

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

July 20, 2010

FINAL

A meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at the MRA Conference Room, 140 W. Pine, Missoula, MT 59802 at 12:00 PM. Those in attendance were as follows:

- Board:** Hal Fraser, Rosalie Cates, Daniel Kemmis, Karl Englund
- Staff:** Ellen Buchanan, Chris Behan, Kari Nelson, Tod Gass, Jilayne Lee, Lesley Pugh
- Public:** Jeff Smith, WGM Group; Debbie Williams, Trempers; Ed Wetherbee, Millsite Revitalization Project; Dave Shaw, Parks & Rec Dept.; Cary Larson, Missoula Nissan; Jeff Anderson, Architect; Geoff Badenoch, Spruce St. Plaza; Talbert Demeester, Spruce St. Plaza; Steve King, City Public Works

APPROVAL OF MINUTES

June 24, 2010 Special Board Meeting Minutes were approved as submitted.
July 2, 2010 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

STAFF REPORTS

Director's Report

Buchanan said the Downtown Foundation has been formally organized and she is a member of the Board. She said the first big thing the Foundation is going to take on is the Caras Park Improvements. She said MDA has started an aggressive fundraising campaign to build a new band shell. The goal for that is \$160,000 and the overall goal for the whole park renovation is \$500,000. Buchanan said a large chunk of that will be grant writing. The Foundation is looking for seed money to get the grant writing started until it can be self-sustaining. She said she would like for MRA to contribute \$2,500 as start up money for this. Buchanan said she suspects the MRA will be asked to make a multi-year commitment to the improvements in Caras Park. The Board was okay with MRA making a \$2,500 contribution to get the grant writing started.

ACTION ITEMS

Missoula Nissan – 2701 Brooks St. – URD III TIF Request

This project previously received a Proceed Without Prejudice from the MRA Board. Nelson reviewed her memo. Missoula Nissan is requesting assistance with demolition of the old Sound West building, partial demolition of the building at 2715 Brooks, construction of

sidewalks in the public right-of-way along Garfield, and asbestos abatement in both buildings. Nelson said the Staff recommendation is to approve tax increment financing in an amount not to exceed \$125,678 for the requested items.

Jeff Anderson, architect for Missoula Nissan, reviewed the plans for the site. He said the site plans don't exactly match what the goals of URD III are because they're removed from the street, but said it's a car dealership and they have a unique requirement in that they need to have their entire product out in front of the building.

MOTION

ENGLUND: I MOVE APPROVAL OF TAX INCREMENT FINANCING FOR THE INSTALLATION OF CURBS, GUTTER AND SIDEWALK IN THE PUBLIC RIGHT-OF-WAY ALONG GARFIELD; PUBLIC RIGHT-OF-WAY WORK ASSOCIATED WITH A DRIVEWAY OFF FAIRVIEW; AND THE DEMOLITION AND ASSOCIATED ASBESTOS ABATEMENT FOR THE MISSOULA NISSAN PROJECT LOCATED AT 2701 & 2715 BROOKS IN AN AMOUNT NOT TO EXCEED \$125,678. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

Tremper's Shopping Center – URD III FIP Request

Nelson said the Trempers are requesting assistance with façade improvements on the back of their building located in URD III. She said the Trempers have already undertaken several improvements to their building and the façade improvements to the back are one of the last things they need to address. As detailed in Nelson's memo, the Trempers are asking for assistance with wall enclosures and enclosing an alcove. The total request to MRA is \$27,058.

Jeff Smith from WGM Group reviewed the plans for the back of the building. Kemmis asked if the previous issues with loading from the Russell St. side have been alleviated. Smith said they modified the layout of the sidewalks through that area to allow Ace's loading functions. Buchanan said Trempers and the City agreed to have an arm placed at each end so that when ACE Hardware is doing their moving and using forklifts it will force the pedestrians to not use the area. Smith said Albertson's loading is now active on Kent St. Buchanan asked if Ace will be required to keep their pallets and stock behind the screens. Debbie Williams, Trempers, said it will be required.

Change tape 1 s1/s2

MOTION

KEMMIS: I MOVE THAT THE BOARD APPROVE REIMBURSEMENT OF FAÇADE IMPROVEMENT PROGRAM FUNDS TO THE APPLICANT IN AN AMOUNT NOT TO EXCEED \$27,058 FOR THE ENCLOSURES REQUIRED FOR THE ADDITIONAL SPACE OCCUPIED BY ACE HARDWARE AND THE EXTERIOR BUILDING WALL TO ENCLOSE THE ALCOVE AT PAUL'S PANCAKE PARLOR. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

TIGER II Grant Application Preparation – URD II TIF Request

Buchanan said there is a desire to put together a grant application for what's called TIGER II program. She said TIGER I came out as a one-time stimulus project which had no match required. The City put together a \$19 million application consisting of trails and sidewalk connections (alternative transportation). The City did not get funded. TIGER II is a regular transportation-based grant program that will be repetitive as long as Congress funds it. She said the project has to be a minimum of \$10 million with a 20% match required. Buchanan outlined the desired improvements in her memo. She said Millsite Revitalization Project (MRP) was sought after to provide the match through development of some portion of the Old Sawmill District. Buchanan said MRP has gotten a price from WGM Group to do the final application preparation. WGM did the TIGER I application and know the system and Old Sawmill District project. She said they've estimated the grant application preparation will be \$15,000. MRP has requested that MRA share in the cost of the application. Buchanan said the Staff is recommending that the Board approve funding up to 50% of the required amount of money needed for the preparation of an application, not to exceed \$7,500. She said she thinks the City needs to take a hard look at what the cost of the application preparation needs to be and what the product is. She said there could be some negotiation on the amount. Buchanan added that in light of the looseness of where this is right now she would like a fair amount of latitude as to whether or not they move forward with it. She said if they feel like they've got a good, solid project that's competitive and the application can be done in time to meet the deadlines then they should go for it. She said it's a great project, but there are a lot of things that need to be tied down.

Ed Wetherbee, MRP, said they feel like this is something they have to apply for. He said whether they get it or not is not a high probability from everything they've heard, but to not apply for it when the description of it sounds so right down the middle for a project like this, they have to do it. He said given the fact that there's so much other benefit involved to the City more than just what's going on in MRP's project, he said he thinks it makes sense to go in on it together.

Steve King, Public Works Director, reinforced Public Work's support for the application. He said it seems to be very targeted for linking transportation systems with economic development as a long-term, sustainable economic facilitation. He said the transportation links in the neighborhood work in harmony to assist the Old Sawmill District and adjacent neighborhood between California and Russell Streets.

Englund asked if the City Park Shops would be moved if this were to happen. King replied it's a separate issue, but what it does is sets up some of the adjacent land for development. He said there is no current budget or plan for relocating the City Park Shops.

Kemmis said it's a great project and hopes the City is able to get the funding. He said every component seems to be something that will enhance that area. He asked if TIGER requires the match be private. Buchanan said it can be public, it cannot be federal. Discussion ensued.

Cates said she didn't want to have MRA fund this and then have MRA be expected to come up with the match. Buchanan said it would not be good for the City, relative to the federal government, to get it awarded and then not be able to come up with the match. She said it's a big concern for everybody. Cates said MRA does not expect to do the match for it.

Buchanan said she's been pretty clear that if MRA is expected to be the match then it won't build Silver Park.

Kemmis said he worries about the credibility of the match. He said he wishes there were a more assured way to designate a match with public funds. He said it's hard for him to believe that they're relying solely on federal funds if all of the projects are done. He asked if some local funds are expected in some of the projects. King said there are several pieces, such as in-kind labor or transportation impact fees, that are potentials in this grant but not in a dollar amount significant enough to meet the threshold of 20% of \$10 million. Buchanan said they've been told that 20% is the minimum, and the better the match the better the odds. Kemmis said he hopes part of the application maintains flexibility about how the match is put together. Buchanan agreed.

MOTION

ENGLUND: I MOVE APPROVAL OF A REQUEST TO PROVIDE 50% OF THE FUNDING NEEDED UP TO A MAXIMUM OF \$7,500 FOR THE PREPARATION OF AN APPLICATION FOR A TIGER II GRANT TO FUND THE CONSTRUCTION OF SOME OR ALL THE PROJECTS LISTED IN THE MEMO TO THE BOARD FROM ELLEN DATED JULY 15, 2010. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

Spruce St. Plaza – URD II TIF Request

Behan reviewed his memo for Talbert Demeester's Spruce St. Plaza project located at the former Meadow Gold buildings at the intersections of Nora, Toole and Spruce Streets. This project formerly received a Proceed Without Prejudice from the MRA Board. The request is for TIF assistance for Phases B and C of the project, as outlined in Behan's memo. The total request for Phases B and C totals \$179,953. The total investment in the project for Phases A, B and C totals \$4,810,300. Behan pointed out two errors in his memo. He was off \$9 off on his recommendation and it should be \$142,545 instead of \$142,536. This number does not include the parking lot request but it does include the trail. Also, within that request, the portion of the parking lot that is not included in the \$142,545 is the paving and the preparation.

Behan said the issue of off-street parking has come up as something that's somewhat controversial. He said state law says funds can be spent on off-street parking.

Change tape 1/tape 2

Behan said he found an old memo regarding this issue and it stated that helping someone with off-street parking is an unusual circumstance. He said the way it was divided up at that time was that in paying for all of the parking lot MRA would want a lot in return, such as a pedestrian easement or public parking. Behan said MRA hasn't helped with a parking lot directly for several years. He said Staff came to the conclusion that a recommendation to the Board for off-street parking is maybe.

Geoff Badenoch, Project Manager for Spruce St. Plaza, gave a Power Point presentation and reviewed what's been done on the project to date and the proposed future changes. Cates asked if the power poles will be buried. Demeester replied he'd love to, but there have been issues to getting it done. She asked if they gave any thought to the bikers when planning the

bulb outs. Badenoch said they didn't think about it because it's something the City said to do. Cates suggested having the bulb outs accommodate bikers. Buchanan said if the Master Plan is adhered to then it will have protected bike lanes.

Change tape 2 s1/s2

Cates asked how Behan came up with the number of \$37,408 for off-street parking. Behan replied it's the cost that was listed in the application for paving and preparation to pave for Phase B. Demeester said the cost is low because of all the work he did on previous Phases. Cates asked Behan if he wanted the Board to consider paying some of the parking. Behan said Staff is trying to decide if off-street parking should be a matter-of-fact incentive in URD II.

Kemmis said he started out resistant to providing any reimbursement for off-street parking, but said he can see providing some portion of that cost as an incentive to providing greater public amenities and making it a project compatible with the neighborhood. He said if that can be a tool MRA can use as West Broadway is developed then he would be okay with giving Staff the option of using that if it goes hand in hand with a better project than they'd otherwise have. In those circumstances, Kemmis said he would be comfortable going up to 50% of the parking. Fraser agreed and said that could be MRA's benchmark.

MOTION

CATES: I MOVE THAT WE APPROVE AN AMOUNT NOT TO EXCEED \$161,240 FOR THE SPRUCE STREET PLAZA PROJECT FOR THE ACTIVITIES IN PHASES B AND C. Englund seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

Englund said in light of what Kemmis said, the record should be clear that this is a phenomenal project. Demeester thanked the Board. Englund said he feels it's really important that landscaping and trees are components of projects.

Bitterroot Branch Trail – Preliminary Engineering – URD III TIF Request

Buchanan said MRA has been trying for years to make the trail connections in URD III. She said Parks & Rec and MRA have been working with Montana Rail Link (MRL) to try and get the connections made. MRL agreed to give an easement along the section of trail where Gateway Printing is. Buchanan said she told Parks & Rec that MRA will not design the facilities, but will help pay for it. She said the request today is to assist with preliminary engineering costs and the surveying required to enable MRL to grant the lease necessary for the City to construct a trail within the MRL right-of-way between South and Livingston Avenues. Buchanan said Parks & Rec will come back to the MRA for assistance with engineering and construction. MRA has been carrying a budget line item for this.

Dave Shaw, Parks & Rec, said this is one segment of the whole gap between North Ave. and Livingston. He said they've met with MRL several times and they have some plans for the property immediately north of South Ave. by the mall and have said the trail doesn't fit with what their plans are. Shaw said MRL has not disclosed what their plans are, but have told Parks & Rec "no" on the trail for the time being. Shaw added there will be some sort of boundary put up to delineate what's public and what's private so they can reduce any trespassing and liability.

MOTION

KEMMIS: I MOVE THAT THE BOARD APPROVE THE EXPENDITURE OF UP TO \$7,000 FOR THE PRELIMINARY ENGINEERING AND SURVEYING REQUIRED TO ENABLE MONTANA RAIL LINK TO GRANT THE LEASE NECESSARY FOR THE CITY TO CONSTRUCT A TRAIL WITHIN THE MRL RIGHT-OF-WAY BETWEEN SOUTH AND LIVINGSTON AVENUES. Englund seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

Change tape 2/tape 3

Kemmis left the meeting.

URD III Residential Sidewalk Project, Phase 2 – Request to Award Construction Contract

Gass said Phase 1 of this project is expected to be complete in August. Phase 2 went out to bid at the end of June and five bids were received. The low bid was submitted by AAA Construction in the amount of \$360,259.50. This bid was about \$61,000 below the engineer's estimate. Territorial Landworks, Inc. spoke with AAA about their bid and AAA feels comfortable and understands the specifications of the project. Fraser asked if the City has worked with AAA before. Gass said they do a lot of quality work for the City.

MOTION

Gass said the Staff recommendation is that the Board move to award the construction contract for the URD III Residential Curb & Sidewalk Project, Phase 2, to AAA Construction in an amount not-to-exceed \$360,259.50 and authorize the Board Chair to sign the contract and authorize Staff to sign the necessary documents to execute the contract.

ENGLUND: SO MOVED. Cates seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Moe and Kemmis absent.

NON-ACTION ITEMS

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Respectfully Submitted,

Lesley Pugh
Secretary II