

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

April 20, 2016

FINAL MINUTES

A **Regular** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on **April 20, 2016** at the MRA Conference Room, 140 West Pine, Missoula, MT 59802 at 12:00. Those in attendance were as follows:

Board: Melanie Brock; Daniel Kemmis; Nancy Moe, acting as Chair; Ruth Reineking.

Staff: Ellen Buchanan, Chris Behan, Jilayne Dunn, Tod Gass, Dee Andersen.

Public: Martin Kidston, Missoula Current; Luke Neville, Thompson Apartments; Laura Branson, The Vintage Home; Dave Erickson, Missoulian; John Dibari, City Council; Michelle Cares, City Council; Heather McMilin, Homeword, Inc.; Bob Moore, citizen, Peter Walker-Keleher, DJ&A.

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

None

PUBLIC COMMENTS & ANNOUNCEMENTS

None

ACTION ITEMS

The Vintage Home - 2405 McDonald Avenue (URD III) – FIP Request (Buchanan)

Buchanan said this request is for façade improvement only. The property owners, Jayme and Laura Branson, Branson Properties LLC., have plans to open a vintage home décor and furnishings store at this location and would like to include more enhancements than their budget would allow. The building is approximately 85 years old and was originally built as a Presbyterian Church Social Hall. If approved, the exterior improvements will include cleaning and painting the entire façade, adding shutters, awnings and window boxes, removing old landscaping and fencing, and planting native grasses and plants.

Buchanan said the total project cost is estimated to be \$31,100. The eligible items for assistance is limited to \$7,775, based on the 25% of construction cost limit. Buchanan said there is no financing for this project. It is being paid for by the Bransons. They are also acting as their own designer and general contractor, and they will be doing much of the work themselves. She said there is some consideration of a free standing sign.

Laura Branson said she forgot the photograph of the sign but described it as a free standing wrought iron scroll sign. Reineking said she is familiar with the building and thinks it will be a fantastic location. Laura Branson said they are very excited about the location.

REINEKING: I MOVE THE MRA BOARD APPROVE A REQUEST FROM BRANSON PROPERTIES, LLC FOR A GRANT UNDER THE URD III FAÇADE IMPROVEMENT PROGRAM IN AN AMOUNT NOT TO EXCEED \$7,775.00 WITH THE STIPULATION THAT REIMBURSEMENT WILL BE MADE AT THE CONCLUSION OF THE PROJECT UPON SUBMISSION OF ANY REQUIRED LIEN RELEASES AND PROOF OF EXPENDITURES AND AUTHORIZE THE CHAIR TO SIGN THE DEVELOPMENT AGREEMENT.

Brock seconded the motion. No public comment. No further discussion.

Motion passed unanimously. (4 ayes, 0 nays)

Thompson Apartments - 201 North California Street (URD II) – TIF Request (Behan)

Behan said this proposed project is a 24-unit, four-story apartment complex in the Millsite area on the Northeast corner of California and Wyoming Streets. It is located just south of Homewood's Sweetgrass Commons housing project. Staff has received an application from Don Thompson for Tax Increment Financing (TIF) assistance to demolish a mobile home located on the property, and move a single family house and garage to another lot. He is also planning to install sidewalks along California Street.

Behan said this property was owned for several generations by the same family who acquired it prior to 1903, therefore the land being utilized for this project is not part of the Old Sawmill District, or the lumber mill that once operated in that area. The proposed housing complex will consist of one and two bedroom apartments and include two ADA units. The total project cost is estimated at \$2.3 million.

Behan said the \$48,500 request for TIF assistance includes construction reimbursement for the cost of curb, gutter and sidewalks along California Street, in addition to demolition and removal of the house's foundation, an asphalt drive-way and parking area and moving the single family home and garage to another lot owned by Thompson. He said this project is located in an existing neighborhood and will take advantage of amenities that MRA has promoted for many years. The project is in keeping with the Urban Renewal Plan's goals for this area. It also falls into place with the Sonoran Institute's Russell Street Study and its recommendations for increasing the density and variety of housing types in this neighborhood.

Brock asked if each unit will get a parking spot. Behan said yes. Moe asked if a contractor had been chosen. Luke Neville, representing Thompson Apartments, said the owner, Mr. Thompson, is the builder. Moe asked if the timeline would work. Behan said he also thought it was a tight timeline, but both Thompson and Neville have a lot of experience, and are both confident they can make this work. Moe asked Neville if the

proposed completion date of December 2016 is feasible. Neville said yes, it will be a push, but these types of projects always are.

Kidston asked if this was workforce housing. Behan said yes, it is market rate housing.

McMilin, Housing Director of Homewood, said she appreciates the sidewalk connections Thompson is making. Homewood's housing project, Sweetgrass Commons, is installing sidewalks on California Street. Both sidewalk projects will make connections that will improve pedestrian travel throughout the neighborhood. She said she supports this project.

KEMMIS: I MOVE THE STAFF RECOMMENDATION

[MOTION: Staff Recommends the MRA Board approve TIF assistance described in the staff memorandum for the Thompson Apartments Project located at 201 North California Street, in an amount not to exceed \$48,500 subject to MRA's traditional reimbursement criteria and to authorize the Chair to execute the required documents.]

Reineking seconded the motion. No public comment. No further discussion.

Motion passed unanimously (4 ayes, 0 nays)

Mary Ave Extension Consultant Contract (URD III) – Request for Approval (Buchanan)

Buchanan said the Board authorized staff to issue an RFP to engage a consulting team for Phase I, to conduct public outreach with the residents of the Mary Avenue neighborhood west of the railroad tracks. Once the public outreach is completed, the firm would perform engineering and design services, handle the construction documents, get the project out to bid and oversee the construction. She said MRA staff received two responses to the RFP. The proposal that clearly understood the importance of the public outreach needed for this project was submitted by DJ&A, and they have assembled a great team to manage that part of the project.

Buchanan said the action needed today is to approve the review team's recommendation of DJ&A as the consultant to be engaged on this project, then approve the scope of work proposed for Phase I at a cost not to exceed \$117,561. One of the reasons behind proceeding this way is that it is impossible to know what the design and engineering will be until after the public process is completed. The strength of DJ&A's proposal with respect to public outreach made it a very clear choice as to which firm we would select. The other proposal received, was a proposal which proposed no outside consultants and very little public outreach. It was structured similar to a sidewalk project, where there is some public outreach, but nothing even close to what it will take for the residents of the Mary Avenue neighborhood since this project will change Mary Avenue from a dead end street to a collector. It was a unanimous decision of the selection committee to recommend DJ&A.

Buchanan said she received costs for scope of work from Chris Anderson of DJ&A. It's a strong proposal, but not an inexpensive one. She said Anderson was conservative in the scope of work and included everything he thought might be needed, in terms of the number of meetings and types of meetings which are outlined in her Board memo. Buchanan said she would like to move forward and if the Board concurs, get approval to award the contract and approval for the scope of work so the project can begin in May.

Moe asked how the iterative process works with the charrette. Walker-Keleher said by the time we are proposing to hold the charrette, our team will have a good idea of what is going to be acceptable to the stakeholders, and will have generated up to three design options. The stakeholders are defined as the property owners adjacent to Mary Avenue and the surrounding neighborhood, tenants, and City Staff connected to the project. Chances are good that not all stakeholders' viewpoints would be represented at the charrette, and that's where the iterative process comes in. The team will go back out and engage with the stakeholders and follow up with those who were not able to participate in the charrette.

Moe said she was pleased that there will be reports back to MRA staff at various phases.

Kemmis asked how many people living in that neighborhood would be involved in this process. Buchanan estimated about 20 residents. She said it's mostly rental property and one block is commercial. There are a number of long time property owners and some are new home buyers. She said there is a high level of concern of what the impact will be on this neighborhood. There have been some misconceptions as to what the nature of the street will be, so engaging with these residents is essential.

Kemmis said he is not expressing opposition, but it's a lot of money to spend to make sure that a relatively small number of people are heard. He said he is not sure how this effort should relate to a normal political process where elected officials work with people on the ground. He said he would like a little more discussion.

Reineking said she appreciates the timeline that DJ&A has proposed. With regard to the political process, she said the City Council approved this project. Because of all of the feedback they received from the Mary Avenue residents, Council asked the MRA to establish this design process with public outreach. Reineking said the MRA Board and staff are doing this because it was requested by the City Council. Buchanan agreed and said that it's not just the residents of Mary Avenue, but also the surrounding area residents who will be impacted by this street. She said the impact will be different depending on whether or not a traffic signal is installed at Reserve and Mary Avenue. It is not a simple process, and very unusual for MRA to be faced with a project that turns a dead end street into a collector street. She said perhaps if DJ&A can get everyone to the table early and get the stakeholders engaged, there may not be a need to have the number of meetings proposed.

Cares said the lessons learned in this public process will influence future projects down the line, like Dearborn Street, or other connectivity around the mall and may pre-empt the problems that arose initially with the Mary Avenue Project.

Moe said these are going to be public meetings and anonymity was presented on page two in the scope of work report. She said she feels the issue of anonymity is not part of the public process and it would be wrong to imply it. The press may be there or another participant who would know who made comments. She said she does not want this to become an issue. Buchanan said it could be reworded. Walker-Keleher agreed to revise it.

Moe suggested splitting this into two motions as follows:

Motion #1:

KEMMIS: I MOVE TO APPROVE THE SELECTION COMMITTEE'S RECOMMENDATION TO ENGAGE DJ&A TO PERFORM PHASE 1 OF THE MARY AVENUE EXTENSION PROJECT.

Reineking seconded the motion.

Public Comment: Dibari, City Council Ward Four Representative, said he supports the project and MRA for following the City Council's request to take care of the folks in this neighborhood. He said he is very pleased that Kate McMahon will be a part of the public outreach team. He has worked with her on the Growth Policy steering committee and said felt she was an asset. He would like to get clarity on what WGM is planning at the intersection of the railroad tracks. He said as Mary Avenue comes out of the Mall, it will intersect with Agnes. He would like consideration on the potential impact of an intersection where one currently doesn't exist, and what the effects would be on the downstream residents of Agnes Street. Buchanan said she and Jeremy Keene of WGM are working on what happens when the road crosses the tracks. She said it will probably terminate at the tracks and be barricaded off.

No further discussion. **Motion passed unanimously. (4 Ayes, 0 nays).**

Motion #2:

BROCK: I MOVE THE STAFF RECOMMENDATION THAT THE MRA BOARD APPROVE ENTERING INTO A CONTRACT WITH DJ&A FOR PHASE 1 OF THE MARY AVENUE EXTENSION PROJECT AT A COST NOT TO EXCEED \$117,561, WITH THE UNDERSTANDING THAT A CONTRACT FOR PHASES II-V WILL FOLLOW AFTER PRELIMINARY DESIGN IS FINALIZED, AND AUTHORIZE THE CHAIR TO SIGN THE CONTRACT.

Reineking seconded the motion. No public comment. No further discussion.

Motion passed unanimously (4 ayes, 0 nays)

FY17-FY21 Capital Improvement Program – Request for Approval (*Buchanan*)

Buchanan said the Mary Avenue Extension project is not on the CIP this year as the Board suggested, she said she can add it as a CIP item and try and estimate the costs, or push it to FY18. Reineking said it would be more appropriate in FY18.

Buchanan said there are three new CIP items for FY17.

- URD III Residential Western Curb & Sidewalks - Benton, Fairview & Dearborn. This project will build sidewalks in the area that was added to the district. This project cost is estimated to be \$437,500.
- URD II Western Curb & Sidewalks – South 1st Street. This project will construct the missing curbs and sidewalks on South 1st Street between California and Russell Streets. The project cost is estimated to be \$125,000.
- North Reserve Traffic Signal and Intersection Project. This project is being driven by the increase in current and proposed development in the vicinity of North Reserve between I-90 and Howard Raser Avenue. This is a place holder at this time, as a study must be conducted to determine if a signal is warranted in order for MDT to permit one to be installed. The estimated cost is just over \$2M.

Moe asked with regard to the sidewalk projects, do the residents understand this is not a Special Improvement District (SID). Buchanan said a sidewalk mailing will go out prior to construction.

Discussion ensued.

Buchanan said she programmed the traffic signal project into the CIP for FY18 & FY19. She said it sends a clear message to any potential developer that if they do a development that generates significant enough increment, then MRA is willing to make the infrastructure improvements that are necessary to make that development happen.

Moe asked if the CIP commits MRA to anything. Buchanan said no. It's a planning tool and can change next year.

Reineking asked for a Bitterroot Branch Trail update. Buchanan said the City has easements from Montana Rail Link (MRL) to build the trail next to the printing business just south of South Avenue but Parks and Recreation has not been able to put together an efficiently priced project as it is too small. The City has been in negotiations with MRL for years to get the easement between North and South Avenue and it appears that the City is getting very close.

Public Comment: Moore said he was confused about the relationship of the CIP being part of the budget. He asked if this is telling developers that MRA is interested.

Kemmis explained the CIP program is a planning tool for the City, to get a sense of what capital improvement expenditures are slated for the budget year. Adding an item into the CIP doesn't commit to anything. It is more like signaling that this is what we expect to happen. It's like a rough road map.

[Moore asked do people know if MRA is not obligated]. Buchanan asked who he means by they. Moore answered whoever wants to develop. Buchanan said yes they do. Moe said it's not a commitment it's a placeholder; a tool for the City to use in anticipation of projects that may happen.

Cares asked what the community response was to the proposed traffic signal on North Reserve at the North Reserve/Scott Street community workshop. Behan said there was no opposition and some thought more than one would be appropriate.

KEMMIS: I MOVE APPROVAL OF THE THREE NEW CIP PROJECTS WITH A RECOMMENDATION FROM THE MRA BOARD TO CITY COUNCIL FOR APPROVAL FOR INCLUSION IN THE FY17 BUDGET.

Brock seconded the motion. No public comment. No further discussion.

Motion approved unanimously. (4 ayes, 0 nays)

NON-ACTION ITEMS

Façade Improvement Program (FIP) – use on new construction – Discussion

Kemmis said he brought this back for more discussion in light of the proposed Mercantile demolition. At a prior meeting, the Board had discussed extending the FIP to apply to new construction, but decided against doing so. He said he remembered one application submitted to the Board for assistance with new construction. The developer stated he would have been able to present a more attractive façade proposal if there were more assistance available for his project. Kemmis said he understands there were reasons behind the hesitancy to extend the program to new construction. However, when discussions began about the proposal to deconstruct the Mercantile, the façade has become a central issue as to whether any portion of the historical façade could be retained. He said it is clear that part of the resistance on the part of the developer to retain the existing façade is a simple matter of cost. It's not the developer that has a stake in preserving the old façade, it's the public. If the Historic Preservation Commission, or the City Council approves the demolition permit and the project goes forward, the only form of assistance the MRA could provide is with demolition. He said he is uncertain in this case, if the Board has the ability to apply the FIP to new construction, or if the developer has plans to seek assistance from the MRA, or even if the Board would recommend it. He said the Board may have limited their flexibility by

excluding all new construction from the FIP. The Mercantile may be a project where the FIP could be a valuable option.

Moe stated she was not present for the original discussion. Brock asked if the FIP for new construction would have helped in the case the downtown Verizon store. Kemmis said the FIP could be used to provide leverage to guide the design process. Moe asked about the City design standards and if they will address these situations.

Buchanan said there is nothing in place that would have addressed The Verizon store on East Broadway. She said the City is on a path to implement stronger design standards, but the process of implementing official guidelines could take the City a few years. Development Services and the City Council are prepared to budget funds to begin that process. She said the report has come back from Winter & Company with some cost estimates, which the Council will use as their basis.

Moe asked if Kemmis saw this being a policy statement that the Board would adopt soon, and what process if any, would have to happen. Kemmis said the simplest way is to remove one line from the FIP which excludes new construction. Moe asked Kemmis if he thought this would be available on a case-by-case situation. Kemmis said yes. Buchanan said an analysis of the state statute would be necessary to see if the program could be applied to new construction. She said there is also the question as to whether the program remains limited to a \$50,000 grant or not. She said \$50,000 would not be enough to help the Mercantile project. MRA has been asked if the program is scalable, and staff has not tackled that yet. She recommended having legal counsel take a look at the statute and said with these large projects that require bonding we had better be on firm footing. Kemmis agreed. Discussion ensued. Reineking thanked Kemmis for bringing this back for more discussion.

STAFF REPORTS

Director's Report

Buchanan gave a brief review of the Director's report. She said she would like the Board's direction on formalizing a deconstruction policy. Moe said she favors deconstruction. Brock suggested finding a way to incentivize deconstruction.

Budget Status Reports

The Board and staff reviewed the financial reports.

ADJOURNMENT

Adjourned at 1:45 p.m.

Respectfully Submitted,

