

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

**Tuesday, December 4, 2018 – 10:00 AM  
Staff Conference Room  
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

**M I N U T E S**

**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 meeting of December 4, 2018, to order at 10:03 a.m.

2. Roll Call

**MEMBERS PRESENT:**

Chairman David Stilley  
Member Antoinette Beiser  
Member Steve Chatinsky  
Member John VanLandingham

**MEMBERS ABSENT:**

Vice Chairwoman Karen Kinne-Herman

Others present: District Attorney Dana Kjellgren; District Clerk Stacy Saltzburg; FDDBA Director Terry Madeksza

3. Approval of Minutes of the Board Meeting of June 26, 2018 and October 23, 2018.

**Chairperson VanLandingham moved to approve the minutes of the Board meetings of June 26, 2018 and October 23, 2018; seconded; passed unanimously.**

4. Powers of the District under A.R.S. 48-6808.

Ms. Kjellgren stated that the contract with the Downtown Business Alliance (DBA) ends in September 2019, and since the Board meets quarterly it does not give many meetings to make changes or develop the work program. There is an option in the agreement to extend for another five-year period subject to negotiation and agreement of compensation and scope of work. The scope of work will need to be addressed and updated; much has already been accomplished so there will need to be new ones developed. Ms. Kjellgren reminded the Board that Revitalization Districts are created to provide a public infrastructure benefit and enhanced municipal services and to be thinking about the scope of work for the next contract period.

Chairman Stilley asked if the DBA is responsible for developing the scope of work. Ms. Kjellgren stated that the DBA can come to the Board with proposals, but the Board ultimately sets then work program for them.

Ms. Madeksza stated that the bike rack locations determined, blue staking has been done, and they are just waiting for the ground to soften for installation.

Member VanLandingham asked if the powers of the District are still constrained by the Arizona Revised Statues. Ms. Kjellgren stated that the statutes have not changed, the one ambiguity is that is indicates that the district is for public infrastructure and municipal services. It does not say how many, infrastructure projects are required, or to what scope. The District has taken on a small infrastructure project. The Board may want to consider another project for the next term; it is unknown whether or not that would be sufficient.

Member VanLandingham stated that they were delayed on the project, but once that is complete the formation is complete and enhanced municipal services will be ongoing. That should fulfill the requirements. Ms. Kjellgren agreed and stated that it will be the case the Board makes before the City Council and the public for the benefit of the District.

Member VanLandingham asked when the new contract needs to be in place; Ms. Kjellgren stated that the effective date would need to be September 22, 2019. Member VanLandingham suggested asking the DBA to review the contract that is expiring and present what has been completed, what is ongoing, and a possible proposal for going forward. Ms. Kjellgren also suggested that a schedule be established at the next meeting to ensure the revisions are in place in a timely manner.

The Board agreed with the course of action.

5. Terms of the contract with the Flagstaff Downtown Business Alliance (FDBA)

Discussion was included in Item 1. See above.

6. Consideration of Resolution No. 2018-04: A resolution of the District Board of the Flagstaff Downtown Business Improvement and Revitalization District of Flagstaff calling a Special Election for February 19, 2019, for the purpose of submitting to the property owners of the District the election of Board of Directors.

Ms. Saltzburg reviewed the resolution and confirmed the dates of the election. She also reviewed the nomination packet contents that are available in the Clerk's office for those who may be interested in serving on the Board. Interested parties need to obtain five signatures in order to be eligible to be placed on the ballot. Petitions will need to be filed by January 14, 2019 at 5:00 p.m.

**Member VanLandingham moved to read Resolution No. 2018-04 by title only; seconded; passed unanimously**

*A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT OF FLAGSTAFF CALLING A SPECIAL ELECTION FOR FEBRUARY 19, 2019, FOR THE PURPOSE OF*

*SUBMITTING TO THE PROPERTY OWNERS OF THE DISTRICT THE ELECTION OF BOARD OF DIRECTORS.*

**Member Chatinsky moved to adopt Resolution No. 2018-04; seconded; passed unanimously.**

7. Report by FDBA Director Terry Madeksza.

Ms. Madeksza reported that she and Member VanLandingham are working with the City for more substantive reporting along with the financials for Park Flag. Members of the FDBIRD Board and FDBA attended the Council meeting where parking was discussed, Constituents writing letters to the Council helped a lot, it let the parking operations and policies to continue forward because the Council saw the support. Overall, the policies will not be adjusted without review and nothing changed at the Council meeting. The revenues that are coming in are robust and means that the program is working as it was intended; it is creating parking and bringing in revenue. Ms. Madeksza stated that it is important to make sure that other City departments are not looking at this revenue for other purposes, it must be used for the intended purpose.

Ms. Kjellgren asked who the liaison is now that Karl Eberhard has retired. Ms. Madeksza stated that it is currently Heidi Hansen; Karl's job has been divided into six different areas. John Portillo is the Parking Manager and he oversees the day to day operations of Park Flag.

Member Beiser asked why more of the remaining parking funds being allocated to building the parking lot. Member VanLandingham offered that the ordinance required at least 20% of gross revenues going into a lockbox. When the District was established it was done so on parking management and advocacy. It is working beyond our wildest dreams financially. Looking at that pot of money and making sure it remains whole, that is the most important things that the Board will have to do. The first step is to get a full annual report from the City that is similar to what other municipal parking districts do that includes full financial information. The Board should demand more through the fiduciary responsibility of the Board and there has been some resistance from the City on a full reporting. There may be more immediate opportunities to get to a structure sooner than may have been thought. Seeing these numbers in total, the cash flow excess is around \$1 million.

Because Chairman Stilley had to leave the meeting early, Ms. Kjellgren asked if the Board would like to direct staff to bring forward a possible amendment to the Rules of Procedure with regards to meeting dates because the meetings in January and July are always around the holidays. This often causes scheduling conflicts which can disrupt the work of the Board. The proposal would be to move the meetings to the 2<sup>nd</sup> week of the month for all meetings to avoid conflicts.

The Board was in agreement.

Chairman Stilley left the meeting at 10:41 am.

Ms. Madeksza continued and provided an activities calendar for the month of December. The DBA has been working on having something going on every day in December and

they are very close with 25 days of activities. In three years and environment has been created where people come to downtown to participate and spend time during the holidays. Winter Wonderland was packed this last weekend. Ms. Madeksza reported that the reach on social media was over 500,000 making people aware of Flagstaff as a destination. She suggested that it might be beneficial to do an economic study on the tree lighting event, it has to move the needle economically and it would be good to quantify that.

8. 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 Special Meeting of the Flagstaff Downtown Business Improvement and Revitalization District Board of Directors held December 4, 2018, adjourned at 10:58 a.m.

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David Stilley, Chairman

ATTEST:

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Stacy Saltzburg, District Clerk