

AGENDA

CITY OF BESSEMER DOWNTOWN DEVELOPMENT AUTHORITY

Regular meeting of the City of Bessemer Downtown Development Authority to be held in the DDA office, City Hall, on Thursday, July 12th, 2018, at 4:00 p.m.

CALL TO ORDER

BOARD MEMBERS: Zak, Osier, Kikkebusch, Whitburn, Durkee, Leskoviansky, Hamilton, Filippini

ROLL CALL

APPROVAL OF MINUTES:

BUSINESS ITEMS:

- 1) **Training**
- 2) **Financials**
- 3) **Request for Façade improvement funds**
- 4) **Request for PopUp Funding**

5)

Item	Description	Responsible Individual	Action Steps
Pop-up shops	Provide minimal initial funding to start up businesses in our downtown	Charly Loper	
Signs for trails	Add wayfinding for motorized and non motorized trails	Steve Hamilton and Charly Loper	Meet up to discuss locations
Trees	Ethnic Common's Trees aren't looking healthy	Charly Loper	
Lights in Ethnic Commons	Determine if we should replace next spring with LED		
Welcome Signs	Update on Progress.		
Façade Funding			

First Impression Tourism	Update		
221 S Sophie			
Marketing update			

6) Public comment

ADJOURN

Next Meeting: August 9th, 2018 at 4:00

**A regular meeting of the Downtown Development Authority for the City of Bessemer
was held in the DDA meeting room on
Thursday, June 14, 2018 at 12:00**

Present: Osier, Whitburn, Leskoviansky, Filippini, Hamilton, Durkee

Absent: Youngberg, Zak

A quorum was present

Osier made the motion to approve the minutes from May's meeting. Leskoviansky seconded. The vote was unanimously in favor.

- 1) Hamilton made a motion to approve \$3,500 for Whitburn Properties for the Façade Improvement funds. Osier seconded. Yes: Osier, Durkee, Leskoviansky, Hamilton, Filippini abstain: Whitburn no: none
- 2) Leskoviansk made a motion to approve PopUp Shop funding for Platinum Dance Studio for \$250/ month for 6 months and an additional \$500 for fixed building improvements on a 1:1 basis. Filippini seconded the motion and Yes: Osier, Durkee, Leskoviansky, Hamilton, Filippini, Whitburn no: none

3)

Item	Description	Responsible Individual	Action Steps
Pop-up shops	Discussed allowing businesses to choose between 6 months of full funding or 12 months of half funding.	Charly Loper	
Signs for trails	After this summer will have more time to discuss	Steve Hamilton and Charly Loper	Meet up to discuss locations
Banners	Banners are up!	Charly Loper	
Trees	Loper looking into when going to be replaced	Charly Loper	
Lights in Ethnic Commons	Whitburn looking into prior to July 4th		
Welcome Signs	Update on Progress, request for banners		
Façade Funding	The DDA agreed to start assisting apartment buildings with façade improvements.	Charly Loper	Determine if can apply for state funds

- 4) Filippini made a motion to accept Rob Coleman's proposal to update the welcome signs given that he completes it by June 30th or he will receive a 10% deduction. Leskoviansky seconded it and Yes: Osier, Durkee, Leskoviansky, Hamilton, Filippini, Whitburn no: none
- 5) Osier made a motion to change the DDA meeting time to 4:00 on the same days. Hamilton seconded it and it passed unanimously.
- 6) There was no public comment

Osier made the motion to adjourn the meeting. Whitburn seconded it and it passed unanimously.

**A special meeting of the Downtown Development Authority for the City of Bessemer
was held in the DDA meeting room on
Thursday, July 5th, 2018 at 4:00**

Present: Osier, Whitburn, Leskoviansky, Filippini, Zak

Absent: Youngberg, Hamilton, Durkee

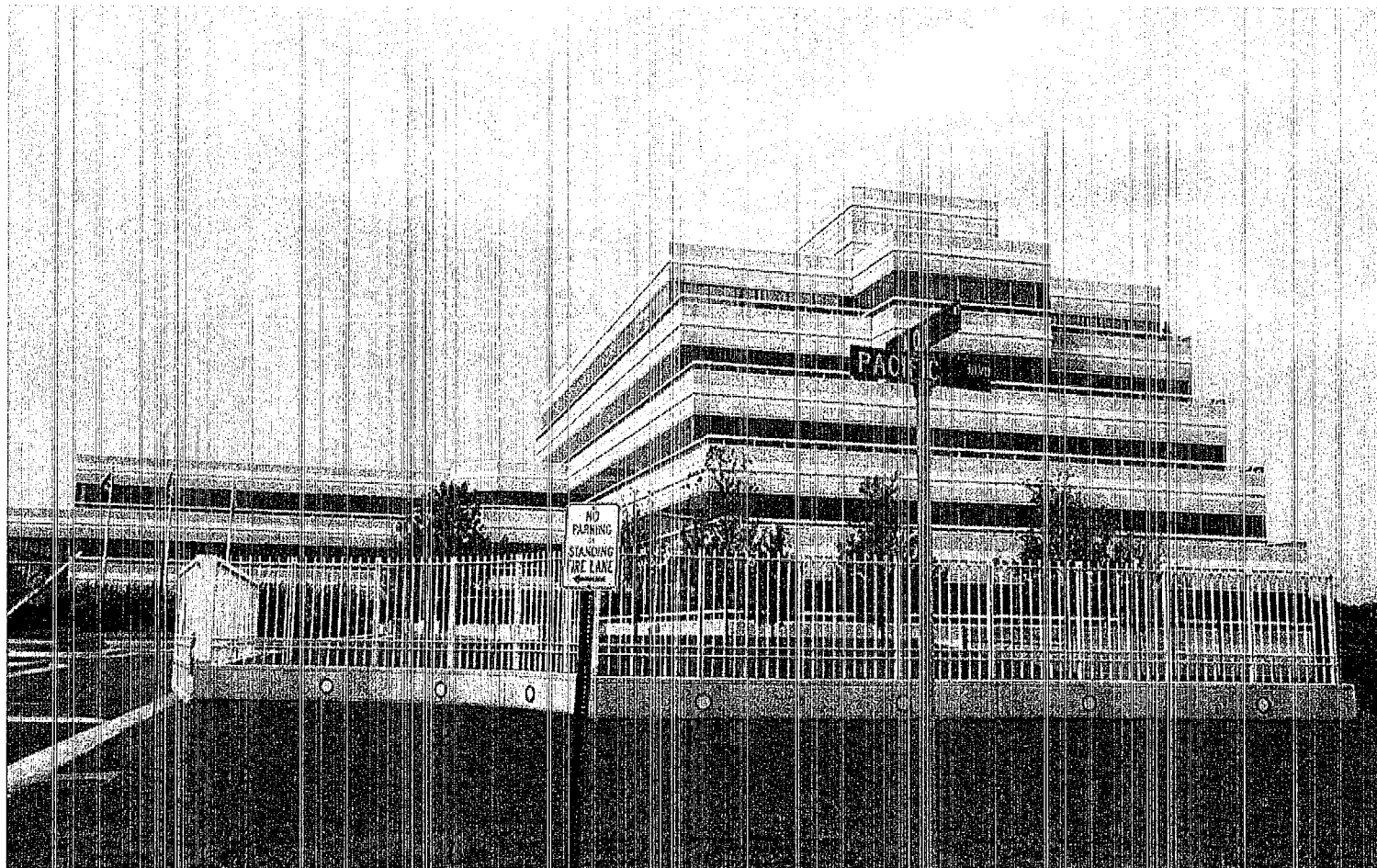
A quorum was present

Loper opened the meeting at 4:00. A discussion about 221 S Sophie was conducted. Zak made a motion to table the discussion until the next meeting. Osier seconded it and it was passed unanimously.

There was no public comment

Whitburn made the motion to adjourn the meeting. Osier seconded it and it passed unanimously.

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AOL headquarters in Virginia, 1997. By 2000, AOL was the biggest Internet provider in the country and valued at \$125 billion. // William Philpott/AP

Hook Local Startups, Not the HQ2 Whale

DAVID ZIPPER 10:34 AM ET

Readers of CityLab have likely seen numerous arguments condemning the competition among North American cities to land the second Amazon headquarters. Urban policy experts are nearly unanimous in their opprobrium for the HQ2 selection process and their skepticism that the “winning” city will reap the rewards of economic growth and job creation that Amazon has promised. (And even if it does, the price tag for accommodating HQ2 may negate or severely diminish any fiscal benefit.)

For cities eager to lay the groundwork for long-term economic growth, what are better options? Can *any* single development gambit generate such a windfall of new jobs?

Yes, but it will not happen through a development strategy based on luring outside corporations with taxpayer incentives. Rather, this kind of big bang is far more likely to happen when a homegrown local startup gets acquired or goes public, transforming early employees and investors into millionaires.

These beneficiaries can become invaluable mentors and investors for a succeeding generation of local startups; many may use their earnings to become entrepreneurs themselves. A major business acquisition or IPO—not the HQ2 charade—is the kind of jackpot that economic developers should pursue.

I have seen how the effects of such a big bang rippled through the Washington, D.C., region, where I live. During the 1990's AmericaOnline (AOL), then based in Tysons Corner in Northern Virginia, dominated the dial-up consumer internet market. AOL was valued at \$125 billion when it merged with Time Warner in 2000, a transaction that made many executives and employees very wealthy.

City leaders are wise to stay close to startups that are starting to scale.

That merger was not ultimately successful, but the imprimatur of AOL remains visible across D.C.'s business landscape two decades later. Along with several AOL alumni, company CEO Steve Case went on to found Revolution, a Washington, D.C.-based venture firm with hundreds of millions in capital that has made numerous investments into local startups like Optoro. Case also founded Revolution Health, which employed hundreds of people in the early 2000's, including Tim O'Shaughnessy, the future co-founder of e-coupon company LivingSocial, which at its peak was valued over \$1 billion. O'Shaughnessy now makes venture investments as president of DC-based Graham Holdings, while LivingSocial alumni have founded local startups such as Framebridge and Galley. All of this activity loops back to one company: AOL and its merger with Time Warner.

Or jump to a city on the other side of the coast: Seattle. In his book *The New Geography of Jobs*, economist Enrico Moretti notes that in the 1970's, Seattle was a struggling industrial city whose fortunes were closely tied to that of its major employer, the aerospace firm Boeing, which had downsized dramatically during that decade. But in 1979, the region became the beneficiary of what may have been the most consequential business relocation of all time: Microsoft's move from Albuquerque to Bellevue at a time when the company employed just a couple dozen people. (Note that Microsoft received no public incentives to induce its move, and I've found no evidence that economic development officials took particular note of it). Microsoft thrived in the early days of personal computing, going public in 1986. Since then, its employees have founded a slew of companies that are today at the center of Seattle's thriving tech scene, from Zillow to Inrix to Vulcan Capital.

These sorts of economic big bangs can happen anywhere, not just on the coasts. Just last December, Birmingham-based e-delivery startup Shipt was acquired by Target for \$550 million. Shipt was founded by a Birmingham entrepreneur who managed a local team of over 200 and raised capital from Alabama investors—all of whom got a windfall. Birmingham is poised to reap the benefits of the Shipt acquisition for many years to come, including a bevy of new mentors and investors supporting a new generation of startups.

So what is the lesson for your town's economic development boosters? City leaders are wise to stay close to startups that are starting to scale, meeting with them regularly, congratulating them on raising a new round of capital, and solving whatever issues arise regarding regulation, workforce, or infrastructure. Once a company has hundreds of employees, it's likely that other states will dangle big checks in exchange for relocation. A company whose leaders and employees feel tied to its community is less likely to be tempted to jump ship.

And if an incentive battle does break out, the city where the startup is based will enjoy home court advantage, with employees already settled into their homes and commutes and their children enrolled into local schools. Meeting and maintaining relationships with fast-growing startups may seem obvious, but in my experience economic development leaders are often unaware which local companies have raised the most venture capital—an obvious indicator of future growth.

Last fall, 238 cities invested countless staff hours putting together proposals for Amazon, hoping to prevail in an economic development competition so intense and expensive it has earned comparisons to the Olympics. Most cities have been quiet about what it cost to draft their HQ2 proposals, but not all. Virginia Beach, for example, spent \$100,000, not including staff hours that could have gone toward other projects.

But what if cities like Virginia Beach had instead invested those resources into outreach to learn about their five fastest-growing local startups and solve their most pressing challenges? Regulations could have been streamlined, new community college courses created, and zoning requirements tweaked—at a fraction of the cost of a corporate relocation incentive package. And the cities' time and money would have been much more likely to spark an economic big bang than the frivolous pursuit of HQ2.

Fund 248 Downtown Development Authority

GL Number	Description	Balance
*** Assets ***		
Unclassified		
248-000-001.00	Cash Checking	4,121.41
248-000-002.00	Cash Savings	46,879.84
248-000-002.02	Cash Money Market	21,897.94
	Unclassified	<u>72,899.19</u>
	Total Assets	<u>72,899.19</u>
*** Liabilities ***		
Unclassified		
248-000-202.00	Accounts Payable	2,400.00
	Unclassified	<u>2,400.00</u>
	Total Liabilities	<u>2,400.00</u>
*** Fund Balance ***		
Unclassified		
248-000-390.00	Fund Balance	50,002.70
	Unclassified	<u>50,002.70</u>
	Total Fund Balance	<u>50,002.70</u>
Beginning Fund Balance		
Net of Revenues VS Expenditures		
Ending Fund Balance		
Total Liabilities And Fund Balance		

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 248 Downtown Development Authority							
Expenditures							
Department 101 City Council/Administration							
Unclassified							
06/01/2018			248-101-900.00 Printing & Publishing		BEG. BALANCE		120.00
06/30/2018			248-101-900.00	END BALANCE	0.00	0.00	120.00
UNCLASSIFIED: Unclassified							120.00
TOTAL FOR DEPARTMENT 101 City Council/Administration							
Department 200 Spartan Project							
Unclassified							
06/01/2018			248-200-881.00 Flower/Beautification Projects		BEG. BALANCE		3,575.00
06/30/2018			248-200-881.00	END BALANCE	0.00	0.00	3,575.00
UNCLASSIFIED: Unclassified							3,575.00
TOTAL FOR DEPARTMENT 200 Spartan Project							
Department 728 Projects and activities							
Unclassified							
06/01/2018			248-728-881.00 Flower/Beautification Projects		BEG. BALANCE		948.10
06/12/2018	AP	INV	AMERICAN SOLUTIONS FOR BUSINESS BANNERS	INV03552536	2,158.58		3,106.68
06/12/2018	AP	INV	STEIGERS HOME CENTER	241139	59.94		3,166.62
06/12/2018	AP	INV	POTTING SOIL				
06/12/2018	AP	INV	STEIGERS HOME CENTER	241138	928.41		4,095.03
06/12/2018	AP	INV	FLOWER				
06/12/2018	AP	INV	STEIGERS HOME CENTER	240283	16.97		4,112.00
06/12/2018	AP	INV	BANNER SUPPLIES				
06/12/2018	AP	INV	STEIGERS HOME CENTER	240288		12.58	4,099.42
06/12/2018	AP	INV	BANNER SUPPLIES				
Total for Jun					3,163.90	12.58	
06/30/2018			248-728-881.00	END BALANCE	3,163.90	12.58	4,099.42
06/01/2018			248-728-883.00 POP-UP SHOP START-UP EXPENSES		BEG. BALANCE		157.44
06/26/2018	AP	INV	PLATINUM DANCE STUDIO	05252018	500.00		657.44
06/26/2018	AP	INV	POP UP SHOP RENT/IMPROVEMENTS				
Total for Jun					500.00		
06/30/2018			248-728-883.00	END BALANCE	500.00	0.00	657.44
06/01/2018			248-728-940.00 POP-UP SHOP RENT		BEG. BALANCE		15,300.00
06/12/2018	AP	INV	SAARI, BRANDON	06012018	400.00		15,700.00
06/12/2018	AP	INV	POP UP SHOP RENT REIMB.				
06/26/2018	AP	INV	PLATINUM DANCE STUDIO	05252018	500.00		16,200.00
06/26/2018	AP	INV	POP UP SHOP RENT/IMPROVEMENTS				
06/27/2018	AP	INV	O'SULLIVAN, BRIDGET	06182018	400.00		16,600.00
06/27/2018	AP	INV	POP UP SHOP RENT				
Total for Jun					1,300.00		
06/30/2018			248-728-940.00	END BALANCE	1,300.00	0.00	16,600.00
06/01/2018			248-728-940.01 FACADE IMPROVEMNT GRANTS		BEG. BALANCE		0.00
06/20/2018	CD	CHK	WHITBURN PROPERTIES	32810	3,500.00		3,500.00
06/20/2018	CD	CHK					
Total for Jun					3,500.00		
06/30/2018			248-728-940.01	END BALANCE	3,500.00	0.00	3,500.00
06/01/2018			248-728-963.00 Miscellaneous		BEG. BALANCE		150.00
06/30/2018			248-728-963.00	END BALANCE	0.00	0.00	150.00
UNCLASSIFIED: Unclassified							8,463.90
TOTAL FOR DEPARTMENT 728 Projects and activities							8,463.90
TOTAL Expenditures							28,701.86

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DB: Bessemer

GL ACTIVITY REPORT FOR CITY OF BESSEMER
FROM 248-101-726.00 TO 248-907-995.00
TRANSACTIONS FROM 06/01/2018 TO 06/30/2018

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
GRAND TOTALS:					8,463.90	12.58	28,701.86

PERIOD ENDING 06/30/2018

GL NUMBER	DESCRIPTION	2017-18		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDT USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	06/30/2018	06/30/2018	MONTH 06/30/2018	INCREASE (DECREASE)	NORMAL (ABNORMAL)	BALANCE	
Fund 248 - Downtown Development Authority										
Revenues										
Dept 000 - General										
248-000-402.00	Current Tax Revenue	46,000.00		48,978.33		0.00		(2,978.33)		106.47
248-000-664.00	Interest Income	25.00		63.02		0.00		(38.02)		252.08
248-000-676.00	Reimbursements	0.00		157.00		0.00		(157.00)		100.00
Total Dept 000 - General				49,198.35		0.00		(3,173.35)		106.89
TOTAL REVENUES		46,025.00		49,198.35		0.00		(3,173.35)		106.89
Expenditures										
Dept 101 - City Council/Administration										
248-101-900.00	Printing & Publishing	0.00		120.00		0.00		(120.00)		100.00
Total Dept 101 - City Council/Administration				120.00		0.00		(120.00)		100.00
Dept 200 - Spartan Project										
248-200-881.00	Flower/Beautification Projects	0.00		3,575.00		0.00		(3,575.00)		100.00
Total Dept 200 - Spartan Project				3,575.00		0.00		(3,575.00)		100.00
Dept 728 - Projects and activities										
248-728-702.00	Salaries	3,000.00		0.00		0.00		3,000.00		0.00
248-728-715.00	Social Security	230.00		0.00		0.00		230.00		0.00
248-728-881.00	Flower/Beautification Projects	42,795.00		4,099.42		3,151.32		38,695.58		9.58
248-728-883.00	POP-UP SHOP START-UP EXPENSES	0.00		657.44		500.00		(657.44)		100.00
248-728-940.00	POP-UP SHOP RENT	0.00		16,600.00		1,300.00		(16,600.00)		100.00
248-728-963.00	Miscellaneous	0.00		150.00		0.00		(150.00)		100.00
Total Dept 728 - Projects and activities				21,506.86		4,951.32		24,518.14		46.73
TOTAL EXPENDITURES		46,025.00		25,201.86		4,951.32		20,823.14		54.76
Fund 248 - Downtown Development Authority:										
TOTAL REVENUES		46,025.00		49,198.35		0.00		(3,173.35)		106.89
TOTAL EXPENDITURES		46,025.00		25,201.86		4,951.32		20,823.14		54.76
NET OF REVENUES & EXPENDITURES		0.00		23,996.49		(4,951.32)		(23,996.49)		100.00