

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

February 16, 2011

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: Nancy Moe, Karl Englund, Daniel Kemmis, Rosalie Cates

Staff: Ellen Buchanan, Chris Behan, Kari Nelson, Tod Gass, Jilayne Lee, Lesley Pugh

Public: Mayor Engen; John Kellog, Professional Consultants

APPROVAL OF MINUTES

January 19, 2011 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Kemmis said the purchase of the Missoula Mercantile and the determination to redevelop it given the background of the buyer (Octagon Partners) seemed to him to be a strong reflection on the work that MRA and others have done in the Downtown over the past many years. He said Octagon Partners seem very savvy about the community and the prospects there are for making a site like that work. He said this wouldn't be happening without all of the work that's gone on in the Downtown and he takes it as an unspoken tribute to what the MRA has done and the collaboration with a lot of others.

STAFF REPORTS

Director's Report

Downtown Master Plan Implementation

Buchanan said the MRA helped fund the creation of this database which includes all of the properties in the Downtown. To date, she said they have inventoried 20 blocks on either side of Higgins from the XXX's down to Front St. Moe asked who will update the database. Buchanan said it will be updated by the BID and MDA.

Old Sawmill District

Buchanan said Staff is working with others to turn in a more competitive application if there happens to be another round of TIGER Grants. She said they are going to submit the Cregg/Wyoming federal appropriations request again, as well as the federal appropriations request that came out of the Downtown Master Plan Implementation Committee group for engineering, to position them to do the Cregg/Wyoming project,

Front/Main St. conversion, study to create Downtown lighting district, and street car study.

She said it looks like the bill to fund the wood waste conversion to a growth medium is going to get funded with a DNRC grant. Behan said they're going to fund 23 and the Old Sawmill District was ranked 17. He discussed other proposed bills.

Milwaukee Trail

Buchanan said the bids came in good and will not cost as much as the Board had approved. The Board approved \$132,000 and bids came in just under \$121,000. Staff will continue to work with Parks & Rec for the lighting along the trail.

Discussions with Mayor Engen

MRA Board

Mayor Engen said the Mayor's office has begun advertising for the vacant Board position.

Old Sawmill District

Mayor Engen said he's been working with Buchanan, Behan and Millsite Revitalization Project (MRP) to push some things along. He said over the course of the long life of the project, he thinks in some ways they may have lost sight of who's responsible for what. He wants to revisit things so they have a clear understanding of how to go forward. He said he'd like to get the public components done as soon as possible.

Civic Stadium

Mayor Engen talked with the Board regarding the Stadium debt. He said the Stadium and the ground under it is a community asset, but today the City has almost no protection. He said right now the paperwork is such that the City doesn't have a whole lot to hang its hat on if the loan goes into default. He said today there is still about \$6 million worth of debt. There have been conversations with all of the lenders about forgiving interest, which is only a small piece of the puzzle, among other options.

Mayor Engen said Playball and Mae Nan Ellingson put together a financing committee to discuss options. He said they have talked about MRA supporting a revenue bond over time if they were to issue one. During the course of that meeting, Mayor Engen said he wants the City to own the Stadium the way it was promised and he doesn't want the facility to go out to the financial institutions who don't have interest in owning it. He said municipal ownership makes sense if there's a funding mechanism for long-term maintenance.

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Mayor Engen said he's fairly comfortable justifying the notion that the Stadium is an incredible value added to the District immediately adjacent to a site that already has roughly \$6 million invested in it. He said if the financing committee can bring a deal together they will bring it to MRA.

Kemmis said he is open to ongoing conversations and thinks making it clearly a public asset is a good approach. Kemmis said he would like some assurance that the pricing structure, especially ticket prices, are up to or beyond industry standards. Mayor Engen said that has been the subject of several discussions and there is a direct surcharge of \$1 per ticket that goes to either debt service or stadium operations.

Moe said in the situation where the goal seems to be municipal ownership, she doesn't see an orderly progression to the goal. She wondered if there was a way to measure the steps so they know progress is being made. Mayor Engen said step one is for everyone to agree on what they need to get paid. Step two, based on that, is to find out the number to buy folks out and reimburse the financial institutions. Then they need to find out what the financing moving on will look like and who will own what parts of it, etc. He also said he needs to have agreements lined up so he can see that the City of Missoula holds clear title to the ground and the facility.

The Mayor asked that MRA do due diligence on the financial piece, vet the operational piece and structure, and then make a recommendation to City Council. The Mayor said he will ask MRA to commit money to this. Cates said she's fine with this, but the operating projections need to be positive and in order. The Mayor said he couldn't agree more. He added that he asked MRA Staff to show him a ten year picture for revenue in URD II so he understands what they're doing to capacity if they commit cash over the course of the first four years. He said he doesn't want to jeopardize other finance programming or forego opportunities unnecessarily. Kemmis said that would be the Board's first request to the Staff. Cates said it is important to think about the project failing and what it looks like.

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ACTION ITEMS

Fox Site RFP – Request for Recommendation to City Council

Behan said Roger Hobbs previously requested that MRA forward a recommendation to City Council to direct MRA to issue a Request for Proposals for the Fox Site. He said in the past, the safest route through state law is to do a RFP at the permission of the City Council. This has been done in the past six times for the site. He said Staff is ready and willing to start a process to get the land moved. Behan said Hobbs needs to know if the Board has concerns with his proposal.

Mayor Engen said he believes there needs to be some opportunity for the City to be part of a catalyst for the development along that piece of the West Broadway corridor. He said it's another prime Riverfront piece and the right proposal could be out there. He said he continues to have conversations with St. Patrick Hospital and this could be an opportunity to do something about the parking issue. Kemmis said he always thought the Safeway deal was supposed to be the key to solving St. Pats parking issue. Buchanan said she thinks that was Staff's understanding as well, but something must have changed along the way. Mayor Engen said he understands St. Pats regrouped in terms of a campus master plan and the ground there doesn't make nearly as much sense now to be a parking lot. However, he said he's not sure they've necessarily ruled that out.

Englund asked what the Board was being asked to do. Behan said the base question is whether or not Staff should go to the City Council and ask them to ask MRA to conduct an RFP for disposition of the Fox property. Traditionally, the other proposals have requested a mix of residential and commercial and hotels. Cates said the architectural renderings presented by Hobbs have no bearing on any work that's been done on Riverfront development.

Moe asked what the reasons are for doing an RFP at this time. Mayor Engen replied it's the general notion of the catalyst and the fact that there's an active entrepreneur interested in the site. He said his interest in meeting the City's obligation to the public is understanding whether anyone else is interested in that site. In fairness to Hobbs, he said his renderings address the street front including a retail/restaurant component, height issues in zoning, mix of retail/office/medical/residential, and it manages the parking piece. Cates said if the RFP is going to be done largely in response to Hobbs, she would like to do due diligence on him before entering into the public process. Mayor Engen argued that seeing what's out there is the least of the process and the due diligence comes from understanding what the proposal is, which is where they need to make sure it will work. Buchanan said one of the things Hobbs was pretty clear about is that he really wants to do due diligence on this and he's not going to spend the time, money, etc. until he has the land tied up for some period of time to do that. She said it may be timely to go ahead and put out an RFP right now because there are good things happening Downtown. Kemmis said he agrees with Cates' way of thinking about this and to him, as a matter of weighing the transaction costs against the likelihood of anything coming of it, that MRA or the Council would be willing to get behind it. He said he doesn't have high expectations on the basis of Hobbs' presentation, but they're not non-existent either. Kemmis said it is the City that owns the property and he would tend to be heavily influenced by the Mayor's recommendation to do an RFP if it doesn't soak up a lot of Staff time.

Moe said the important thing for MRA to do, and what would be a reasonable request to City Council, is to use the catalyst idea that doing an RFP would be a catalyst for implementing the Downtown Master Plan and this would be good timing to start that process. She said there are a number of checkpoints along the way where MRA has an opportunity for review. She said she's in favor of going ahead with the RFP now on the representation that it won't take a ton of Staff time, that the request be broad, and that MRA request that the City Council make that designation. Englund agreed that now is a good time to look and said it should be made clear to the Council how valuable this asset is and the development there needs to be strong.

MOTION

CATES: I MOVE WE RECOMMEND THAT STAFF TAKE THE APPROPRIATE STEPS TO CITY COUNCIL FOR US TO START THE PROCESS OF ISSUING AN RFP TO LOOK AT DEVELOPMENT PROSPECTS FOR THE FOX SITE WITH THE RFP PARAMETERS TO BE REVIEWED BY

THE BOARD AT THE APPROPRIATE TIME. Kemmis seconded the motion. 4 ayes, 0 nays. Motion passed unanimously.

Caras Park Improvements – Front St. URD TIF Request to Increase FY11 Contribution

Moe asked if the Winter Brewfest has any impact on this request for funding. Buchanan replied they don't know yet, they haven't received invoices but the event was a huge success. She guessed it would bring an additional \$10,000 or so to Caras Park. She said part of MDA's operating budget is the \$25,000 contribution per year. She said the goal was to try and satisfy that with this event and then some. Buchanan said if they want to move forward with construction of the band shell this spring, MRA's accelerated contribution will greatly help. Staff recommendation is to go ahead and contribute the additional \$25,000 this year to take care of Phase I.

KEMMIS: I MOVE THAT THE BOARD INCREASE THE FY11 CONTRIBUTION FOR THE CARAS PARK IMPROVEMENT PROJECT TO \$50,000 WITH THE TOTAL CONTRIBUTION BEING CAPPED AT \$75,000 AND THE ADDITIONAL \$25,000 REQUIRING A DOLLAR FOR DOLLAR MATCH BEFORE BEING DISBURSED. Englund seconded the motion. 4 ayes, 0 nays. Motion passed unanimously.

MRA Conference Room – Request for Recommendation to City Council to Formally Name it the 'Hal Fraser Conference Room'

Buchanan said MRA would like to recommend that the conference room be named after Hal Fraser, MRA Board Chair. She said he had a lot to do with MRA's investment in the building in the area. He spent a lot of time running meetings in the room and Staff feels it's a fitting tribute. She said Staff will make a recommendation to the Committee of the Whole because they own the building. She hopes there will be a formal ceremony.

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MOTION

ENGLUND: SO MOVED. Kemmis seconded the motion. 4 ayes, 0 nays. Motion passed unanimously.

URD III Residential Curb & Sidewalk Project, Phase 3 – Request to Award Construction Contract

Gass said this request is for Phase 3 of the Curb & Sidewalk project located near Southgate Mall. J5 Construction was the low bidder with an amount of \$584,037.92. This was below the engineer's estimate. Gass said the bid has been reviewed by Territorial Landworks, Inc. and they found it to be responsive, correct and complete.

Gass said the Staff recommends that the Board move to award the construction contract for the URD III Residential Curb & Sidewalk Project, Phase 3, to J5 Construction in the amount of \$584,037.92 and authorize the Board Chair to sign

the contract, and authorize Staff to sign the necessary documents to execute the contract (Notice of Award and Notice to Proceed).

MOTION

ENGLUND: SO MOVED. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously.

NON-ACTION ITEMS

Moe delayed the discussion on the URD II and URD III sidewalks until the next meeting.

Sidewalks in Review (Gass)

Gass gave a Power Point presentation reviewing the progress MRA has made on the sidewalk projects.

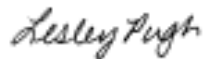
COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 2:00 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II