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# Facing expiration, downtown taxing district hires consultants to help

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A taxing district that provides much of a downtown nonprofit's funding is set to expire at the end of 2021.

So the Downtown St. Louis Community Improvement District is set to hire political and public relations consultants to help consider "available options related to the impending expiration, and potential renewal or reorganization of the CID," according to a request for proposals. Property owners within the district must vote next year on whether to renew the CID.

The renewal process comes as some property owners who pay taxes to the CID, as well as the state auditor, have criticized its relationship with Downtown STL Inc., a nonprofit neighborhood booster. It also comes as downtown, which has a perception problem locally, has lagged some of its peers in job creation.

The CID, which collects \$3.5 million each year in property taxes, is administered by Downtown STL, led by CEO Missy Kelley. State Auditor Nicole Galloway said in an August report that although it was following state law, the CID does not competitively bid its management services, and that a conflict exists because the CID's chair and vice chair are ex-officio board members of the nonprofit, and the chair and vice chair of Downtown STL are ex-officio members of the district's board. The district paid more than \$1.6 million for management services from July 2016 to June 2017, Galloway said.

Kelley said the renewal process "is an opportunity for us to clean up some of that stuff and make it such that people feel there's no concern about conflicts of interest." Kelley said it's possible — but "unlikely" — that Downtown STL won't bid on the new CID's management. She also said the new CID's term is likely to be shorter than the current 10 years.

A request for proposals, which listed Kelley as the point of contact, said the political consultant to be hired would advise on a future CID's structure, services to be provided, revenue structure and its relationship with vendors, including management services. Kelley said that individual will not lobby the city's Board of Aldermen, which must OK a new CID. A public relations consultant was to create a "stakeholder engagement plan including forums for public feedback," and manage perception of the renewal effort, the RFP said. That consultant was to have experience in crisis communications, it said.

Kelley declined to give a budget for the consultants, saying the CID is still in a competitive bidding process. She said the consultants will be selected by members of the CID board Aug. 13. Husch Blackwell has been hired to help with legal



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Missy Kelley, CEO of Downtown STL Inc. She also sits on the board of the Downtown Community Improvement District, which provides much of Downtown STL's funding.

work related to the renewal, at a cost of \$50,000, Kelley said.

Kelley said CID renewal papers must be sent to property owners beginning in September 2020.

A critic of the current arrangement, downtown developer Amos Harris, said “everything’s on the table right now,” explaining that he could advocate renewing a reformed CID or allowing the CID to expire.

One problem, Harris said, is that the CID’s board — with more than 30 members — is too big. Another critic, former East-West Gateway Council of Governments leader Les Sterman, has said the CID’s public budgets are vague and do not include information on Downtown STL’s salaries, and that the CID board has members who don’t own property in the taxing district. Kelley said she now has six or seven employees, down from 11 when she started at the organization.

Harris said the CID is “not set up to be as successful as it could be.” Also, “I believe the CID could be doing better with safety and security.”

But Harris said meetings he’s had with downtown stakeholders demonstrate there is will to reform.

“If it becomes a fight, (downtown) will lose the only entity that is really focused on downtown,” Harris said.

Besides efforts involving beautification and safety, Downtown STL has focused on an initiative to install new LED lighting throughout downtown. Kelley said a related foundation has raised \$1.6 million in private money for the \$4.2 million project, and that 500 more lights could be installed by January, when the National Hockey League’s All-Star Game will take place at Enterprise Center. Those will go from Fourth Street to Jefferson Avenue, between Chestnut Street and Interstate 64, according to Downtown STL.

The foundation is also paying \$600,000 for a study, done by Philadelphia-based Interface Studio, that will map a new plan for downtown, Kelley said.

**Jacob Kirn**

Economic Development Editor  
*St. Louis Business Journal*

