



Budget, Finance & Economic Development Committee

March 19, 2019

Summary and Motions

PARTIAL Summary and Motions

(Downtown Lexington Management District Update and Budget Approval)

Amanda Bledsoe, chair, called the meeting to order at 1:01 p.m. Committee members Steve Kay, Richard Moloney, Chuck Ellinger, James Brown, Susan Lamb, Bill Farmer, Fred Brown, and Jennifer Mossotti were in attendance. Committee member Angela Evans was absent. Councilmembers Jake Gibbs, Jennifer Reynolds, and Kathy Plomin were in attendance as non-voting members.

III. Downtown Lexington Management District Update & Budget Approval

CM Bledsoe explained that the Downtown Lexington Management District is required by ordinance to seek council approval of their annual budget, which she will ask for at the conclusion of this item. She said she will report this item to the full council on September 10 and schedule a public hearing on their budget at the council meeting on September 26.

Jim Frazier, Board Chair of DLMD, presented the fiscal year 2019-2020 budget. Frazier said the board approved the budget at the last board meeting. He highlighted the changes from the previous year, including an increase of 5 percent in the payment to the Downtown Lexington Partnership, who manages their organization. After pointing out a large increase in property improvement grants, he reported DLMD awarded \$22,000 in grants last year that resulted in \$112,000 of actual improvements, emphasizing the benefit for all. He talked about the due diligence of the board to be good stewards of the money and the use of some surplus funds. He highlighted the people in purple shirts, plus small capital expenditures such as pressure washers. Frazier reviewed DLMD's achievements over the last few years, including a grant from the Office of Homelessness, Prevention, and Intervention and an effort to set aside money for cultural arts and public art projects. He said they have retained the Fayette County Sheriff's Office for enhanced security in downtown, noting the Sheriff's deputies recorded 270 hours in July alone. He finished his presentation explaining their initiative to *light-up downtown*.

CM F. Brown asked about the increase for the property improvement grants from \$15,000 to \$70,000 and whether this is a one-time cost. Frazier explained a lot of the increase will be for lighting and that he expects these grants being funded for many years. F. Brown asked about DLMD's involvement with special events that are organized by DLP. Frazier explained the only involvement they have with DLP is under the management of the district and \$12,000 under merchant marketing, which is a new initiative the DLMD is doing in conjunction with DLP.

CM Lamb talked about the impact DLMD has had improving the vibrancy of downtown. She asked about merchant marketing and the wayfinding signs downtown. Frazier said VisitLex handles the wayfinding signs and that the merchant marketing funds are specifically earmarked to market any of the merchants in the district. She asked if the property improvement grants are only for businesses and Frazier explained they are open for anyone who is within the district's boundaries.

CM Farmer spoke about the light-up downtown project and highlighted the accomplishments of DLMD, which show that we care about the downtown. He said it's a great list of accomplishments that DLMD needs to make reference to.

CM J. Brown said there is a noticeable difference from the years before the district existed and now. He asked about the funds for merchant marketing. Frazier explained how DLMD collects their funds from a tax and DLP is based on membership so the merchant marketing funds were originally going to supplement those who are paying twice, something DLMD wasn't comfortable with. Instead, Frazier said DLMD agreed to designate these funds to go towards merchants within their district to help drive business. J. Brown asked about what to expect from this program and said he is interested learning more. He asked about the partnership with the Sheriff's Office and what drove that initiative. Frazier explained the importance of safety and pointed out the cost difference between the Lexington Police Department and the Sheriff's Office, who were much more affordable. He said the added security is a big help to keep the area safe.

CM Mossotti asked what percentage of properties within the district are residential. Frazier said he doesn't have the exact number but he believes it's at most 15 percent; he highlighted the two largest properties are at Main and Rose and the Nun building. They discussed the impact of the tax on the residential properties because of the assessed value. Mossotti questioned how to keep the grants fair with this in mind. Frazier said the grants are open anyone but said DLMD does focus on the street-level.

CM Plomin asked about electric scooters that will likely come to Lexington and how that could impact DLMD. Frazier explained his Parking Authority perspective and how they are discussing this issue heavily, including safety, enforcement, and the landscape. He said this has not been a discussion point for DLMD; he added that the two groups communicate and engage with each other regularly. He said the purple shirts could potentially assist with reporting.

Lamb asked about the plan to renew the district next year and if it must be renewed every five years. Frazier said DLMD will present another petition to renew the district for another five years and that the board believed board members and property owners alike would be more comfortable with five years. He said they launched the petition last week.

A motion was made by Farmer to approve the Downtown Lexington Management District FY 2019-2020 Budget, seconded by CM Ellinger. The motion passed without dissent.