

TRANSFORMING A NONPROFIT ORGANIZATION: A CASE OF UTILIZING EFFECTIVE LEADERSHIP AND MANAGEMENT TO ACHIEVE MARKETING SUCCESS

Jill D. Moeder, North Central Kansas Technical College

Michael J. Martin, Fort Hays State University

Mary C. Martin, Fort Hays State University

CASE DESCRIPTION

The primary subject matter for this case is management and marketing of nonprofit organizations. Secondary issues examined include strategic management, marketing strategy, leadership, transformational leadership, and organizational change. The case has a difficulty level appropriate for first year graduate level courses. The case is designed to be taught in one class session equivalent to one and a half hours. It is expected to require between three and six hours of outside preparation by students.

CASE SYNOPSIS

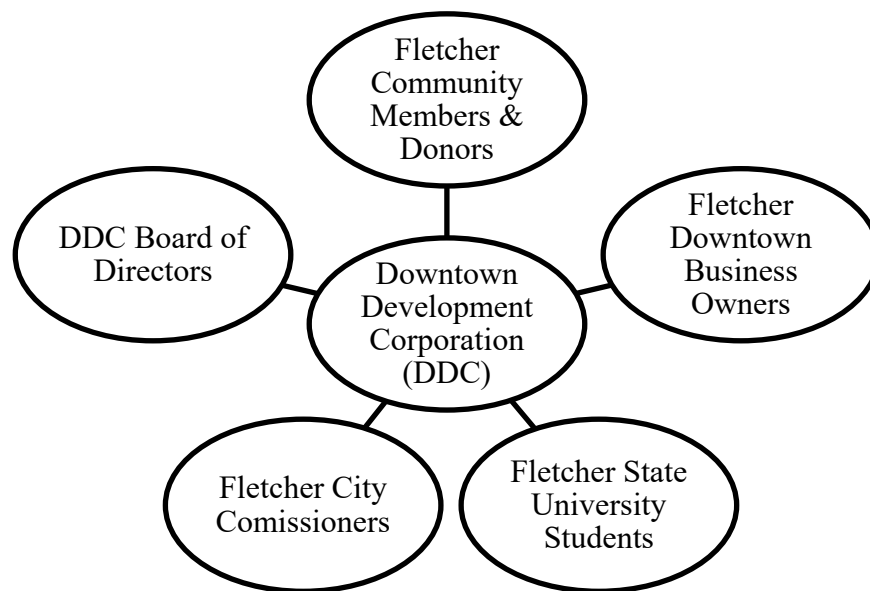
The Downtown Development Corporation (DDC) in Fletcher, NE was a non-profit organization that organized events in downtown Fletcher, a small community that underwent a downtown revitalization. The DDC hired consultants to develop a marketing plan for downtown Fletcher and the plan was received well by the DDC Board. However, shortly after, a city commissioner publicly questioned the organization's mission and activities resulting in public scrutiny of the DDC. The DDC was asked to make a presentation to the commissioners in order to justify its existence and receive funding for the next year. They were successful in securing funding, but the DDC had done nothing with the marketing plan. The board president grappled with challenges in the organization's mission and vision, resources, management, and leadership. She did not know how the DDC would be able to successfully implement the marketing plan in light of the problems. She wondered, "How should the DDC proceed with the marketing plan? Would the city and community members support the marketing plan and continued funding? Do I have the right Executive Director in place to successfully lead the DDC? If we lose city funding and community support, will we have to dissolve the organization?"

INTRODUCTION

The Downtown Development Corporation (DDC) in Fletcher, NE was a non-profit organization that organized events in downtown Fletcher, a small community that underwent a downtown revitalization beginning in 2000. When re-hired as the DDC Executive Director by the Board of Directors in August 2014, Taylor Schaffer's task was to justify why the city of Fletcher should continue to fund the DDC. Schaffer tackled the daunting, and very public, task of infusing new life and purpose into an organization that was stuck in a rut. While she had many ideas as to

what the DDC could do and be to the community of Fletcher, she felt tremendous pressure to successfully turn the organization around with Board President, Molly Gordon, and a variety of stakeholders watching her progress (see Figure below). Over the past year, the DDC was publicly scrutinized and criticized by city officials and community members. Schaffer had to make some noticeable, positive changes fast, or this deteriorating situation would only get worse. The DDC faced losing funding from the city and public support. Without city funding, the situation would be detrimental as the DDC would have to dissolve. Schaffer had to act fast or the DDC may have to shut its doors.

Figure: Stakeholder Map



CITY OF FLETCHER

Fletcher, Nebraska, a town with a total population of about 20,000, was a vibrant, small city in central Nebraska. Fletcher was a diverse community with major employers consisting of a state university and medical center, to name a few. Fletcher's history is rooted in the "Wild West." Originally a military outpost, it was invigorated by a substantial influx of German immigrants in the late 19th Century. Fletcher's local economy was mainly comprised of the service sector which included education and health care as the largest industries. Also located in Fletcher were battery manufacturers, an auto parts maker, and an aircraft manufacturer.

DOWNTOWN DEVELOPMENT CORPORATION'S HISTORY

Efforts to revitalize Downtown Fletcher came to a head in 2000. After a dismal decade, people in the community were looking for progress to be made funneling life back into Downtown

Fletcher, an area rich in history and potential. With the city of Fletcher, university students and faculty, and community members working together, the downtown revitalization process began.

An integral part of this revitalization process was the formation of the Downtown Development Corporation (DDC). The DDC was started in 2001 as a privately and publicly funded organization initially tasked with raising funds to purchase nine dilapidated buildings in the heart of Downtown Fletcher. Once purchased, the buildings were gifted to a local developer, Freedom Group, Inc., who renovated these buildings and established successful businesses in them. These businesses included a brewery and restaurant, niche shops, salons, and clothing stores. Freedom Group was planning on breaking ground soon on a boutique hotel in the heart of Downtown Fletcher.

DDC'S CURRENT STATE OF AFFAIRS

As the DDC's initial purpose was completed in 2007, the organization's mission shifted to promote Downtown Fletcher as a destination of choice. The primary way the DDC promoted the downtown area was through events located in the downtown area throughout the year. The DDC sponsored four major events every year, including a back-to-school walk of students from the Fletcher State University (FSU) campus, a summer sidewalk sale and barbeque, a fall beer and wine social, and a winter parade through Downtown Fletcher.

Regardless how long these four events had taken place, no quantifiable, historic measurements or data were collected by the DDC that would speak to the quantifiable success of these events. When asked for such metrics, the DDC was unable to deliver tangible results, and instead used 'averages' to communicate success. Furthermore, when trying to communicate the value of the DDC to various stakeholder groups, Schaffer was quick to mention that quality of life had improved and Downtown Fletcher had seen economic growth as a direct result of the DDC's efforts over the years, and yet provided no evidence to support such claims.

The DDC was located in the Fletcher Welcome Center, a building not located in Downtown Fletcher, where they shared space with the Fletcher County Coalition for Economic Development, the Chamber of Commerce, and other community organizations. The DDC offices resided in the Fletcher Welcome Center since its construction was finished in 2007. Though the DDC was not located in Downtown Fletcher, its location in the Fletcher Welcome Center lent itself to working closely with the other community organizations. For example, the DDC assisted the Fletcher County Coalition for Economic Development in recruiting businesses to Downtown Fletcher.

The city of Fletcher was invested in the DDC's success. According to city records, the Fletcher City Commission awarded the group \$762,092 in subsidies since its inception, and the DDC requested \$64,386 from the city for the 2015 budget (see Appendix A for the 2014 and 2015 DDC budgets).

DDC Strategic Plan

The strategic plan of the DDC (which included its vision and mission), as stated on its website in 2014, was:

Downtown Fletcher Vision

The DDC envisions a downtown area that is both physically and economically dynamic. Beautiful, historic and well-preserved buildings will complement a thriving economic mix of businesses, residences and public services. An easy-to-locate downtown will be a gathering place for a wide variety of local community members and visitors. An exciting combination of unique shopping, dining, arts, entertainment, recreation and gathering places will draw individuals, families and professionals downtown, as a place to spend both money and time in a friendly and cheerful environment. A vibrant Downtown Fletcher will be pedestrian-friendly and will include design elements that visually unify the entire area, with increased connection to the Fletcher State University campus.

DDC Vision Statement

The DDC will be the binding force and catalyst for organizations impacting Historic Downtown Fletcher. DDC will strive to represent Downtown Fletcher through open communication and strategic planning which will enhance and secure the quality of life in the community. DDC will draw on a collaboration of funding from public and private sources. Our organization will foster awareness by recognizing, communicating and celebrating the accomplishments of Historic Downtown Fletcher.

DDC Mission Statement

The mission of the DDC is to foster awareness and promote Downtown Fletcher as a vibrant center of commerce, recreation, arts, government and history that serves the people of Fletcher, the surrounding region and visitors from around the world. The DDC will work to prevent the deterioration and enhance the viability of the community's cultural centers, historical landmarks and public infrastructure important to the community's economic and cultural well-being.

Other than the Vision and Mission Statements, the DDC did not identify a target audience or any marketing strategies and tactics in a comprehensive marketing plan.

Management and Leadership

The DDC was governed by a board of 13 volunteer directors from all sectors of the community. Directors are elected by members of the DDC and can serve a three year term. The Board President, Molly Gordon, was an associate professor at FSU. Other board members included three downtown business owners/employees, four community volunteers, four non-Downtown Fletcher business representatives, and one representative from a local high school. The Board's stated responsibilities included determining the organization's mission and purpose, selecting and evaluating the Executive Director, defining and implementing the strategic plan, and monitoring and promoting the DDC's events. However, most of the board members had not taken a very active role in leading the organization's efforts.

Schaffer was rehired as Executive Director in August 2014. However, in terms of an Executive Director, the DDC underwent a series of leadership changes within the past few months. Meredith Carter, a December 2012 FSU graduate with a degree in communication studies and a minor in leadership, was hired and began as Executive Director of the DDC in September of 2013. She “resigned” the following July, after serving as Executive Director of the DDC for ten months (rumors around Fletcher were that Carter was actually fired though the press claimed that she resigned).

Carter replaced Schaffer, the DDC Executive Director who worked for the DDC for two years prior. Schaffer moved to Kentucky when her husband took a job there. They returned to Fletcher in March 2014 and then, in early August, the DDC rehired Schaffer as the Executive Director, less than a year after her departure from the DDC. While serving as the Executive Director of the DDC the second time, Schaffer also ran a photography business and was a direct sales representative for a skincare line. In addition to an Executive Director, the DDC also employed a part-time Assistant to the Director, a current FSU marketing major.

When asked his opinion on the change of leadership the DDC recently experienced, Mayor Jason Stevens, a former DDC board member, said he hoped the nonprofit identifies its long-term vision before choosing a successor. Stevens stated, “Instead of hiring a new director immediately, I hope the board takes time to think about where the organization is going. Once it thinks about strategy over the next year to two years, it may or may not need a director. And it may find other opportunities working with other organizations.” This comment sparked a public debate as to the overall value of the DDC to the Fletcher community.

The Bailey District vs. Downtown Fletcher

The Freedom Group, spearheaded by local entrepreneur Larry Lowman, used their renovations as an impetus for creating a historic district in Downtown Fletcher. This historic district, the Bailey District, was named after John O. Bailey who at one time owned much of the real estate in Downtown Fletcher. The Bailey District consisted only of about a ten-block area. Most of the growth, revitalization, and improvements made to Downtown Fletcher, came from the Bailey District.

Lowman spearheaded the revitalization efforts in the Bailey District. Lowman, Freedom Group President and owner of a high-end design business, never lived in Fletcher. Lowman lived most of his life in Flatsville, a small town located 30 miles south of Fletcher with a population of 1900 people. Although Lowman did not live in Fletcher (a serious point of contention for Fletcher residents), he had a specific, unique vision for what Downtown Fletcher should look like. Furthermore, Lowman planned his businesses and entrepreneurship initiatives in accordance with that vision, which was not necessarily agreed upon by the DDC, the city of Fletcher, and the Fletcher community. Fletcher residents questioned his motives, in that he cared enough to use the community to make money, but not enough to live and work there. Lowman owned several buildings in Downtown Fletcher that were vacant, some renovated and some not. Community members complained that Lowman was too controlling in his lease agreements and were, therefore, hesitant to rent a building from him or were unsuccessful in negotiating a lease.

Downtown Fletcher had a variety of businesses located there, including restaurants, retailers (clothing, jewelry, gifts, and kitchen/household), bars, the public library, professional and governmental offices, and art galleries. One restaurant/brewery is an award-winning, nationally-recognized business. In 2013, it was named the Small Brewpub and Small Brewpub Brewer of the Year and several of its brews won national awards throughout the years. In February, the Huffington Post named this brewery “The ONE Thing You Must Do” in Nebraska. The feature challenged its editorial staff with one question: “If you could only tell a visitor to do ONE thing in your whole state, what would it be?” Another retailer in Downtown Fletcher, a kitchen/household retailer, was named among Cottage Living Magazine's top 100 shops in the nation. It is important to note that many of the most well-known businesses in Downtown Fletcher were a part of the Bailey District, and in part owned by Lowman.

The Bailey District caused quite a bit of conflict and confusion not only among community members, but among downtown business owners. There was a great deal of confusion as to what businesses were considered a part of the Bailey District and what were not (versus Downtown Fletcher). The Bailey District was located along Main Street, between 1st and 17th Streets, but Downtown Fletcher encompassed a much larger geographical area including several blocks outward from and parallel to Main Street. Furthermore, there was an air of elusiveness surrounding businesses that were a part of the Bailey District, which quickly resulted in tension. Additionally, downtown businesses believed the community did not support the downtown enough and ‘out-shopped’ to other communities too much. Further, community members and business owners found it difficult to differentiate between the DDC and the prominent Bailey District. The messages both organizations communicated via their Facebook pages and websites got lost and were not effective.

When asked his thoughts on ways to infuse life into Downtown Fletcher, Mark Reed, longtime Downtown Fletcher business owner was not optimistic about the actual success of any such project, and stated:

I do believe it is a great idea but am not too optimistic of how downtown can/will work together to accomplish this. I have been located in Downtown Fletcher since 1983 and have seen many of us try to unite the downtown group in many efforts, without success. I have heard that there are already ideas on the table and city dollars available to help get it started. Don't let the wrong people get on this group to slow this down or confuse it so much that nothing happens. I do believe that any form of development of downtown is good. One suggestion I have is get control of the empty or overpriced buildings in downtown and get someone in them, the DDC has given a large percentage of the building to one individual who I feel tricked them into doing this, and is only in this to make money. He has had many years to prove himself without success. We need people to shop downtown and they need businesses to shop at, if the rent is too high, or the tenants don't meet the landlords strict qualifications, we will never get enough businesses down here for a large amount of people to shop at.

However, community members took pride in Downtown Fletcher and appreciated the revitalization efforts. Many community members grew up in Fletcher or lived in Fletcher for many years, and had fond memories of Downtown Fletcher. They were excited about and looked

forward to continued revitalization efforts, but grew impatient because the efforts had been too slow.

MARKETING OF THE DDC AND DOWNTOWN FLETCHER

In a concerted effort to renew their organization, the DDC hired a team of marketing consultants from FSU who would create a comprehensive marketing plan for the DDC to market and rebrand Downtown Fletcher.

The Consultants

Makenzie Wallace, FSU associate professor of marketing, Jason Stevens, instructor of management and marketing, and Jessica Morgan, FSU MBA graduate assistant, were hired to prepare a comprehensive marketing plan for the DDC. Stevens had a complicated role on the consulting team as he played many roles in the community; including being a city commissioner and the Mayor of Fletcher (city commissioners rotated the position of mayor). Stevens was an original member of the DDC Board of Directors (when the organization was formed and completing its first objective). Stevens brought a wealth of knowledge to the consulting team, but took care to balance his varying roles.

A major component of the agreement between FSU and the DDC was that the marketing consultants would conduct focus groups with a myriad of the DDC's constituents. These focus groups would provide the consultants with important information as to how the organization was viewed and what services it should provide to the downtown community. The DDC specifically requested that the consultants interview community residents, downtown consumers, Freedom Group employees, City Commissioners, downtown business owners, DDC donors, and DDC board members. The consultants also conducted two focus group sessions with FSU students. While students were not initially a part of the pre-determined stakeholders, the consultants felt like their voice should be heard as the DDC recently took steps to encourage the students to spend time in Downtown Fletcher.

The marketing consultants organized six focus group meetings. Focus group feedback was compiled and presented to the DDC board during the consultants' final marketing and branding plan presentation in the summer of 2014. The positive and negative themes that emerged from the focus groups were summarized (see Table).

Table: Focus Group Results

Downtown Fletcher Positives	Downtown Fletcher Negatives
<ul style="list-style-type: none"> • Pride and potential • Unique, impressive downtown progress • Fond Memories, experiences to rekindle • FSU students enjoy being a part of Downtown Fletcher • Tracks, tracks, tracks everywhere (railroad tracks) 	<ul style="list-style-type: none"> • Where are all the people? • Where are all the businesses? • Why can't I shop after work or dinner? • FSU has no presence in Downtown Fletcher • Disparate looks, disparate efforts • Where do I get information about shops and events in Downtown Fletcher? • What is going on in Downtown Fletcher? • What's going on THIS weekend in Downtown Fletcher? • What is the "Bailey District?" • What is Downtown Fletcher?

The themes generated from the focus groups directed the consultants' approach in creating the DDC's marketing plan. Many people were quick to mention what businesses should be in Downtown Fletcher, ranging from frozen yogurt to coffee shops to shoe stores. However, people were also quick to mention that there were hardly any people in Downtown Fletcher. Another issue focus group participants mentioned was the difficulty they have shopping in Downtown Fletcher. Downtown Fletcher businesses closed 30 minutes after most Fletcher residents got off of work, leaving little to no time to shop in Downtown Fletcher. Focus group participants expressed frustration at the fact that they did not know how to get information on what was taking place in Downtown Fletcher. They stated that with the Bailey District Facebook page and the DDC Facebook page they were confused, especially with inconsistent posting from both organizations. People were unsure of what page they should "like" to get information as there were different pages for different events and none of the pages posted regularly. Participants also mentioned that they never heard about downtown events until after they happened.

The Marketing Plan

The marketing consultants knew that Downtown Fletcher experienced a significant transformation during the past decade. Major building renovations and new businesses made the historic area an exciting destination and community gathering space, but the consultants recognized a need to develop and market Downtown Fletcher as a unified, cohesive brand. Upon reviewing focus group feedback and relevant historical information with respect to the DDC, the Freedom Group, Downtown Fletcher, and the Bailey District, the consultants recognized that without a cohesive brand specific to Downtown Fletcher, confusion and dissent would persist. Regardless how successful the existing Bailey District branding may or may not have been, the consultants knew that it failed to resonate with community members and most importantly, business owners. The consultants felt that a unique Downtown Fletcher brand would need to be

supported by all downtown constituents. The consultants did not recommend that the Bailey District branding be removed, rather that it should work in conjunction with Downtown Fletcher's umbrella brand. Rather than viewing Downtown Fletcher as just another stop, the consultants felt it needed to be viewed as a place to hang out and at which to spend a day. In order to get people to want to come downtown and stay a while, the consultants strongly believed that Downtown Fletcher needed its own brand that resonated with everyone in the community. A brand that was tangible, visible, nostalgic, and obvious. The consultants believed that the marketing strategies presented in the plan provided a new direction and focus for DDC, while remaining consistent with its mission.

The marketing consultants also believed that the downtown businesses needed a comprehensive marketing strategy that could be used by all to promote their specific businesses and Downtown Fletcher as a unique experience. Based on focus group participants' observations that Downtown Fletcher was uniquely and distinctly home to many railroad tracks that evoked past memories and positive feelings of nostalgia, they recommended that the businesses utilize "The Tracks" umbrella branding to ensure a consistent look and specific branding tools to promote events and increase traffic. The plan included:

- *A logo,*
- *Corporate identity materials for the DDC,*
- *Electronic and social media marketing materials,*
- *Marketing materials for downtown businesses,*
- *Street banners and posters,*
- *An annual event calendar,*
- *A social media content calendar, and*
- *A series of blog posts to launch "The Tracks" brand.*

Finally, the marketing consultants recommended that the DDC embark on a new strategy of encouraging business development by working with the city of Fletcher in implementing a comprehensive beautification program. To facilitate this process and serve as a catalyst for new development, the consultants recommended that the DDC have a physical presence downtown.

A representative from the Freedom Group, serving as a liaison between the DDC Board and the Freedom Group, attended the presentation. Immediately following the presentation, she communicated the new marketing proposal to Freedom Group President Larry Lowman. Lowman was unhappy that The Tracks logo did not include the Bailey District logo. Stevens called him later that afternoon and offered to redo the branding to include the Bailey District logo. However, Lowman was not a fan of the rebranding efforts as he believed the Bailey District identity should be the only brand needed for Downtown Fletcher.

The marketing plan was presented to the DDC Board of Directors in early June 2014. At a meeting the following week between Wallace, Morgan, Gordon, and Carter (the Executive Director at that time), Gordon and Carter were quick to express their excitement with the marketing efforts. Carter hinted that the DDC was looking at moving their offices; however, was rather negative about the idea. Specifically, Carter felt that "how nice" their current offices were and the cost to operate at their current location were major reasons for remaining in the Fletcher Welcome

Center. Furthermore, Carter was extremely hesitant about committing to implementing the marketing plan, as she did not feel there was enough time to put the new plan in place, while keeping up with the four events the DDC currently hosted. Wallace and Morgan answered questions about the plan and offered their services as the DDC moved forward with the rebranding and marketing initiatives.

After Carter resigned and Schaffer was rehired, Wallace and Morgan again met with Schaffer to answer questions she had about the marketing plan. As they were not contacted to help with the rebranding to this point, Wallace and Morgan again offered their assistance to Schaffer with implementing the plan, as both were eager to see the DDC and Downtown Fletcher become a success, and were very excited about their marketing plan.

THE DDC MOVING FORWARD

After very public comments by Mayor Jason Stevens questioning the DDC's mission and activities, the DDC's funding request became a matter of great public interest. Although the Fletcher City Commission approved the DDC's funding request for the next fiscal year, they demanded results. Commissioner Edward Phillips stated in a public forum that he supported the DDC, what it accomplished, and all that it could accomplish for Downtown Fletcher and the businesses located there. However, Commissioner Sean Mortin questioned why some downtown business owners knew next to nothing about the DDC and what it did for their businesses. In fact, he went so far as to say that some downtown businesses did not know they were even a part of Downtown Fletcher and the DDC. The commissioners urged the organization to significantly improve their communication with downtown business owners and take a more proactive stand in the efforts to bring life to Downtown Fletcher. They took it a step further and said the DDC must reaffirm and communicate the purpose they serve to downtown businesses, the community, and the commissioners themselves.

Community members also voiced similar opinions and confusion as to what the DDC did and why the city of Fletcher funded an event planning organization. Scathing reviews from the local newspaper editor (see Appendix B) and community members called to question the DDC's purpose and urged the commissioners to cease funding and essentially disband the DDC. Comments from social media included:

- *Sean's right, what do they do. They receive all this money and don't seem to be enhancing anything downtown. Too much spent on wages for a do-nothing job.*
- *I believe most of the claims the DDC made last night are false. They can say anything, but a simple stroll down Main St. will reveal 14 empty buildings alone. The claim that they brought 50 businesses to downtown is a lie. The two wealthiest families in Fletcher own 95% of the buildings downtown. Why should the taxpayers have to pay to promote their properties? The buildings that bring in the majority of the revenue have existed long before there was a DDC!*
- *How much money from downtown businesses contribute to this fund? If you want downtown to survive make the downtown business contribute to this. Taxpayers have no business getting into private sector like this.*
- *I agree that the people who benefit most are Rollins and Stevens by using taxpayer money to increase the value of their properties! Stevens was the creator, treasurer, and board president of DDC, and*

now mayor. If this is not a conflict of interest...what is? The Rollins family owns most of the properties downtown. How greedy can they be?

- *Stupid decision. Time for new commissioners at next election, same with school board.*
- *Stevens also created the DDC! Obviously he doesn't have the entrepreneurial skills of his grandfather...but he does have his money. Our grandchildren will be stuck paying for this downtown nonsense, something else Stevens doesn't have to worry about!*

The DDC's budget approval process brought to light some major problems with the organization and how the community perceived the organization. However, the most shocking problem was that quite a few people, particularly downtown business owners, had no idea what the DDC was or did. As such, the DDC was asked to make a presentation to the Fletcher city commissioners in order to justify its existence and receive city funding for the next year (a majority of its funding – about \$64,000 annually – was provided by the city of Fletcher). The DDC was successful in securing funding for the next year, including about \$2,000 of the budget allocated to marketing.

Upon further reflection, the consultants and the Board questioned why the DDC did nothing to act upon the marketing plan. This reflection led to a discussion of the Board of Directors of the leadership and management problems within the DDC. Board President Gordon knew these challenges included:

- *Inexperienced management and leadership*
- *The DDC Executive Director's lack of training and education in business and marketing*
- *The Board of Directors' low change tolerance*
- *The confusing relationship between the DDC and The Bailey District*
- *A lack of representation of Downtown Fletcher businesses on the Board of Directors*
- *The lack of presence of the DDC in Downtown Fletcher*
- *The lack of understanding by Downtown businesses regarding if they were a part of the DDC and what the DDC did for their business*
- *A lack of communication between the DDC Executive Director and the president of the Board of Directors and its stakeholders*
- *The Board of Directors' "hands-off" mentality*
- *The lack of measurement of DDC's efforts*
- *The lack of long-term vision and strategic planning by the DDC*
- *An inability to create buy-in among varying stakeholder groups*

Armed with a five-month-old marketing plan that the DDC had not yet acted upon and growing public dissatisfaction with the organization, Gordon did not know what action she should take as Board President. The very existence of the organization was in jeopardy. She was overwhelmed, knowing that she had to answer to the DDC, the Board, the consultants, and various stakeholders (see Appendix C).

As she sat in her office, she thought, "I think I have to start at the beginning if I am going to make this organization a success. I do not think I can rely on what we have in place, because what we have obviously is not working. If people do not know what the DDC is, then we need to give them something they will recognize. We have to give them something that resonates, something tangible that we, as an organization, can promote and downtown businesses can

support. While I know we have to implement the marketing plan, all I can see are problems piling up and solutions in short supply. I have to get this organization back on the right track, but I am not sure how to see a solution amidst the problems.”

Gordon knew that a major part of convincing all of the DDC’s stakeholders, including the city commissioners, the Fletcher community members, and the downtown business owners, of why the DDC was an important organization to the success of Downtown Fletcher, she had to improve the organization internally. She knew that an organization struggling with confusion, disorganization, leadership changes, and conflict could not successfully complete its organizational mission and vision. She also knew that the limited resources and the organization’s dependence on volunteers posed an additional challenge for the DDC.

Gordon also knew that she had a great marketing plan that would make Downtown Fletcher a success; however, she did not know how the DDC would be able to successfully implement the plan in light of the problems the organization itself faced. Gordon pondered the following questions: Is the DDC successfully completing its mission and vision? Does the mission and vision of the DDC accurately define who we are and what we want to do in the future? To what extent is the DDC being influenced and controlled by the Bailey District, and to what extent should that relationship change? How do I convince the city of Fletcher that the DDC is important to the community and that we deserve continued funding? Do I have the right people in place to effectively and efficiently implement this marketing plan? Do I have the right Executive Director in place to successfully lead the DDC? Is the Board of Directors holding her accountable?

APPENDIX A

2014 and 2015 Downtown Development Corporation Budgets

DDC Proposed Budget – 2015

Income	
City of Fletcher	\$64,386.00
Partnership Program	\$22,800.00
Fundraiser	\$20,400.00
Events/activities	\$1,200.00
Interest	\$180.00
Total Income	\$108,966.00
Expenses	
Personnel & Overhead	\$62,400.00
Part-time Staff & Interns	\$11,640.00
Outside Advertising	\$2,046.00
Memberships	\$1,800.00
Education & Staff Development	\$1,800.00
Downtown Business Networking	\$3,000.00
Office Expenses	\$15,600.00
Occupancy	\$4,680.00
Organization/Directors Expenses	\$3,000.00
Restricted Projects	\$3,000.00
Total Expenses	\$108,966.00

DDC Budget – 2014

Income	
City of Fletcher	64,386.00
Partnership Program	22,800.00
Fundraiser	18,000.00
Events/activities	1,200.00
Interest	\$360.00
Total Income	\$107,826.00
Expenses	
Personnel & Overhead	\$61,146.00
Part-time Staff & Interns	\$11,640.00
Outside Advertising	\$1,800.00
Memberships	\$1,800.00
Education & Staff Development	\$1,800.00
Downtown Business Networking	\$3,240.00
Office Expenses	\$15,720.00
Occupancy	\$4,680.00
Organization/Directors Expenses	\$3,000.00
Restricted Projects	\$3,000.00
Total Expenses	\$107,826.00

APPENDIX B

Fletcher Daily News Editorials

Funding DHDC Fletcher Daily News July 27, 2014

With the Downtown Development Corp. searching for a new director and the City of Fletcher preparing to pass next year's budget, it strikes us as opportune to re-examine the relationship between the two entities. There is no \$64,000 question to answer, but there is a request from DDC for \$53,655.

To help assist commissioners and the public whether the request is worth granting, a little history lesson is in order.

When DDC was founded in 2001, it was done with enormous support from private individuals and the business community. Everybody believed the downtown needed revitalization, and Freedom Group had stepped forward to develop it. The downtown group was needed to raise enough money to purchase buildings and deed them over -- so Larry Lowman and his team could go to work.

The results, while some in town still grumble took too long, have been stunning. The old Bailey District is thriving today because of that collaboration. With Freedom's addition next year of a boutique hotel and a small convention center on Main Street, the jewel that is Downtown Fletcher will shine even brighter.

When DDC made the final payment in January 2009 on its initial debt, many thought the organization either was going to change course or even disband. Its mission, after all, had been completed. Quite successfully at that.

At the time, then-Director Sarah White said: "Even though the first phase of DDC is over, there's still a lot of work that can be done."

And a committee was created to identify that new task.

"To be truthful, I have no idea what will come out of the task force," White said. "They'll just be throwing out all sorts of ideas."

About the same time, members of the Fletcher City Commission were questioning how to justify continued support of DDC with tax dollars.

At the 2009 budget hearings, then-Mayor Betty Winslow originally suggested cutting the organization's funding in half.

"My simple desire is that they garner their own autonomy and figure out what to do and how to budget for future years," Winslow said. "It was never solely to be the city of Fletcher funding it. There was a purpose behind it, and for them to move forward and find other levels of funding."

DDC attempted to go down that road. It accepted a 10-percent decrease in city funding and began a massive effort to recruit donors. The effort did not pan out as planned, and the annual request from the city has remained at \$53,655 since then.

The group has continued to coordinate the volunteers who make the WinterFest Parade happen, the Blues, Barbecue & Bargains event, and the Wines & Steins fundraiser. DDC also used to coordinate the Taste of Downtown Fletcher, but that fell by the wayside two directors ago. The organization did get Gateway Markers built by Paul Faust to mark the boundaries, started a farmer's market, and raised a lot of money to build an estimated \$576,534 pavilion along the railroad tracks -- although failed to get permission from Union Pacific to erect it so that money sits in a bank account.

Currently, DDC's mission statement says the group "is to foster awareness and promote Downtown Fletcher as a vibrant center of commerce, recreation, arts, government and history that serves the people of Fletcher, the surrounding region and visitors from around the world. The DDC will work to prevent the deterioration and enhance the viability of the community's cultural centers, historical landmarks and public infrastructure important to the community's economic and cultural well-being."

While sounding ambitious, all of those identified goals already are served by others such as the Fletcher Convention and Visitors Bureau, Fletcher County Coalition for Economic Development, the Fletcher Area Chamber of Commerce, Freedom Group, the city, and the businesses and organizations located downtown. DDC staff and volunteers are present at a lot of events others host, but it appears to be a tax-supported cheerleading outfit.

We'd likely have a different opinion if the group had accomplished anything of note in the last five years. Or even if downtown entities had faith in the organization. Look at the composition of DDC's board of directors or its significant donors. Very few represent downtown Fletcher. In fact, the DDC office isn't downtown. DDC hasn't been able even to convince downtown businesses to be open during its signature events other than the Blues, Barbecue & Bargains.

Fletcher Mayor Jason Stevens indicated in Friday's Fletcher Daily News the group should determine its mission before hiring a new director. That's a blunt and candid assessment coming from a long-time DDC supporter and board member.

While the mayor's suggestion makes sense, DDC is free to do as it pleases. We would recommend instead the city stop funding an organization that is duplicative at best. Throwing public money at an entity that completed its necessary mission five years ago might reflect eternal optimism but does not show fiduciary responsibility.

Editorial by Peter Lewis, Editor of the Fletcher Daily News

**Downtown Decision
Fletcher Daily News
September 8, 2014**

The Downtown Development Corp. had its night in the hot seat at Thursday's city commission work session. After 14 years of relatively automatic contributions to support the majority of DDC's annual budget, commissioners demanded an accounting of what the group did -- and to justify continued contributions of tax dollars.

To the organization's credit, DDC board members and supporters showed up in good numbers. Handouts, neatly enclosed in three-ring folders, outlined the positive effect downtown Fletcher has experienced since the group was formed. Whether commissioners were impressed enough to direct the \$53,655 already allocated for downtown purposes to DDC will be discussed at this week's regular meeting. If awarded, the organization will have received more than \$815,000 in subsidies since 2000.

Taxpayers are waiting to hear if the commission believes that is a good investment, and whether there is enough return. When more than two-thirds of the group's \$90,000 annual budget is dedicated to staff, the pressure to perform is enormous.

Taylor Schaffer, DDC executive director, emphasizes the increase in downtown's sales tax collections as a sure sign of success. She said the group's efforts have helped increase that annual amount from \$300,000 to \$1.2 million in 14 years.

We do not doubt the raw numbers. In Thursday's presentation, however, nobody pointed out that the boundaries of downtown greatly expand for the purpose of deriving those figures. For example, the Eighth Street corridor is included all the way to Vine -- a very different map than the one presented in the packet. Six automobile dealers, one of which legitimately is in the "downtown" area, contribute significantly to the amount. And inflation alone during the time frame would account for more than \$100,000.

Curiously absent from the presentation was any reference to the Freedom Group, DDC's former partner in the initial revitalization efforts. We can appreciate not attempting to take credit for the development group's success, nor should they. But the sales tax increase would not have happened if Larry Lowman, the city and many other players had not targeted the Bailey District.

DDC was instrumental in the area's resurgence. We have never disputed that. In fact, this paper helped contribute to the initial fundraising Downtown Development Corp. spearheaded.

We are concerned that DDC and Freedom no longer work together. Whether egos, personality conflicts or the desire for control led to the divorce, the fence must be mended. The Freedom Group is going to build a \$15 million to \$20 million hotel/loft project that one DDC member appropriately described as a "game-changer." DDC's preoccupation with its \$576,534 pavilion as a centerpiece of the downtown-campus corridor had better not jeopardize the overall concept Freedom Group has for the Bailey District.

We believe DDC has been served notice by the city commission that it needs focus, and perhaps a rededication to purpose. The original function for which the organization was established is complete, and the group was allowed to skate for five years without much question.

A marketing plan prepared by FSU's Business Development Center is under review by DDC. That the plan needed to include items such as ensuring downtown businesses know what DDC is and what it does is troubling. But a strong advocate for the downtown area is critical and DDC should be the likely candidate to fulfill the role.

As commissioners appear likely to give DDC the funding for the upcoming year, we would expect them to lay out desired objectives. Re-establishing ties with the Freedom Group should be at the top of the list.

Next would be to stop claiming ownership of tasks it's not equipped to handle. Business recruitment and retention is the bailiwick of the Fletcher County Coalition for Economic Development.

Lastly, the DDC needs to move downtown. Even the aforementioned extended district boundaries don't go as far as Vine Street. Aside from visibility, it seems ludicrous to expect others to invest in and locate downtown when the namesake organization won't do so.

Failure to meet these goals should result in the city commission denying all public funding for the future. DDC staff needs to be accountable to the community, not merely their own board of directors.

Editorial by Peter Lewis, Editor of the Fletcher Daily News

APPENDIX C

Relevant Players

