors and respective terms.

**Member John VanLandingham moved to adopt Resolution No. 2019-04; seconded by Vice-Chairwoman Karen Kinne-Herman; passed unanimously.**

5. Consideration of Resolution No. 2019-05: A resolution of the Board of the Flagstaff Downtown Business Improvement and Revitalization District (District) adopting the tentative estimates of the amounts required for the public expense for the District for the Fiscal Year 2019-2020; adopting the tentative budget; setting forth the receipts and expenditures; the amount proposed to be raised by District Property Taxation; and giving notice of the time for hearing taxpayers.

Ms. Suda explained that the budget assumes flat revenue with an adjustment to expenditures of about \$16,600. The \$16,600 would account for the management services contract and/or other activities. If the Board were to do a flat rate, \$23,500 would be the adjustment to the expenditures.

Member VanLandingham stated that the flat rate approach would essentially bring in more revenue as property values increased and the flat revenue approach would keep things generally as they

are. He asked the Board if they were supportive of the flat revenue as presented or a flat rate approach.

Chairman Stillely asked Vice-Chairwoman Kinne-Herman to give her thoughts on the flat rate approach. Vice-Chairwoman Kinne-Herman stated that the increase would be fairly minimal, and the economy is good right now; if there is a rate increase, it would be easier this year than in another.

Member VanLandingham stated that whatever the decision, a portion of the additional revenue could go towards the DBA contract and any additional services the Board may choose to bring forward.

Member McLaughlin stated that he is in favor of the flat rate. Member Chatinsky added that he believes that it is better to do it now.

Chairman Stillely stated that he would support the flat rate because he does not think that it is onerous. He believes that there will be another recession which will likely lower property values which would decrease the District's incoming revenues.

Ms. Suda reviewed the financial information with the flat rate considerations.

**Member John VanLandingham moved to adopt Resolution No. 2019-05 as amended for a flat rate adjustment; seconded by Member Steve Chatinsky; passed unanimously.**

6. Discussion and Direction: Agreement for Management Services with Flagstaff Downtown Business Alliance.

Chairman Stillely offered that the Board has been discussing the possibility of doing another infrastructure project. Currently there is not an infrastructure project that would fit within the District's budget. He and Ms. Madeksza have discussed the possibility of working with the City of Flagstaff to partner in a joint project that would be beneficial to the downtown.

Ms. Kjellgren offered she believes that something in cooperation with the City of Flagstaff would address the requirements in the statutes.

Vice-Chairwoman Kinne-Herman stated that the idea makes sense and suggested improved signage about parking as a possible project. Ms. Madeksza stated that she is looking at something similar with a type of way-finding signage program for downtown. The signage would guide people to parking and other public destinations. It is a significant project in terms of resources which is why it will be necessary to partner with the City.

Member VanLandingham asked Ms. Madeksza to discuss the amendments to the DBA management services contract. Ms. Madeksza stated that there are a couple of changes throughout the document that remove the mention of "create" and replace it with "maintain." Everything in the current contract has been accomplished and they are now managing and maintaining.

Ms. Madeksza offered that additional content that matches the priorities and work program of the DBA have been added. These are areas where the DBA is already doing the work and it has now been documented appropriately. She stated that the Downtown Vision and Action Plan has been added along with an additional section specific to parking management. Ms. Madeksza stated that at the last DBA meeting, the Board voted on the amendments and supported them unanimously.

The Board discussed a possible financial increase to the contract. Vice-Chairwoman Kinne-Herman stated that some funds will need to be reserved for an additional infrastructure project. Ms. Suda stated that there is \$30,000 in contingency that could be reallocated while also maintaining a 25% fund balance.

Ms. Madeksza stated that she can provide a summary of the approved budget from DBA and provide the Board with a few options for the different services the District is requesting.

Chairman Stilley asked the Board how much of the increased revenues they want to dedicate for the management services contract. Member McLaughlin indicated that he would prefer the majority be put into the reserves. Member Chantinsky offered that he would be supportive of \$5,000 to the reserves and \$18,000 for the DBA contract.

Ms. Kjellgren stated that the contract is structured with a flat contract amount for the agreement. If that same model is used, any additional funds could be allocated to a public infrastructure project that the District manages. The contract amount for management services will be for a fixed five-year term. She added that the Board should also consider the potential for a recession and a decline in revenues as well.

Chairman Stilley stated that there will be more information regarding the contract at the next meeting and additional discussion can be had at that time.

7. Cancellation of the Regular Meeting of July 9, 2019.

**Vice-Chairwoman Karen Kinne-Herman moved to cancel the Regular Meeting of July 9, 2019 and hold the meeting on June 25, 2019; seconded by Member Steve Chatinsky; passed unanimously.**

8. FDBA Director Report

Ms. Madeksza reported that the installation of the bike rack infrastructure project has begun. The installation is a little different than anticipated because of the brick pavers; the pavers will be removed, and concrete poured beneath for the racks followed by the reinstallation of the pavers. The project is scheduled to be completed in three to four weeks.

The DBA is working with the City of Flagstaff, Coconino County, and NAIPTA on conducting a Downtown Vision and Action Plan. The hope is that the DBA's participation will help to achieve a cohesive plan which will help shape the downtown as desired by all stakeholders and the public, rather than just responding to changes one at a time. The DBA will lead a process with their funding partners to bring in a downtown expert to guide the development of a vision and action plan. This is not a 30-year visioning plan, but rather a one- to seven-year vision to influence the things that are happening now. It is a very exciting project that allows the various downtown stakeholders to have a say in what happens downtown. A draft Scope of Work has been created and they are looking for a consultant to provide a market analysis on the physical environment, and connectivity with a robust public involvement process and implementation strategies. It is expected that this will be a nine- to twelve-month process and updates will be provided to the Board throughout.

Ms. Madeksza stated that the end of the DBA fiscal year is July 31, 2019 and, for the first time, they will be producing a formal annual report for their stakeholders to showcase the work of the DBA.

Lastly, Ms. Madeksza stated the Movies on the Square began last weekend and they have Russ Lyon Sotheby Realty as a presenting partner this year. It is an expensive endeavor for the free 14-week program and they are trying to bring on a few additional sponsors; the goal is \$50,000 and they are currently at \$ 40,000.

9. PUBLIC PARTICIPATION

*Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.*

None

10. Adjournment


The Regular Meeting of the Flagstaff Downtown Business Improvement District of May 28, 2019 adjourned at 10:50 a.m.

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David Stilley, Chairman

ATTEST:

  
Stacy Saltzburg, District Clerk

  
Karen Kinne-Herman  
Vice Chairman