

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

April 20, 2017

FINAL

A **Regular** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, April 20, 2017 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Daniel Kemmis, Ruth Reineking, Nancy Moe, Melanie Brock

Staff: Ellen Buchanan, Chris Behan, Annette Marchesseault, Tod Gass, Jilayne Dunn, Lesley Pugh

Public: Jan Schweitzer, Anderson Zurmuehlen; Grace McKoy, Anderson Zurmuehlen; Martin Kidston, Missoula Current; John Simianer, Gavin-Hanks Architects; Tony Moretti, Gavin-Hanks Architects; Alyssa Sorenson, Legislative Audit Division; Brian Walker, Envision Construction; Lori Davidson, Missoula Housing Authority (MHA); Mike Nugent, Berkshire Hathaway; Dan Ermatinger, Berkshire Hathaway; Ben Dawson, International Brotherhood of Electrical Workers (IBEW); Peter Walker-Keleher, DJ&A, P.C.; Emily Bentley, Missoula City Council

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

April 6, 2017 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Reineking said the grand opening for the Missoula Art Park will be on Friday evening. Pugh reminded everyone that the grand opening for the Bitterroot Trail Bridge on South Reserve will take place on April 29th at 11:30am.

ACTION ITEMS

FY16 Audit Report – Request for Acceptance (Lee)

Jan Schweitzer and Grace McKoy from Anderson Zurmuehlen gave a brief presentation summarizing the Missoula Redevelopment Agency's (MRA) financial position as of June 30, 2016. Overall the audit went well and there were no findings.

Moe said she appreciates the extensive Management's Discussion and Analysis in the report. She said it's a good statement on behalf of MRA.

MOE: I MOVE THAT WE ACCEPT THE AUDIT FOR THE YEAR ENDED JUNE 30, 2016.

Kemmis seconded the motion.

Englund thanked Anderson Zurmuehlen and staff for getting the audit report to the Board a few days before the meeting so they had a chance to read it. Schweitzer said Dunn's summary in the Management's Discussion and Analysis gives a full picture of what is going on within the organization. She said the rest of it is mainly disclosures that are required in the report.

No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

Berkshire Hathaway – 1020 South Avenue West (URD III) – FIP Grant and TIF Requests (Behan)

Behan said Berkshire Hathaway have been on the 1000 block of South Avenue for decades. The building is currently a two-story, 8,400 square foot structure which is becoming too small for their growing business. Behan said the Façade Improvement Program (FIP) request itself is for the area of the building that is not subject to the new addition the developers are planning. He reviewed renderings of the proposed renovation.

Behan said the Tax Increment Financing (TIF) portion of the project is the sidewalks on South Avenue that will have to be reconfigured. Behan said those sidewalks have not been part of the sidewalk replacement project in Urban Renewal District (URD) III. Behan said Berkshire Hathaway's investment in the project is \$1,148,380. Behan said this is a 1:18 public to private investment ratio which is well within the desired ratio range of 1:10 or higher. He said the taxes from the increase in the size of the building as well as the extent of the renovation will be somewhere between \$7500 to \$9500 per year. The project will allow the business to expand by up to 15 new Full-Time Equivalent (FTE) brokers and related staff. Behan said the hope is that Berkshire Hathaway's project will spur other redevelopment activity in the area. Behan said parking continues to be an issue. He said one of the things the Fairgrounds is looking at is working with adjacent land owners to put together a structured parking project that would be used year-round. He said the project fits within the goals of both the FIP and TIF programs and the staff recommends approval of up to \$50,000 in a FIP grant and up to \$14,940 for sidewalks under the TIF program.

Dan Ermatinger, Berkshire Hathaway, thanked the Board for its consideration. He said he started his real estate career in this building with Gillespie Realty in 1991. He said Dale Gillespie founded the company in 1958 and with Mike Nugent as the sales manager for Berkshire Hathaway, they are suited up for the next long run and are looking forward to staying in the building as their business continues to grow. He said with assistance from the MRA they can add the beautiful façade. He said Gavin-Hanks Architects have added a lot to the creative process in terms of thoughtfully integrating it into the community and it echoes some of the themes in the school architecture and immediate adjacent neighbors. He said they have taken care to design something that is timeless and not necessarily just catchy and cool.

Kemmis said since he was in the Mayor's office when the discussions started about the Brooks/South/Russell reconstruction he had always been a little concerned about the effect of the eventual solution on this neighborhood because by closing down South Avenue it seemed like the city was isolating the neighborhood to a certain extent. Kemmis said given that, he is especially pleased to see this really good looking proposal for renovation and is glad Berkshire Hathaway has the confidence to do it. He asked Ermatinger if he had any thoughts about the

longer term prospects for redevelopment in the area and/or any advice on how the MRA might proceed in the area. Ermatinger said the first city engineering plan called for the reroute to bisect their building diagonally and so they quickly got involved in the process to bring some voice to the table about the reroute and the way it currently sits. He said it did, in effect, bifurcate traffic and minimize their exposure to drive by traffic. He said they thought it would be a difficult reality, but it's been a good traffic solution and presents their building with two frontages. Ermatinger said Berkshire Hathaway doesn't necessarily need to be on a main street because of the type of business it is and their downtown office helps raise the prominence of their brand. Ermatinger said prior to making the decision last year to buy the building from Cynthia Bryan, they had two parcels of land under contract. One was on the corner of River Road and Reserve Street and the other was a little west on Mullan Road. Ermatinger said they decided that, as a matter of convenience for Berkshire Hathaway's agents and clients, their current location was much more central and part of an area that is definitely "on the come". He said they did look at many different options and spend money evaluating other plans. In the end it made the most sense to stay on this site.

Brock asked if the parking solution they have is the newer lease lot at the Fairgrounds. Ermatinger said no, it's the parking lot on the corner. They purchased the building and the parking lot from Cynthia Bryan. Ermatinger said he has visited with the Fairgrounds folks because he is curious about those opportunities. He said he thinks the Fairgrounds are very interested in trying to develop the concept of a long-term lease with neighborhood businesses and it is a great thing to pursue.

Moe asked about one of the renderings that shows a new sidewalk which is in front of the building. She said her concern is that the new sidewalk is for the building use and not necessarily for the public use. She asked if the new sidewalk is added in the request. Behan said the drawing Moe is referring to just shows the private sidewalk alongside the building. He said the public sidewalk will remain on South Avenue where it is and be reconstructed to allow for the driveways to go onto the private property. He said there is a private sidewalk adjacent to the building and a public sidewalk adjacent to South Avenue. MRA will only be putting money towards the public sidewalk. Moe said the parking area already has two curb cuts for driving over and asked if they were both going to be replaced as one appears to be pretty new. Behan replied yes because the addition is going into the existing parking and to maintain a flow for the new parking lot they are being required to change how the driveways function with the parking lot and they can't remain where they are now.

Behan said since it came up in another project nearby, all of the materials on the other portions of the building that are not directly involved in the façade request are all acceptable under the FIP.

KEMMIS: I MOVE APPROVAL OF THE STAFF RECOMMENDATION FOR BOTH THE TIF AND THE FIP.

Staff recommendation: Staff recommends that the MRA Board approve up to \$14,940 in TIF Program assistance to Berkshire Hathaway HomeService Montana Properties for its project located at 1020 South Avenue West for sidewalk, curb, gutter and driveway approach improvements in the South Avenue right-of-ways subject to the traditional conditions MRA places on TIF assistance.

Staff further recommends the MRA Board approve up to \$50,000 in Façade Improvement Program grant assistance to Berkshire Hathaway HomeService Montana Properties for their project located at 1020 South Avenue West subject to program criteria and traditional conditions MRA places on such assistance.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

Bitterroot Trail Connection – Pine to Spruce Streets (URD II) – Request for Authorization to Issue an RFP for Engineering Services (Behan)

Behan said this is a project that the City has been hoping to accomplish for many years. The project involves linking the pedestrian trail from Broadway Street to Toole Avenue together. He said there is a ½ block section north of Pine Street that is unfinished. Behan said the City has been able to install a trail behind the former Safeway building, work with the folks from Draught Works to install a trail beside their building, and build a trail on the first ½ block south of Spruce Street along Spruce Street Plaza. Behan said Montana Rail Link (MRL) owns the property and there is a platted street underneath. He said the city will have to talk to MRL for permission, but it looks like the trail can fit in there without a new easement. Moe asked if it will be in a location that lines it up with the trail that's already there. Behan replied yes and said there may have to be a small angle to deal with the topography.

Behan said the main reason this hasn't been dealt with in the past is that the City has always believed that once the trail is in they will have to deal with the whole configuration of Pine Street in this area and one reason the sidewalks haven't been replaced is because it becomes a difficult situation because of accessibility. Behan said the City has come to a point where one of the long time city engineering employees is retiring and this is one of the boxes he wants checked off before retiring. Behan said the City is willing to deal with putting in the trail and setting up the future configuration by the way the trail is designed and built. Behan said they may have to get into dealing with the sidewalks on either side. Buchanan added that the City is asked quarterly why it can't finish this piece of trail. She said if nothing else, this will give the City answers when asked why the trail isn't there. Behan said there will be a stopping point where they are able to say it's not feasible right now.

BROCK: I MOVE TO APPROVE THE STAFF RECOMMENDATION TO AUTHORIZE THE ISSUANCE OF AN RFP.

Staff recommendation: Staff recommends the MRA Board authorize the issuance of a Request For Proposals for design and engineering services related to connecting the Bitterroot Branch Trail between West Pine and West Spruce Streets.

Reineking seconded the motion.

No further discussion. No public comments.

Motion passed unanimously. (5 ayes, 0 nays)

Mary Avenue West – Scope and Fee for Construction Administration and Project Close-Out (Phases IV and V) (URD III) – Request for Approval (Marchesseault)

Marchesseault said in November the Board directed staff to enter into a contract with DJ&A to complete Phases II & III for Mary Avenue West which was design development, getting construction documents complete and solicitation of construction cost proposals. She said that work has been done and a contractor is on board. DJ&A and the contractor are now working to complete construction documents and expect to have them complete in June. The next steps will be construction administration and project close out. MRA asked for a fee proposal from DJ&A and they submitted a fee of \$95,000. Marchesseault said DJ&A and the MRA expect that number is a little high, but it gives the flexibility that “just in case” they wouldn’t need to come back to the Board for additional services. Marchesseault said DJ&A has done a really good job on the first three phases of the project and MRA has been very satisfied with their work. She said they have come in under their proposed fee in all of those phases.

Englund asked if this takes the project all the way to the end. Marchesseault replied yes, this should complete it.

REINEKING: I MOVE THE STAFF RECOMMENDATION.

Staff recommendation: Staff recommends that the MRA Board direct staff to enter into a contract with DJ&A to complete construction administration and project closeout services (Phases IV and V) for the Mary Avenue West project at a cost not to exceed \$95,000, and authorize the Chair to sign the contract for Phases IV and V.

Moe seconded the motion.

Reineking echoed what Marchesseault said about what a good job DJ&A has done on this project all along and thanked DJ&A. Englund said they are consistent in what they’ve done for MRA.

No further discussion. No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

Brooks Corridor Transit Oriented Development Infrastructure Study (URD III) – TIF Request (Marchesseault)

Marchesseault said at the March meeting staff presented the Brooks Corridor Study which was completed at the end of 2016. She said it was a project that went through an extensive public process and was a really good, broad study that established a vision for Midtown Missoula. The Board adopted the Study for assessing future projects in URD III. Marchesseault said at the time staff presented the study they also made it clear that it’s not the end all and be all, but more a beginning, and to get to where they need to be will require subsequent studies.

Marchesseault said the Brooks Corridor Study’s primary finding is that the community envisions a Midtown Missoula that has a lot more people, but not necessarily more cars. To get there, Marchesseault said the City needs to rely on transit and alternative methods of transportation, making it a very walkable community with high-frequency transit that’s reliable to get people where they want to go including higher density residential, commercial and retail to support the transit. She said the Brooks Street corridor will be the spine, but is also a barrier to connections

as it is now, so looking for connections across Brooks Street with nodal developments, bus transfer center, etc., needs to be looked at.

Marchesseault said next year Mountain Line is looking to reconfigure their Route 7 to go directly on Brooks Street with a 15 minute headway. She said in order to make that sustainable in the long term there are infrastructure changes that need to occur on Brooks Street. She said electric buses are not required to make this long term, but are an important vision and future of where Mountain Line would like to go. She said a bus transfer center is very important as well as having bus stops along Brooks in the locations where they should be and making them permanent bus stops that signal to developers in the Midtown area that it is a permanent and serious change.

Marchesseault said there needs to be safe connections across Brooks for pedestrians and cyclists and connections to the Bitterroot trail and other trails, schools, and public entities. She said strategic parking will also go a long way in making transit successful. In addition, Marchesseault said there will probably be some regulatory or zoning changes needed in order to support the high frequency transit and the transit oriented development that is envisioned in this area. For instance, there may be some minimum standards, rather than maximum standards. She said most of the development that is occurring in Midtown isn't even touching the maximum that's allowed.

Marchesseault said the infrastructure being discussed will cost a significant amount of money. She said one of the primary funding sources that's been identified is the federal Transportation Investment Generating Economic Recovery (TIGER) grant. Marchesseault said it has been in the crosshairs of budget cuts for the current Presidential Administration, but there is also a ground swell of bipartisan support for the TIGER program. It's been a very effective program and as far as the Midtown Mojo group knows, it is still a viable program. She said Midtown Mojo feels it is worth applying for a TIGER grant in 2018 because they feel they have a really good project and it is worth applying for funding. Marchesseault said the target is an application that would support up to a \$20M project; she said they don't know if the project will be that size or not, but because it's an 80/20 federal to local match it would be difficult to find a feasible match for something over that.

In order to get to the TIGER application place that Midtown Mojo needs to be, there are a lot of questions that need to be answered that were not answered in the Brooks Corridor Study because that was too broad of a study. She said specifics like where the bus stops should be, how the bus stops are signaled as permanent bus stops, where the charging stations should be if there are electric buses, how the intersections across Brooks get reconfigured for safe crossing for pedestrians and cyclists while at the same time holding the same level of traffic that's there today, etc., need to be answered. Marchesseault said they also need to find out how much things will cost because Midtown Mojo has to have backup for what they are submitting for the TIGER grant.

Marchesseault said the next step is to undertake an infrastructure study, which is a step between the Brooks Corridor Study and the TIGER application which will be submitted in 2018. It will consist of taking a holistic look at the infrastructure improvements identified. She said the goal is to have the infrastructure study complete by the end of 2017 or early January 2018. The estimated fee for the study is somewhere between \$150,000 and \$200,000. She said this estimate is based on similar studies that have been done by different communities. Marchesseault reviewed the broad base of funding asks outlined in her memo for the study.

MRA is being asked to allocate \$50,000 to help fund it. She said the Request for Proposals (RFP) is not quite finished but is very close. The bullet points of what would be included in the scope are what they identify as the infrastructure pieces that would be needed for long term sustainability of high frequency transit. Marchesseault said Midtown Mojo feels that electric buses are the innovation that could catch TIGER's attention as they put a lot of emphasis on innovation and they think the electric buses have that innovation capability. Also, she said they will be asking the consultants to account for emerging technology. She said there will also be analysis and identification of regulatory and land use changes.

Kemmis said the regulatory changes struck him as quite different from the rest of what Marchesseault is talking about. He said when Midtown Mojo gets to the point of being serious about promoting transit oriented development he assumes there will be a whole range of planning issues that will come into focus. He said he would have expected this to be one of those rather than part of an infrastructure menu. He asked if the regulatory changes really belong in this study and if so, how much of the overall budget might be absorbed with it. Marchesseault said Midtown Mojo has gone back and forth over this. She said initially when they were trying to put their arms around the RFP and the scope of what the study was, it was starting to look like a full blown master plan for Midtown and that is not where they are right now. She said they started to identify the infrastructure pieces that are needed to get them in place to do a TIGER application. She said the regulatory changes are a little bit of an outlier. Midtown Mojo is not asking the consultants to give it an intense scrutiny and they are not asking for master planning, land use planning or zoning change recommendations. Marchesseault said the fortunate thing is that this study will be undertaken at the same time that Development Services is doing their design guidelines and at the same time that Mountain Line is undertaking a long range strategic plan. She said all of the studies are happening at the same time which means the consultant teams can coordinate with each other so that there's not something in place that is in conflict with something else coming along. Kemmis said to him it makes more sense to think of putting a screen over all the other issues that Midtown Mojo is looking at and say, as they look at those, if they find potential regulatory changes that would be implied by what they find then they should look at those. Kemmis said that having regulatory changes as a separate category makes less sense. Buchanan said one of the reasons that piece is in there is that if Midtown is going to sustain high frequency transit, assuming it's not always going to be free, there are certain densities of jobs, residential and retail destinations that have to be there to sustain high frequency transit. She said in order to be competitive in a TIGER grant arena, or be successful in the notion of transit oriented development, they need the underlying parameters and some sense of how they get there. Buchanan said Midtown Mojo discussed multiple times what it is they are really doing and whether it is an infrastructure engineering study or a master plan. Buchanan said what they are doing is a hybrid and it will require a multi-disciplinary consultant team to address all of the issues. Brock asked who can do a study like this. Buchanan said she thinks it's quite likely they will have a local firm that brings in some expertise from outside that keeps the price in an affordable range.

Englund asked about the timing. Marchesseault said working backwards, TIGER will be submitted April 2018; the infrastructure study needs to be done by January 2018; so the RFP will be issued by May 2017 with submissions back by early June and a consultant will be on board by the end of June. Englund asked who will be running the RFP. Marchesseault said the Midtown Mojo group has agreed that MRA (Marchesseault with Buchanan as backup) will take the lead on issuing and administering the RFP and then a Midtown Mojo subcommittee will act as an advisory committee. Englund asked if Midtown Mojo is confident that this is the work that has to be done in order to get a TIGER grant. Buchanan said she is and the better job they do

on this the easier the grant application will be to write. Brock said Missoula Urban Transportation District (MUTD) needs this regardless of the TIGER grant. She said this would be really helpful regarding transit discussions moving forward. Buchanan said there have been discussions and joint meetings with the MUTD Board for ten plus years; she thinks there is an opportunity to do this study and some of the things heard earlier from the folks at Berkshire Hathaway play right into this. Reineking added that the Midtown Association is going to be providing letters of support for the application from Big Sky Trust Fund. She said they are meeting next week to talk about helping fundraise for that. She said one of the things that both Big Sky Trust Fund and the MRA should be interested in are the economic opportunities transit-oriented development will provide in Midtown. Marchesseault concurred. Buchanan said it will have to be addressed in this study if they are going to use Big Sky Trust Fund money.

MOE: I MOVE THE STAFF RECOMMENDATION APPROVING \$50,000 IN TIF FUNDS FROM URD III TO PARTIALLY FUND THE BROOKS CORRIDOR TRANSIT-ORIENTED DEVELOPMENT INFRASTRUCTURE STUDY.

Kemmis seconded the motion.

Buchanan added that it is Development Services' intention to put a \$20,000 ask in their budget for this upcoming year. She said they likely will not know whether or not it has been approved by the time Midtown Mojo wants to contract for the study so they may come back to the MRA and Mountain Line Boards and ask for a back stop in the event it does not come through.

No further discussion. No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

California Street Improvements (URD II) – Request for Authorization to Issue an RFP for Design and Engineering Services (Gass)

Gass said back in 2009 MRA entered into a Memorandum of Understanding (MOU) with City Engineering where MRA provided funding for design and engineering for the north half of California Street from near Dakota Street to the river. WGM was the project engineer. WGM completed that work and created a 70% preliminary design, which doesn't get the project to construction, but it does set the stage and provide the vision and design of what the layout is. Gass said the project was never taken to construction, which would have been the full reconstruction of California Street, because of a lack of a funding source. He said what the City has is an approved preliminary design which it has been using as a tool for presenting to property owners and developers along that stretch of California Street. Gass said on the south end of California Street from Dakota Street to 3rd Street the city is seeing more redevelopment interest. However, there is no preliminary design for that area so staff is asking for permission to issue an RFP for design and engineering to get 70% design on the south section of California Street. He said being that the City doesn't have the funding capacity to take it on as a construction project at this time, staff thinks it would be useful to have the same tool to use and apply to this end of California street.

Gass pointed out a few parcels in that area that the City has had some desire to sell, donate, or do something else to dispose of the excess land. He said the vision and future of the road is holding that up. Therefore, having a preliminary design in place will give the vision to the city on those parcels as well as developers on the south end.

Gass said the staff recommendation is that the Board authorize staff to issue an RFP for design and engineering services for preliminary design of California Street between Dakota Street and 3rd Street, including the curb, gutter, sidewalk and related infrastructure with the understanding that staff will later present a Professional Services Agreement, Scope of Services, and Project Budget to the Board for consideration.

Emily Bentley, City Council, showed the parcels of land owned by the City that were given to the Missoula Housing Authority (MHA) and College of Technology (COT) to build affordable housing on. She said kids were waiting for the bus in a field and now that the MHA has built on that land the kids are waiting on the street at the bottom of the hill on California Street in a fairly precarious location. There are no sidewalks. She said cars go zooming by that area and it is treacherous to walk because of the grade change. She said there are other sidewalks that are lacking because the City hasn't made up its mind about what it wants to do on the lots it owns.

Bentley pointed out a sidewalk that can't be accessed from the Dakota trail and said the City is hoping to get a small bridge over it because right now there's a great sidewalk that nobody uses and it would connect to Wyoming Street. She said it's nice to see the area redeveloping with affordable housing to keep off the gentrification and she hopes that the foot traffic can be accommodated.

Moe asked if the request should be amended so it starts where the sidewalk ends on the north side of the trail instead of at Dakota Street. Buchanan said it will start where the existing engineering stopped so there isn't a gap. She said nothing has been built unless it was done in the context of another development project, which has caused piecemeal sidewalks through the area.

Lori Davidson, MHA, said they are in favor of the study. She said their projects on the west side of California Street and at the corner of River and Dakota Streets are lacking sidewalks. She said the City did not require MHA to put them in because the City didn't know what the configuration of the street would be. She said they were able to put a sidewalk in on their six-plex project but there are temporary curbs and landscaping until things get figured out. Davidson said she'd love to see this happen.

BROCK: I MOVE TO APPROVE THE STAFF RECOMMENDATION.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

Bitterroot Trail Connection – North to Livingston (URD III) – Request to Approve Project Engineer (Gass)

Gass said the City is within days of closing on the purchase of the MRL property north of Southgate Mall. The property is bounded by North Avenue, Johnson Street, South Avenue, and the west right-of-way of the MRL tracks. Gass said after the property is purchased it will give the City the opportunity to move forward with closing the trail gap. He said staff's desire is to move quickly on this and have it constructed by the end of the 2017 construction season.

Gass said staff issued an RFP for design, engineering and contract administration. There were four responses, a selection committee met and selected DJ&A as the project engineer. He said DJ&A was the project engineer on the eight mile section of the Missoula to Lolo trail that was completed last year. They are also currently the project engineer on the South Reserve Bitterroot Trail Bridge project. Gass said MRA and DJ&A have agreed on a fee for their scope of services which is \$88,278.92. Gass said he compared that amount with what was paid for the design and engineering on the South to Livingston section and added an accrued adjustment for inflation and extrapolated that across the distance of this project. He said he came up with comparable numbers and said staff is of the opinion that the DJ&A scope and fee represents a good value to the project and URD III.

Gass said the staff recommendation is that the Board approve DJ&A as the project engineer and approve the proposed scope of work and fee not to exceed \$88,278.92 and authorize the Board Chairman to sign the Professional Services Contract.

Peter Walker-Keleher, DJ&A, said they are looking forward to doing the project. Buchanan said DJ&A drew the analogy of the golden spike when the railroads were completed and included a golden spike with their RFP response. She said the merit was in their experience and approach to the project. Walker-Keleher said they take their role of design, survey, and construction administration as very important pieces. He said they also appreciate the partnerships and history as well. He said they recognize the historical piece of the last section of trail and it is one more opportunity for the City to celebrate the accomplishments it is making. Gass added that closing this gap gives the community a 50-mile stretch, between Downtown Missoula and Hamilton, of shared-use path, which is a big deal.

KEMMIS: I MOVE TO APPROVE THE STAFF RECOMMENDATION.

Moe seconded the motion.

Moe said with the URD III budget status report and with the approvals made today, MRA's contingency funds are almost gone. She asked if the Stevenson Project was still on the report. Dunn replied yes. Gass said the last he checked with them they were still planning to move forward with construction, but MRA is at the point where they can continue to carry the funds or terminate the agreement. Englund said the \$30,000 set aside for it won't be spent in Fiscal Year 2017. Buchanan said the other piece that doesn't show on the report is that when the City did the bonding for the Bitterroot Trail Bridge there was a reimbursement resolution so that MRA could reimburse URD III for the engineering costs incurred out of cash. The District can be reimbursed for those costs with whatever funds are left in the bond issue that are not needed for construction, which will be several hundreds of thousands of dollars that will go back into URD III to use as discretionary money because of the size of the bond issue.

No further discussion. No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

Caras Park Loading Zone (Front Street URD) – Additional TIF Funding Request
(Buchanan)

Buchanan said the Board approved \$25,000 to help fund the Caras Park Stormwater Improvement Project in June 2015. She said there were several funding sources to treat the water that is discharging into the Clark Fork River. Subsequently, the MRA staff came to the

Board with a request from the Fire Marshall and Missoula Downtown Association (MDA) to look at doing a loading zone along Caras Drive on the park side in conjunction with the storm water project because there would already be contractors mobilized with equipment. Buchanan said there is a real fire safety issue, particularly during events, because everyone parks along the curb and uses it as a loading zone and the Fire Department cannot get their big truck in there when that is the case. Buchanan said the engineer's estimate, pre-bid, was a little less than \$20,000 and the Board authorized up to \$20,000 to be used to construct the loading zone. She said the project was put out to bid in September of last year and received one bid for double the budget. The bid was rejected. Buchanan said it went back out to bid this winter and three bids were received. She said they were still over what the original budget was but the city and Health Department have come up with the excess they need for the storm water project. Buchanan said the bid on the loading zone was \$34,500 which is \$14,500 above what the MRA Board previously approved.

Buchanan said there is an area of excess public right-of-way that's part of Caras Drive; it's located where the Wilma does all of their loading and unloading for events and concerts. She said it's been signed and used as a loading zone for the businesses on Front Street that have rear service entries. Buchanan said the area is not set up correctly for a loading zone, it's also awkward and messy. She said the City feels if a loading zone is created that is the length of Caras Drive that everybody can use to service their businesses, and for vendors during events at Caras Park, there will no longer be a need for the loading zone behind the west side of the Wilma. Buchanan talked with Nick Checota, owner of the Wilma, and asked him if the area has value to him if it's not encumbered as a loading zone and everybody's fighting over it. He told Buchanan that it does have value because of buses, shuttling performers, etc. for the Wilma's events. She said she asked Checota if he would like to help participate in the cost overrun and he said he would if the City would abandon the excess right-of-way, which will then revert to ownership of the Wilma. The Wilma could use it without constant conflict with other delivery needs back there and everyone will have a safe, organized place to take deliveries and park trucks. Buchanan said Checota has agreed that if the City is successful in doing that then he will contribute \$5,000 toward the cost of building the loading zone along Caras Drive. Buchanan said she thinks this is reasonable; Checota is not causing the problem along Caras Drive but it is a problem and impacts his investment in the theater if there were to be a fire.

Englund asked if Checota's contribution is dependent upon the City granting him ownership. Buchanan said that is what Checota would like to ideally have happen, that way he can control it. She said if the City can get rid of the loading zone designation back there it will go a long way toward that. Buchanan said it will ultimately be up to City Council to make the decision and she is willing to carry the torch. She said it cleans up the whole Caras Drive right-of-way and makes it clear.

Buchanan said the staff recommendation is that the MRA Board approve an additional \$14,500 in funding with the understanding that staff will try to negotiate the right-of-way issue with the Wilma Theater owners. Englund asked where the bid overrun on the bids was. Buchanan replied it was throughout. She said the engineer's estimate in this go round was much higher than the engineer's estimate the first time it was bid.

BROCK: I MOVE THE STAFF RECOMMENDATION TO APPROVE THE ADDITIONAL \$14,500.

Staff recommendation: Staff recommends that the MRA Board approve an additional \$14,500 for the Caras Drive loading zone improvements with the understanding that if staff is successful in having the right of way on the west side of the Wilma Theater vacated, the Wilma Theater will provide \$5,000 of the funding, reducing MRA contribution to a total of \$29,500.

Kemmis seconded the motion.

Moe asked if the Wilma will reimburse MRA. Buchanan said it likely won't happen that way. She said the project won't be done until after event season in Caras Park (October). Therefore, MRA will know one way or another whether it is spending the full \$34,500 or \$29,500. Buchanan said she will move quickly on it. Englund said he thinks it's a big benefit to the Wilma if they get the back use of the lot. Buchanan concurred and said Checota recognizes that.

No further discussion. No public comment.

Motion passed unanimously. (5 ayes, 0 nays)

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

FY 2018 Capital Improvement Program

Buchanan said her Director's Report includes items for the FY 2018 Capital Improvement Program (CIP). She said the only thing that might change is that Development Services has put together the CIP item for Wayfinding. The City has allocated the money to go ahead and do the vehicular level that gets the signage for the rest of the City and that MRA has been holding back on money in URD III for. She said they've included some money in there to do some of the signage for URD II. Buchanan said new additions include the Hotel Fox Parking & Conference Center, MRL/Johnson Street property and the Bitterroot Branch Trail from North Avenue to Livingston Street.

Brock asked what the latest is on the MAX Wave construction. Buchanan said it's still in permitting and Morrison-Maierle is back on the job. She said it's primarily been held up by the Corps of Engineers who have aligned with Trout Unlimited who have concerns about fish. She said she's hopeful it will get approval.

Design Guidelines/Standards

Buchanan said the Board should have received an email from Laval Means, Development Services, regarding the meetings.

Missoula Mercantile

Buchanan said having gone through the building a couple of times during deconstruction, the MRA is paying for a really good piece of work if it ends up reimbursing the developer for deconstruction. She said the materials that came out of the building are astounding and the developer never would have taken such care to preserve those but for tax increment funding being available. She said it will be fun to see how the "Muse" area evolves.

COMMITTEE REPORTS

OTHER ITEMS

Dunn introduced Alyssa Sorenson with the State of Montana Legislative Audit Division. Sorenson said they are auditing the Department of Revenue, specifically on Tax Increment Financing, to look at how TIF is working in Montana and see if there are things the state can do to make it work better as well as see the effects of TIF. Sorenson said the Legislative Branch has three main compartments: Fiscal, Services, and Audit. She said Audit is a little more independent than the other two in that they don't do their audits based on what someone says, they come up with their own topic ideas and send them to the Legislative Branch to write and prioritize. She said hopefully it will answer some questions that have come up during this legislative session.

Sorenson said there's been some concern of the tone of other studies that have been done. She said they have no horse in this game and don't have a certain senator or representative they're trying to please with their study. She said it will be a fair look at what is going on.

Buchanan said she met with Sorenson and one of the things they talked about is what she's been finding as she talks to various counties, cities and towns. Buchanan said the way TIF is administered is not homogenous across the state, and also the data shows up differently depending on the community. Buchanan said that it also is one of the things they found during the legislative session when the League of Cities and Towns would send out a call for something, they would get inconsistent answers. One of the things that will happen between sessions is that there is going to be an interim study commission on TIF and the League of Cities and Towns is going to coalesce all of those who choose to participate. Buchanan said, at a minimum, they will try to standardize data that can be readily available. Buchanan said she suggested to Sorenson that they work with the League of Cities and Towns so they aren't duplicating each other. Also, some of what's being done through the League of Cities and Towns might be really helpful to the audit efforts.

Moe asked if it's an opportunity to exchange information on effective programs since each city is developing their own guidelines for distributing TIF funds. Buchanan said yes. She said it's amazing the differences in the way TIF funds are administered across the state. She said Billings has a different Board for every TIF district. She said Bozeman has never done a public/private partnership.

Brock asked if any big projects have been done since the day federal appropriations ended because both the library and the parking structure in Bozeman relied on federal appropriations. Buchanan said she didn't know.

Englund encouraged Sorenson to check back with staff when MRA is doing a big project. He said today's actions were unusual in a sense that a lot of preliminary things were being voted on. He encouraged her to see how MRA works with the private developers because he thinks it's a hallmark thing MRA has been able to do.

Sorenson said they think the report will be done early next year. They will present it at the following committee meeting, most likely in January 2018 if the timeline works out.

Reineking said besides the big projects, the public/private partnerships really do transform the area and meet the mission of eliminating blight and generating economic recovery. She said it's also the small projects like curbs and gutters that totally change a neighborhood and the way it feels and the way people feel about living there and how that can make a big difference in a blighted area.

Moe recommended the MRA staff to Sorenson. She said staff does very expert and professional work.

Englund gave the example of Woodbury Corporation and how they came with a vision of what they were going to do and once they realized what MRA could do in cooperation with them they built something that was remarkable. He said when they finished with their first project, South Crossing, they turned around and built more because it was such a good experience for them. They are now on their third project with MRA.

ADJOURNMENT

Adjourned at 2:15 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lesley Pugh".

Lesley Pugh