



SUNRISE MARKETPLACE  
BOARD OF DIRECTORS  
PBID RENEWAL STEERING COMMITTEE MEETING MINUTES  
Thursday, October 8, 2020—1:00 PM

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BOARD MEMBERS/ ROLL CALL ATTENDANCE

Present: Travis Kimball (Chair), Tiffany Clement (Vice Chair/MARCOM Chair), Andrew Gianulias, Ted Mitchell, Jeff P. Smith, Don Tollefson

Absent: Jason Bollinger, Christy DeCelle, Stephen Patterson, Wayne Wasulko, Natalie Worstein, Colby Young

Guests:

City: City Manager Christopher Boyd, Councilmember Bruins, Councilmember Middleton, City Attorney Ryan Jones, Meghan Huber

InterCal: Kim Kelly, Beverly Sutliff

Civitas: John Lambeth, Kelly Rankin

Staff: Kathilynn Carpenter, Julie DePrada, Mikhaila Freas

The Meeting was called to order by Chair Travis Kimball at 1:07pm.

PUBLIC COMMENTS (Travis Kimball)

There were no public comments.

ADMINISTRATIVE (Travis Kimball)

- **Action/Approval:** Approval of Kim Kelley to replace Jason Bollinger’s board seat representing InterCal Real Estate (Citrus Town Center) (ROLL CALL VOTE)
- **Action/Approve:** Approval of June 18, 2020 board meeting minutes. (ROLL CALL VOTE)

These items were continued due to lack of a quorum.

PBID RENEWAL (Travis Kimball)

- **Overview of changes to the board-approved Managed District Plan..... Christopher Boyd**
- **Overview of City-SMP, Inc. Contract ..... Christopher Boyd**

**City Manager Chris Boyd** addressed the board. He previewed the chronology of events. City was presented with the MDP in the Spring. He noted that this is the first time he has participated in the renewal process.

Reviewing PBID law he noted there was no contract in place between the City and SMP as outlined in the law. This non-compliance was concerning for the City. In reviewing the MDP, the City felt it was important to remove all references to SMP as the owner’s association and leave this blank for maximum flexibility. Additional financial oversight was added.

As the process moved forward throughout the summer it became clear that it would not be easy to reach an agreement on the terms of the Contract and the MDP. Mr. Boyd proposed 2 x 2 meetings with board and council members so that each side could more fully understand each other’s point of view and to prepare for the September board meeting, which ended up being cancelled due to a lack of quorum. Mr. Boyd then met with Kathilynn, Natalie and Tiffany to discuss points of disagreement. A second meeting was scheduled but cancelled by the participating SMP board members who advised they had enough information to go to the board. After hearing the concerns, the City included board members into the MDP as per the configuration outlined in the SMP, Inc. bylaws. The City also removed the “no cause” cancellation language in the Contract.

Mr. Boyd noted that the City has approached with a “business perspective” and keeping City best practices in mind. He recognized that this process has affected the City’s relationship with SMP somewhat. They would like to continue negotiations if no progress is made at the meeting today. They do want the PBID to renew and to contract with SMP. The City has dozens of contracts with vendors. Since the PBID involves a tax, the City needs to make sure they are responsible and cannot bind the council or the City to a 10-year commitment.

**City Attorney Ryan Jones** advised that there should be more negotiations, and that it might be best for the two attorneys to discuss the issues in more depth.

• ***Discussion of Main Issues .....*** ***Board Members/John Lambeth***

**Civitas President John Lambeth** addressed the board next. He began by noting the many accomplishments of SMP. They have set up scores of districts across the country. He often showcases SMP as a model PBID; which has been creative with large events such as the concert series and Sacramento Capitals tennis. The PBID was quick to respond to COVID with signage and PPE, as well as new public safety liaison officer for the District. Property owners have invested \$12 million back into the area

Mr. Lambeth summarized the history of PBID law – 1994 update to the original 1989 law specifically added the ability of a nonprofit to run the PBID and allow for that nonprofit to be named in the MDP and contract. This was to ensure there was partnership between the local jurisdiction and the PBID. Under the 1989 act the City could put a PBID in place; under the 1994 update, property owners must approve. It is critically important to have property owner and City support.

He acknowledged that this is the City’s district and it has some responsibility for oversight, primarily to make sure there is no fraud, etc. The assessment is collected under the city of agency and disbursed to the owner’s association to execute the MDP.

The main issue here is that the City has viewed the owner’s association as a vendor vs. a partner. Almost all municipalities and counties name the owner’s association in the MDP. They do this because owners want a partnership. We both have our roles; owners want to be sure they are at the table making the decisions about their investment and they accept the City should have an oversight and

partner role. This model has worked well here for 20 years and throughout the country. Cities routinely do long term – up to 10-year contracts.

The board being listed in the MDP is not a solution, it is couched as more like an advisory board; the City would not be bound to take their advice. While the City would like maximum flexibility, property and business owners require certainty in order to move forward.

• **Questions/ Ramification of Potential Actions ..... John Lambeth**

Feedback from board members – big picture – what is the role of SMP – a current structure that has

**Mr. Tollefson:** is issue the length of the contract?

**Mr. Boyd:** yes, we can discuss this more, but the City needs flexible options.

**Ms. Clement:** For the Contract, how about 5 years with auto roll over?

**Mr. Lambeth:** The contract termination is very loose and may offer the City flexibility, but the owners require more protections. Under what circumstances would council need such flexibility?

**Mr. Boyd:** What if board members leave; what if new Executive Director isn't acceptable?

**Mr. Lambeth:** These issues can be resolved in the Contract. This is a very difficult renewal already with COVID, we do want to resolve these issues in order to begin the petition campaign.

**Mr. Jones:** if SMP listed in the MDP then it must be referenced in the contract.

**Mr. Lambeth:** Yes, both documents should have the same term. We are willing to offer a 5-year term for the MDP if this will help with the City's long-term issues.

**Potential Board Actions:..... Travis Kimball**

- **Approve City revised Management District Plan and Contract; move forward with Petition Campaign and renewal of PBID.**
- **Approve revisions to Management District Plan and Contract agreed to in the board meeting; move forward with PBID Renewal.**
- **Reject City revised Management District Plan and Contract; continue PBID operations through 2021. Do not renew PBID for a new term.**

Per the board's direction, these items were continued and City and SMP representatives agreed to move forward with additional negotiations.

The meeting was adjourned Travis Kimball at 1:55pm.

**THE NEXT MEETING IS SCHEDULED FOR THURSDAY, NOVEMBER 12, 2020**