

City Council discusses future of Business Improvement District

Written by By Cody Begaye Sun Correspondent
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Issues include lack of accountability, progress

The fate of the Business Improvement District proved a hot topic during the Gallup City Council's Dec. 10 meeting, if the packed room was any indicator.

As a result of receiving petitions from BID property owners to dissolve the BID and the annual report presented at the Nov. 12 meeting, the city council discussed a number of options for the

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future of the BID.

WHAT TO DO WITH THE BID

The first three options presented to the council included dissolving the BID; revoking the appointments of current BID members and transferring management of their duties to the city; or amending the existing ordinance to mandate compliance with specific requirements in the New Mexico statute that enables the creation of BID districts.

As part of the third option, City Manager Maryann Ustick said the statute is concerned that whoever manages the BID is accountable to the city council for the use of funds.

Ustick added the BID is required by both the state statute and the BID ordinance to fulfill a number of tasks.

“We did research with this statute and found [the BID] was not in compliance with the state,” she said.

These tasks include producing a list of improvements the BID district will provide at the start of the year; presenting the estimated amount of benefit to be conferred on each tract or parcel of real property in the BID by the projects implemented by the BID; and submitting a budget annually for review and approval by the city council.

Lastly, the BID must also give an annual report at the end of the year to the city council on the district’s activities for the preceding fiscal year, which includes a complete financial statement and the benefits of the district’s programs to the real property and business owners of the district.

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HOW WE GOT HERE

As part of its by-laws, the BID is required to have a meeting for all BID property owners once a year. But in the past five years, there has been only one such meeting.

The city council has asked the BID executive director to meet with property owners to hear their concerns and requests for the district, but not all of the property owners in the district have been contacted. There is currently no means of regular communication with property owners and local businesses.

BID chairman Louie Bonaguidi spoke about the petitions and the options for the BID. The first question he addressed was from Dist. 2 Councilor Allan Landavazo, who asked why the BID had not fulfilled the tasks outlined in the ordinance in previous years.

“We have been a relaxed organization. This is a small town, and we take things for granted in the sense that formalities are not complied with,” Bonaguidi said. “We endeavor[ed] to do what we thought was best for downtown Gallup. We concentrated on that more than anything else. There were formalities we sidestepped, but we would follow those rules in the future.”

The actions, or lack thereof, by the BID, ultimately led to the discussion the city council had in the last two meetings. The most glaring issue to Landavazo was the lack of tangible results seen in numerous downtown projects.

“It’s kind of alarming to know how the money’s been spent with the BID,” Landavazo said. “It’s probably one of the major reasons people signed a petition and asked the council to consider the future of the BID.”

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Bonaguidi said he would accept responsibility for the shortcomings of the BID because he believes it is a great organization that drives development in Gallup.

“To see [the BID] abolished would be a great disservice to the community,” he said.

Dist. 4 Councilor Fran Palochak said the number of petitions the council has received asking either to dissolve the BID or keep it have created a difficult situation.

“I don’t know what compromise can be reached,” she said. “Would a new board, dissolving the old board and bring[ing] new blood on, be something those petitioning against the BID are willing to see?”

Not being able to see how the BID funds have been spent over the past several years was also a concern for Palochak, who recalled her experiences as a penny-pincher for the court.

“We cannot operate with other people’s money like it’s not a big deal. We have to be fiscally responsible when we’re dealing with other people’s money,” Palochak said.

“It’s distressing to me to hear we’re a small town and we don’t act like it’s a big deal. But it’s a big deal for me. That, in itself, concerns me as a citizen and a councilor,” she added.

VOICES FOR AND AGAINST THE BID

Previously at the Nov. 12 meeting, Bob Rosebrough, property owner in the BID, expressed his issues with the BID and how his opinion changed over the past several years when he realized

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it was not in compliance with city and state laws, and had not accomplished many of the improvements to the district that property and businesses owners were hoping for or expecting.

Rosebrough spoke at the Dec. 10 meeting saying only four revitalization projects have been completed in the past four years, with two of those involving the BID.

That was four out of 26 planned projects, he added.

“The BID and the mandatory fees to property owners, on top of the taxes they pay, are intended by the letter and spirit of the law to go into physical improvements [to downtown Gallup],” Rosebrough said.

Despite his misgivings about the BID, Rosebrough said the awareness of the need to comply with state statute and the city ordinance was encouraging.

Other comments came from both current and former BID board members. Each of them voiced their opinion on whether they support continuing or dissolving the BID.

“I serve the property owners in here, and the business owners. That’s all I do,” Board Member Archie Baca Jr. said. “I think we work well together. I think this is a community that has organizations that should be working together. They may need to be disciplined, but they shouldn’t do away with [the BID].”

“The benefits of the BID do not exceed the cost of the BID to the property owners and the City of Gallup,” former BID board member Brett Newberry said. “I’ve been very concerned for a number of years because it occurred {to me that] there was not proper oversight in regard to the BID.”

The comments from the council regarding oversight were encouraging to Newberry, he said. He added if the council votes to continue the BID they should keep and improve the rules to

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oversight to make sure they practice accountability.

“In my opinion, the BID has not been accountable to the city or to the property owners,” he added.

FUTURE STEPS

Despite a bevy of comments from current and past board members at the meeting and the number of petitions the council has received, Landavazo asked the council if members were clear about what property and business owners actually wanted, whether they wanted the BID dissolved or to have a new board put into place.

Palochak said she shared his concerns, especially since the council had received updated information regarding those petitions at the start of the meeting and thus had no time to review them.

“I can say I’m not clear on it. It’s difficult to know in detail [without reviewing the new info],” she said.

Dist. 3 Councilor Yogash Kumar said he likes the concept of the BID and thinks they should have one more opportunity to make those physical improvements to the district.

“It’s difficult to get an organization [like the BID] together,” he said. “We already have it, and we’ve already invested in it for a long time.”

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Kumar added if the BID board is actually willing to make the changes and improvements they need to, he would support it.

While a motion was made to keep the BID board in place but amend the ordinance, Mayor Jackie McKinney was hesitant with his vote, taking a moment to voice his frustrations with BID Board Director Francis Bee, namely about his lack of accountability with BID projects, as well as Bee's apparent comments about the city council outside of meetings.

McKinney added he will take issue when comments about the city council's work are made behind his back, and will damage the trust the council has towards the board.

"If you want to say something, come and talk to this council," McKinney said. "If you're out there badmouthing this council, I think the board should hold their staff accountable."

Despite the mayor's initial hesitation to vote, the action to keep the current board and amend the BID ordinance was approved with a 5-0-0 vote.

By Cody Begaye
Sun Correspondent