



CITIZENS FOR A GREATER DOWNTOWN ST. LOUIS

Deficiencies of the Petition and Associated Documents to Amend the Current Community Improvement District

The Downtown St. Louis Community Improvement District (CID) has assessed downtown property owners almost \$30 million in the last 10 years. Citizens for a Greater Downtown St. Louis was organized by a group of downtown stakeholders who believe that money could have been better spent, and seek changes to insure that the future CID has a much greater impact because it will be better managed, more transparent and more deeply engaged with downtown issues.

The current CID has chosen to “amend” the 2011 petition rather than author a new petition as was done in the past. While this approach requires virtually the same approval process, it limits how much can change to comply with state statute. For example, it leaves the current ten-year old Management Plan in place, preserves the current boundaries and organizational structure while failing to recognize the significant challenges that we now face downtown and what we have learned over the past 10 years. This legally questionable approach leaves the CID open to legal challenges in the future by any disgruntled ratepayer. A current lawsuit has already raised this and other issues about the manner in which the CID has chosen to succeed itself.

The petition materials currently being circulated should be modified to make it a new CID with a new Management Plan, and new Bylaws.

Almost none of the promises that were made in Missy Kelley’s earlier letter to property owners are codified in the petition. Those commitments and other critical provisions need to be addressed in a new petition, Bylaws, and Management Plan. These documents should reflect the following:

1. The current petition provides that the Management Plan – which governs how the money will be spent – will remain unchanged. However, it notes that certain activities described in the Plan will not be undertaken. That lack of clarity implies that the CID can do whatever it wants, as long as it is not expressly prohibited under state statute (in responding to a recent lawsuit the CID has made that specific assertion). While some might call that flexibility, ratepayers deserve to know what they are paying for before they sign the petition. The petition needs to be clear that CID money will only be spent on the activities authorized in the petition and the underlying Management Plan.
2. The fact that the Management Plan remains unchanged suggests that the activities and functions of the organization will likely not change. Downtown is facing unprecedented challenges, including years of declining property values and a growing sense of insecurity – trends that are reinforced by the current pandemic. Significant programmatic changes are necessary if the CID is to fulfill its mandate and serve the interests of property owners and other downtown stakeholders. Nothing in the petition or associated documents provides evidence that the CID recognizes these challenges and is prepared to respond in any meaningful way.

3. The board should be reduced to no more than 20 members (with no ex-officio members). The board composition should be balanced and structured as below:
 - a. There should also be an effective committee structure to engage board members and others in developing a deeper understanding of the issues and in making decisions. Board members should be prepared to be active participants in determining the direction of the organization, not bystanders simply ceding effective decision-making to staff.
 - b. All major asset classes should be represented (commercial office, multi family, condo owner, residents, retail, hospitality, etc.) with no member assigned to more than one asset class. (Residential owners have been historically underrepresented in the CID).
 - c. Geographic representation should be balanced, with members drawn from all areas of downtown.
 - d. The people that pay into the CID should have the largest voice in managing the CID – supplemented by representatives of large employers that may not own property, but have a large stake in the future of downtown.
 - e. Small and medium sized businesses should be represented.
 - f. The board should represent the racially diverse population of downtown.
4. The CID needs to be self-managed and totally independent. The board can choose to hire its own staff and executive director, or outsource, or some mix, as it sees fit.
5. Economic development activities should not be removed from the scope of the organization, in part because there are no credible arrangements in place now for these activities to happen anywhere else. The budget can be reduced (at least temporarily) and the primary focus should be on effective strategies to address quality of life issues (safety, cleanliness, infrastructure) for the first few years in order to rebuild confidence in the organization. Economic growth of downtown will be forever crippled if we cannot make downtown safe, clean, and attractive, so devoting the organization to making that happen must be the first and highest priority.
6. The process of selecting board members should be described. The initial board should be at least partially named and put it in place, with the intent to expand in line with broader governance goals when the Petition is accepted and new bylaws adopted. Property owners signing the petition should know who will be running the organization at the outset.
7. Business and personal conflicts of interest should be fully disclosed and documented and a procedure in place that limits how members can participate in discussions and voting when a conflict is present.
8. None of the attachments referred to in the Petition were attached. The attachments should have been included in the petition package. It disrespects ratepayers not to include these items or make them easily available.
9. A twenty-year term is too long. While the authorization process is challenging and consumes resources, it encourages accountability and creates opportunities for changes to respond to new challenges and conditions. Given the lack of credibility of the current CID, the term of the next CID should be no more than 10 years.

10. Transparency – the Petition should require that the CID abide by the Missouri Sunshine Law. The current CID claims that they are not subject to the law (a dubious assertion) and that compliance would be burdensome. Lack of transparency undermines the credibility of the organization and if properly run, FOIA requests will be minimal and compliance a matter of routine.
11. The city and state require an annual budget, but the CID’s practice has been to submit an opaque quarter page budget summary each year with no explanation and no associated plan. The petition should require the CID to develop, for public input and dissemination, a meaningful strategic plan that is updated annually in concert with a detailed annual budget, with metrics for tracking success/failure in each area of expenditure.
12. Proposed Bylaws should be included in the Petition. Bylaws are essential to an understanding of how the organization will operate. Importantly, new Bylaws should specify how board members will be selected, how decisions will be made, and how the organization will provide opportunities for property owners to provide input.
13. Board education – board members need to be actively engaged in the organization and be fully informed on the underlying drivers of the problems downtown faces. Best practices and alternative strategies and tactics must be understood and debated by an informed board. The board must directly engage in conversations with City leaders and be resolute advocates for downtown. For example, the CID board must exercise its influence to demand that city regulatory practices (e.g. granting and enforcing liquor licenses, addressing problem properties) are consistent with public safety downtown.
14. The Management Plan should provide for recruitment of volunteer block or neighborhood captains who can provide detailed feedback on problems/issues on a block by block, street level basis – potholes, crime hotspots and create a stronger sense of engagement with residents and retailers. An operational alliance with the Downtown Neighborhood Association would be an important asset.

Citizens for a Greater Downtown St. Louis (CGDSTL) is a group of volunteer residents, business owners, and investors that has been actively advocating for improved quality of life in downtown, and for the creation of a Community Improvement District that effectively addresses those conditions and will be a passionate advocate for downtown.

For more information about CGDSTL and our proposals for a new CID see
www.citizensforagreaterdowntown.org