

M I N U T E S of A SPECIAL-CALLED MEETING  
U City Loop Special Business District Board Meeting  
Via Tele Conference  
Tuesday, March 24 at 10 :00 a.m.

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**Attending Board Members:** Michael Alter, Joe Edwards, Ben Evans, Wendy Harris, Ryan Patterson, Tom Schmidt, & Steve Stone

**Absent Board Member(s):** Nakita Smith

**Others on the Call:** Councilmember Tim Cusick; John Mulligan, City Attorney; Libbey Tucker (Director of Economic Development), Jeff Weintrop (The Silver Lady)

**Call to Order:** Board Chairman Joe Edwards called the meeting to order at 10 a.m. and took attendance of those on the call.

**Protocol for tele-meeting interaction:** In order for the meeting to run smoothly using the tele meeting, Joe asked that those not on the board would be allowed to speak in public comments and that he would also ask for public comments at the end of the meeting. Those on the board were asked to identify themselves by name before speaking.

**Public Comments:** There were no requests to speak.

### **Current Assessment of Loop Businesses**

#### **Assistance Programs Offered for Businesses**

**Recommendations on helping Loop businesses during the pandemic.** Joe suggested that the Economic Development Retail Sales Tax (EDRST) funds awarded to the LSBDD for events be reallocated to help businesses since there would likely be no events planned for this year. He suggested that the amount could be spread over two payments perhaps three months apart as to encourage the business to stay viable over that time. These funds could be used to pay vendors, rent and payroll.

Michael Alter suggested that a cash infusion could be made using the EDRST reserves. He and others have spoken to City Manager Gregory Rose about this who suggest the Board prepare a letter making the request. Mr. Alter stated that businesses could be refunded the amount paid on their business license, which would be a fairer way, since the business licenses are based on revenues (gross receipts).

Mr. Edwards suggested that office tenants be included in this proposal.

Mr. Stone noted it would be difficult to propose unless businesses across the board were issued the refund. An example was made of the need of Starbucks vs. U City

Grill, suggesting the larger business could better weather this than the independent business. Mr. Stone was in favor of office-based businesses being included.

Joe suggested a formula could be determined by the City's finance department.

Mr. Alter agreed with that format, noting that the speed in which this is administered is important to everyone and cautioned not to overthink the fairness portion, which could slow the process.

Mr. Edwards agreed and noted that Starbucks is a franchise, but with a local owner.

Ryan questioned whether the chains vs. the small businesses should be singled out.

Michael stated that it seems to make the most sense to tie the cash infusion in with a return of the business license fees and that this plan is where we start, not where we stop.

Joe gained a consensus on the Board preparing the letter to urge that the City quickly agree to use the EDRST funds to return the business license fee and requested a motion.

Mike made a motion that the Board would prepare a letter requesting a return of the business license fees paid in 2019 to be paid from EDRST fund reserves.

Ran noted that if there are more in reserves, perhaps additional funds could be allocated, but it a place to start, noting that most haven't paid the 2020 license fees yet.

Joe questioned whether the funds, once approved, should be released immediately or in increments?

Tom stated that it should be without qualifications.

Michael stated that it would slow the process if there were too many parameters and would be fair if all were universally returned. Ben agreed with this.

In response to a question, City Attorney John Mulligan noted that the office tenants wouldn't receive very much as theirs is generally a flat amount, unless they have gross sales. He questioned whether this proposal is based on the assumption that 20% of the Loop sales tax revenues are contributed to the EDRST?

Joe noted that several years ago, EDRST reports indicated that The Loop's sales tax contribution to the EDRST was around 20% or more. Steve indicated it would be lower over the past few years.

Mr. Mulligan noted that City Council will also need to be mindful of a city-wide policy and consider what's the portion The Loop should receive?

Joe Stated that The Loop is our downtown district and critical to the economic environment.

Michael state that the Board's suggestion won't be applicable for all U City businesses, but just for The Loop and that we should move forward with the request.

Steve suggested that there not be a point made about who's contributed what and noted there are other public/private partnerships within the City to consider. He suggested that the contributions to the EDRST fund over the last couple of years be the guide.

Mr. Mulligan noted that currently all meetings of City boards and commissions are suspended until further notice, but that a special-called meeting such as this one could take place. The request would need to go before the EDRST Board and then to City Council. The next study session was to be on April 16 and the next Council meeting on April 27. Recognizing that the LSBDD wants this to move quickly, but this is the current schedule. He will need to discuss with City Manager.

Ryan expressed concern that this timeline is over a month away and questions if they could have an emergency meeting. Mr. Mulligan stated that he couldn't commit to that and noted that only 24 hours' notice is required to hold a meeting, but it will take some time to formulate this plan to get it to the decision makers. Mr. Schmidt questioned that if the EDRST Board is advisory as well, couldn't it go straight to City Council? Mr. Mulligan stated that the EDRST Board would still need to meet. Mr. Stone noted that Councilmember Cusick is on the call and could help expedite this and express the importance of the request. He noted that it would be good to let staff work on the approach in coordination with the EDRST Board Chairperson.

Mike made a motion that the Board write a letter to the City Manager, Mayor and City Council to EDRST funds be utilized as soon as possible to refund 2019 business license fees to all businesses in The Loop. The motion was seconded by Steve Stone.

Ryan questioned whether they should take into account the contribution the Loop businesses have made toward the EDRST fund. Joe said it could be done.

Steve stated the licensing fees refund could be spread across the percentage for what the businesses as a whole have contributed to the EDRST fund, noting he thinks it's generally 20%.

Joe asked who would work on the letter. Steve said he would and Mike also offered to help.

Tom raised the question of this year's license fees, which are due soon, and whether they should suggest a postponement for collecting them. Joe thought the two suggestions should be kept separate and present it separately.

Joe asked for everyone's vote by name, with everyone voting in approval of the motion.

Tom asked if it would be possible to delay the collection of this year's license fees. This would also provide immediately relief to the businesses. Mike agreed, but stated he didn't feel it should be a part of the request. Joe suggested that City Council could

waive the late fees on the current license renewals as long as they are paid by a date certain. Mike stated that the concern has been expressed and that Libbey and Councilmember Cusick are aware.

To clarify the request, Mr. Mulligan stated that the letter will request that 20% of the unencumbered balance of the EDRST fund will be used to distribute a refund of the Loop business license paid for 2019 (he said 2018, but meant 2019) based on the business's proportionate share.

He also clarified that Joe would be signing the letter and maintain a dialogue with the City and report back to the Board as well. Joe confirmed.

No other public comments.

Ben noted it is critical to focus on the economic issues and be mindful of fostering a sense of community. Joe noted that Rachelle and Libbey have been working together to promote The Loop businesses. He suggested the LSBDD still consider the East CID's offer to have Rachelle assist with social media and marketing, since the hiring freeze is on at the City. Libbey noted that the LSBDD Coordinate position is exempt from the freeze.

Joe informed the Board that the general liability and umbrella coverage is not being renewed by the provider. It expires July 28, 2020. Joe will contact someone at Daniel & Henry about an alternate provider.

Having no further business, a motion was made to adjourn by Tom Schmidt and seconded by Michael Alter and was unanimously passed.

The meeting adjourned at 11:17 a.m.