

## MISSOULA REDEVELOPMENT AGENCY

### CONDENSED BOARD MEETING MINUTES

November 16, 2017

**FINAL**

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, November 16, 2017 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

**Board:** Nancy Moe, Ruth Reineking, Melanie Brock, Natasha P. Jones

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

**Public:** Martin Kidston, Missoula Current; David Erickson, Missoulian; Randy Rupert, CTA Architects; Mike Tuss, CTA Architects (via teleconference); Bob Burns, Stockman Bank; Lori Davidson, Missoula Housing Authority; Ben Dawson, International Brotherhood of Electrical Workers; Donna Gaukler, City of Missoula Parks & Recreation

#### **CALL TO ORDER**

12:00 p.m.

#### **APPROVAL OF MINUTES**

October 19, 2017 Regular Board Meeting Minutes were approved as submitted. November 1, 2017 Special Board Meeting Minutes were approved as submitted.

#### **PUBLIC COMMENTS AND ANNOUNCEMENTS**

Moe said the City Council approved the documents for the Fox Site. She thanked staff for working on it.

#### **ACTION ITEMS**

##### **Stockman Bank Brooks Street – 3601 & 3611 Brooks Street (URD III) – TIF Request (Marchesseault)**

Marchesseault said Stockman Bank has purchased property in URD III at the corner of Brooks Street and Dore Lane with the intention of locating a new bank on the south side property and selling off the parcel to the north on MacDonald Avenue for other development. She said this will be the second new bank that Stockman Bank is constructing in the community with the other being located at the corner of Orange and Broadway Streets. Marchesseault said in the fall of 2016 Stockman Bank asked for a Proceed without Prejudice from the MRA Board to demolish the CINE 3 building on the Brooks Street site at the request of Police Chief Mike Brady because of nefarious activity happening there.

Marchesseault said Stockman Bank is proposing to take down the Aaron's building and build a three story bank building on the corner with a 90-plus car parking lot. She said the building will anchor the corner with its orientation being parallel with Brooks Street and it will reinforce the street edge. She said Stockman Bank is working with the City to pull the sidewalk in and establish a boulevard on Dore Lane.

Marchesseault said this project fits in very well with the vision the City has for Midtown Missoula which is infill development, establishing street edge and density in the neighborhood. She said the Bank is requesting \$454,941 in Tax Increment Financing (TIF) assistance that would be used for deconstruction, demolition, relocation of utility line, pedestrian-scale street lights, curbs, gutters and sidewalks, landscape improvements, general contractor costs and design fees and permitting as outlined in her memo. She said all are allowable expenses and staff recommends granting TIF assistance.

Marcessault said one wrinkle in this is that Brooks Street is owned by the Montana Department of Transportation (MDT) and they have initiated a new policy that really discourages any amenities other than vehicle driving lanes within their right-of-way (ROW). It discourages sidewalks, street trees, street lighting, and any other amenities within their public ROW. Marcessault said cities all over the state are in ongoing conversations with MDT and staff is hopeful that the policy will change or the City will get an exemption. Marcessault said at this point in time staff is recommending giving approval to the full amount which includes \$121,002 for improvements within MDT ROW, contingent on MDT allowing the amenities within their ROW.

In addition, Marcessault said the Stockman Bank building is over 30,000 square feet which is larger than allowed in the zoning and they will need to get a conditional use permit approved by City Council in December. Therefore, she said staff is recommending funding contingent on them getting the conditional use permit and MDT allowing improvements within their ROW.

Bob Burns, Stockman Bank, said he thinks their project will improve and enhance the site as well as being a good addition to the Brooks Street corridor.

Reineking said she hopes the City can get an exception or policy change from MDT. She said she wanted to clarify that Stockman Bank will still do the landscaping, street trees and pedestrian scale lighting on Dore Lane even if it's not granted on Brooks Street. Randy Rupert, CTA Architects, said yes and they will also bury the utilities.

Jones asked what the timeline is for the MDT determination. Marcessault said it is unknown. Buchanan said there are currently ongoing discussions among all of the major cities and MDT. She said the Montana League of Cities and Towns has taken it upon themselves to sponsor some discussions that will take place in mid-December. She said there is not a lot of certainty right now about whether this is strictly a maintenance issue or if it goes beyond that. She said if it's a maintenance issue she is confident the City can enter into agreements with the state that the City will maintain it. She said in Missoula there are already maintenance agreements with the state. There are also ordinances that make those amenities and the sidewalks the responsibility of the adjacent property owner, not the state of Montana.

Jones asked Burns if waiting for MDT's decision will delay their project or if they will move forward. Burns said they will move forward. Moe asked what the presentation on Brooks Street will be if MDT does not approve landscaping, etc. Mike Tuss, CTA Architects, said everyone

involved is questioning what MDT will allow them to do. He said they will do as nice a development as MDT will allow them, but what that is yet is anybody's guess. Marchesseault said there is some distance between the new building and the ROW line which would allow some landscaping on the bank property. Tuss agreed and said there is about 12 feet from the face of the building to the property line.

Moe asked if this policy was adopted by MDT without comment by affected parties. Buchanan said yes. Moe asked if MDT was involved in the MRA planning for the Brooks Street area. Buchanan said yes. Moe asked if MDT is aware that the City was planning to make it a more pedestrian-friendly area and incorporate landscaping along the sidewalks. Buchanan said yes. She said the Brooks Corridor Plan was done in partnership with MDT and they have 90% drawings. She said she thinks it started out as a reaction because last year MDT was short the amount of money they needed to match the federal money they were going to get and there was some danger of even the Russell Street funds having to go back to the federal government. Buchanan said she believes this policy has grown out of a concern by MDT that they are taking on additional maintenance costs and responsibilities when they allow anything to go in their ROW that's not essential for vehicular travel. She said it definitely needs to be flushed out with all of the ramifications understood and that is the effort the MT League of Cities and Towns is trying to broker.

Moe asked if this specific project has been presented to MDT. Rupert said not that he is aware of. Moe asked who is responsible for presenting it to MDT to request permission. Marchesseault said Stockman Bank would need to get an encroachment permit to do any work within MDT's ROW. Buchanan asked Tuss if CTA would typically provide the plans to MDT. Tuss said yes, they have Anderson Stewart, a Civil Engineer, on the project and he would handle the permitting with MDT.

Jones asked if all of the building will be for the bank. Burns said what makes the square footage of this building larger is the basement which they will use for training and staff meetings with break out rooms. The Bank will occupy the first and second floors and the third floor will be leased. He said Stockman Bank thinks for that part of town there could be a need for Class A office space so they are hopefully looking for one tenant to occupy the third floor. Jones asked how big it is. Tuss said it's about 10,000 square feet. Jones asked if the fifty employees in five years is bank personnel only. Burns said yes. Jones said there is the possibility of even greater employment within the building. Burns concurred. Jones asked if the parking is designed to accommodate the leasehold interest. Burns said yes. Jones asked if they have interested parties in the third floor. Burns said no, they haven't advertised the space yet. Brock asked if Stockman Bank will vacate their Russell Street presence once the bank is opened. Burns said yes.

Moe said she would prefer the motion be made in two motions with the approval by MRA being contingent on the City Council approving the conditional use permit.

**REINEKING: I MOVE TO APPROVE TIF ASSISTANCE IN AN AMOUNT NOT TO EXCEED \$333,939 FOR ELIGIBLE DECONSTRUCTION/DEMOLITION, UTILITY RELOCATION, ENGINEERING AND PERMITTING FEES, GENERAL CONTRACTOR COSTS, AND RIGHT-OF-WAY IMPROVEMENTS INCLUDING CURBS, SIDEWALKS, PEDESTRIAN-SCALE LIGHTING AND LANDSCAPING, CONTINGENT ON THE DEVELOPER AGREEING TO CONDITIONS OF THE CONDITIONAL USE PERMIT, AND AUTHORIZE THE BOARD CHAIR TO SIGN A DEVELOPMENT AGREEMENT.**

**Jones seconded the motion.**

**No further discussion. No public comment.**

**Motion passed unanimously. (4 ayes, 0 nays)**

**REINEKING: I MOVE THAT IF MDT ISSUES A PERMIT ALLOWING SIDEWALKS, LANDSCAPING AND PEDESTRIAN-SCALE LIGHTING WITHIN THE MDT RIGHT-OF-WAY ON BROOKS STREET, THAT AN ADDITIONAL \$121,002 BE APPROVED TO REIMBURSE THOSE COSTS. BOTH OF THESE MOTIONS INCLUDE THE DEVELOPER BEING REQUIRED TO USE STATE PREVAILING WAGE RATES FOR ALL TIF-FUNDED WORK.**

**Jones seconded the motion.**

Jones said if MDT does not approve or authorize within the ROW, there still is some potential that Stockman Bank will want contributions towards the remaining improvements to the property. She asked if they would come back to the MRA and make another request. Buchanan said if it's on private property MRA does not fund it so it will end there.

**No further discussion. No public comment.**

**Motion passed unanimously. (4 ayes, 0 nays)**

**MOE SAID THERE IS AN AMENDMENT TO THE FIRST MOTION TO REQUIRE THAT THE DEVELOPER USE STATE PREVAILING WAGE RATES FOR ALL TIF-FUNDED WORK.**

**Jones accepted the amendment.**

**Addition passed unanimously. (4 ayes, 0 nays)**

**Montana Rail Link (MRL) Park – 1930 South Avenue West (URD III) – TIF Request & Request for Authorization to Submit a Request for Proposals for Design Consultants (Marchesseault)**

Marchesseault said documents were signed in the spring for the sale of a parcel of property owned by MRL to the City at a substantially reduced price. She said MRL made the difference between market value and the sale price a contribution to the City. In purchasing the property it gave the City a couple of opportunities. One was to construct the final remaining segment of the Bitterroot Trail so that it is an uninterrupted trail from downtown Missoula all the way to Hamilton. The second opportunity was to create a very much needed neighborhood park within the Franklin to the Fort and Southgate Triangle neighborhoods. She said right now the area is a park desert and sorely needs a neighborhood park. The northern part of the site currently has tenants on it and for the time being those tenants will remain. Marchesseault said eventually the City has a vision to develop it as mixed-use.

Marchesseault said the trail has already been designed. She said Gass has been working with engineers on the trail and they have construction documents complete and are ready to go out to bid right after the first of the year. She said she is working with Parks and Recreation staff including Donna Gaukler, Neil Miner and Patrick McGannon and they have been working closely with neighborhood councils of the two neighborhoods to establish what the program for

the park is and what the design for the park is. Marchesseault said they've gone through a very rigorous public process and have worked collaboratively with the neighbors, neighborhood councils and leadership from the neighborhood councils including one public meeting in August that was well attended.

Marchesseault said out of the neighborhood process they arrived at one cohesive Master Plan for the park. The elements that the neighborhood was interested in having in their park included a multi-use playing court surface, playground, pavilion to accommodate 30-40 people, restroom facilities, community garden, a lot of open space including a lawn to do field sports and a volleyball court, half basketball court and an off-leash dog park that is fenced. She said the plan has been drawn to scale and will fit on the site. She said the Master Plan will be publicly revealed tonight at a second public meeting and they will work with the attendees to confirm that plan is the direction they want to go.

Marchesseault said there are two steps they would like to take now. One is requesting the Board's authorization to issue a Request for Proposals (RFP) for a consultant team to take the Master Plan, which currently is at a 75% schematic design level, through full design development, construction documentation, bidding and construction. She said the second thing staff is asking for authorization from the Board for is funding to move excess topsoil from Fort Missoula Regional Park to the MRL park. She said Miner is managing the Fort Missoula Regional Park project and they have about 3500 cubic yards of manufactured topsoil so they know the quality is good and something they want to use. She said it needs to be removed from Fort Missoula as soon as possible and they will sell it for the cost of hauling. She said Parks and Rec obtained an estimate from Jackson Contractor Group and the hauling cost will be a little over \$29,000. Marchesseault said if the City had to purchase the topsoil from another source and haul it to the site it would be well over \$100,000.

Marchesseault said the process is that after tonight's public meeting and if they get a consultant team on board, they will be asking the consultant team to put together a construction cost estimate for what is in the Master Plan. After they have a solid number Marchesseault said she will bring it to the Board to request construction funding for the project. She expects to request funding for the consultant team in December, and construction funding early next spring. The intent is to finish construction documents by the end of February and go out to bid by early March so they can take advantage of the favorable bidding climate.

Jones asked what the plan is for the segment that the current tenants are on. Buchanan said it's the intent of the drywall company in the building along the tracks to relocate by the end of December. She said what's been talked about primarily for the site is to do a mixed-use development. She said what the City would like to do is find partners and do model housing and mixed-use development that mixes housing types and incomes along with some commercial. She said the City has had conversations with one of the tenants, Camp Mak-A-Dream, about the possibility of incorporating them into the mixed-use portion of it because they adapted their way of doing business to the building they're in as opposed to having a building that's ideal for what they want to do. She said the church understands they have a lease and the City will honor it and work with them to help them relocate.

Jones asked what the longer term plans are after the park is built. She said her concern is that a lot of money goes into the park but there will still be a rather dilapidated second half of the site and the park's use may become an issue. Marchesseault said she thinks it's less of a concern because there is a much greater neighborhood around the site that doesn't have any

neighborhood park. She said they expect it will get a lot of use from the neighborhoods. She said whether it gets constructed in this project or a future project, MRL has given an easement to cross the railroad tracks at Central Avenue, which is part of a greenway plan for the City. She said they expect that regardless of what occurs in the near-term, it will be a heavily used park simply because there are no other parks in the area. Buchanan said one of the opportunities that exists is that the City has put together a Housing Policy Steering Committee and as they work toward policy around housing for the City of Missoula it will become a real opportunity to demonstrate how they can employ the policy. She said it's timely and exciting. She doesn't want to rush into anything on the northern part of the site prematurely, she would like to keep the opportunity available for them to put their money where their mouth is with respect to housing.

Brock asked if the community garden will be run by Garden City Harvest. Gaukler said yes. She said when the City puts gardens in parks they have to be with public support and Garden City Harvest works with them to make sure all the plots can be rented. She said they rent and manage the plots in an agreement with Parks & Rec for \$20/plot. Gaukler also wanted to share that the neighborhood is so excited about the park. She said MRL is unbelievably excited to be a part of making the Bitterroot Trail and Central Avenue connections. She said this is in a low to moderate income neighborhood and one of the featured discussions this morning at the Health Equity Summit was about what this does for park acre per capita and trail connectivity in a lower income neighborhood as it relates to social equity, health and wellness. She said it's such a win-win. The park will also include some MRL interpretation and history as well. Brock expressed her excitement and said it looks like a community park that all of Missoula will be proud of with something for everyone.

Jones asked what the gift portion of the fair market value from MRL was. Behan said it was around \$5 million. Reineking said she appreciates the information about the Central Avenue crossing and said it's great the City has permission from MRL to cross the tracks to access the trail and park. She asked about Buchanan's use of the term relocate. Buchanan said she used the wrong terminology. She said both of the entities own their own buildings (the church and Camp Mak-A-Dream) so the City will have to buy the buildings. They do not own the land. Buchanan said that will give them resources to go out and find a new home. Moe asked if Camp Mak-A-Dream is on a lease. Buchanan said yes. Moe asked when the end of their lease is. Buchanan said she thinks it and the church both have a couple of years left on their leases. She said the lease for the drywall company ends this year.

Moe asked if the access at Johnson Street and South Avenues are part of this. Buchanan said it is part of the trail. Moe asked what is going to be done because there is concern about crossing South Avenue at that point. Buchanan said it will get a formal trail crossing that goes diagonally across the intersection. Lights will also be coordinated for it. Gass said there is a lot of detail going into that crossing as far as activation of the lights and they will be able to detect a bike as it approaches the intersection. He said it will be worked in with the existing phasing of the lights so it won't cause a traffic delay. He said it will be marked across the street and very recognizable as a trail. It is not part of what is being considered today.

Moe said in previous excavation and hauling projects, MRA has worked with the College of Technology, now Missoula College. She said she understands that Jackson Contractor Group can move the soil now, but wanted to bring it up so they are kept in mind for future hauling projects. Marchesseault said the reason that Jackson Contractor Group was contacted is because they are the contractor for Fort Missoula Regional Park.

**JONES: I MOVE THAT THE MRA BOARD ACCEPT THE STAFF'S RECOMMENDATION TO APPROVE ISSUING A REQUEST FOR PROPOSALS TO SELECT A CONSULTANT TEAM TO FINALIZE CONSTRUCTION DOCUMENTS, ASSIST WITH BIDDING AND PROVIDE CONSTRUCTION ADMINISTRATION.**

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously. (4 ayes, 0 nays)

**JONES: I MOVE TO ACCEPT THE STAFF RECOMMENDATION TO APPROVE TIF FUNDS IN AN AMOUNT NOT TO EXCEED \$30,000 FOR HAULING COSTS TO MOVE TOPSOIL FROM FORT MISSOULA REGIONAL PARK TO MRL PARK.**

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously. (4 ayes, 0 nays)

**Holiday Village Sidewalk – 1916 Brooks Street (URD III) – Request to Approve Scope of Services and Project Budget (Gass)**

Gass said the existing condition on the northwest side of the northern building on the parcel of land, Holiday Village “outparcel”, is within a couple of feet of the curb of Brooks Street and has been the pinch point that has prevented the City from doing any sidewalk work there. He said the renovation project involves demolishing the northern part of the building facing Holborn Street and that will allow the sidewalk to go through there. He said it will involve construction of approximately 450 feet of sidewalk adjacent to Brooks Street and relocation of a fire hydrant.

Gass said staff estimates the consultant fees to be under \$25,000. According to City policy, he said a project of this size classifies as an intermediate project and allows staff to award the consultant work to the most qualified consultant without advertising a RFP. He said WGM Group is working with the property owner on developing the site plan and the renovation plan for the “outparcel” and have already completed the mapping for the area including the sidewalk construction area. They were also involved in preparing the sidewalk easements. Gass said staff considers WGM Group the most qualified consultant for this project and subsequently asked them to provide a scope of services and project budget to do the sidewalk work. Gass said MRA received a scope and budget of \$19,900 from WGM Group for design, construction documents, bidding, contract administration services and project close-out, and requests the Board approve an amount not to exceed that for the Holiday Village Sidewalk Project. He said the project schedule is to finalize design and go out to bid this winter with construction beginning in the spring of 2018.

Moe asked if the owner intends to continue the landscaping that is done around CVS on their sidewalk. Gass said there is a plan that improves the landscaping around the north side of the vacated North Avenue and along the frontage of the building adjacent to Brooks Street. He said some parking islands will be constructed along with larger grassed areas. Moe asked if all of the buildings will be demolished. Gass said only the corner will be cut off and a rectangular

building will remain. Reineking asked if lighting will be added. Gass said there is no lighting related to the sidewalk construction.

**BROCK: I MOVE TO APPROVE THE STAFF RECOMMENDATION TO APPROVE AN AMOUNT NOT TO EXCEED \$19,900 FOR THE PROFESSIONAL SERVICES BUDGET RELATED TO THE HOLIDAY VILLAGE SIDEWALK PROJECT, AND AUTHORIZE THE BOARD CHAIRMAN TO SIGN THE PROFESSIONAL SERVICES AGREEMENT.**

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously. (4 ayes 0 nays)

**NON-ACTION ITEMS**

**Missoula Economic Partnership – Update (James Grunke)**

No report.

**STAFF REPORTS**

**Director's Report**

Buchanan said fundraising for the Downtown Master Plan revisit is going well. They have raised over \$20,000 in private dollars already. Jones asked what the goal is. Buchanan said if they are able to raise \$50,000 privately that would be good.

Buchanan discussed moving the Board meeting up a week in December so it's not so close to Christmas.

Reineking said she is excited about Mary Avenue West and the public benefits that go along with it including being able to get across the tracks to schools and businesses. She asked if staff has heard any comments or feedback from the neighborhood. Marchesseault said she hasn't heard direct feedback recently, but she did hear that a neighbor who lives on Clark Street is loving the lights at the roundabout and the aesthetics and is looking forward to seeing the lights in the snow. She said the project has restricted property access for one of the tenants and they have been bumping over the curb and driving over the boulevard to get into their property, beating the corner to death. She said code compliance from the City has been in touch with them a couple of times and also with their landlord. She said staff is hoping it will stop and beyond that everyone in the neighborhood appears to be happy with the project.

Marchesseault said the project was originally scheduled to be finished at the end of October. She said it took a while for the City to get an encroachment permit from MDT, which pushed the project back a couple of weeks. She said staff is expecting to reach substantial completion by the end of this week. She said there will be street trees in the boulevards but they will not be planted until spring.

Behan referred to the Legislative Update in Buchanan's report and invited the Board to attend the meeting hosted by MRA in March. He said he will send out information closer to the date.

Dunn said the audit is going on right now through December and Englund will be contacted for his portion of that. She said in addition to the legislative meetings, the state auditing division

has selected TIF for review this year and that report should be out soon. She said it is a state-wide audit on all TIF districts.

**COMMITTEE REPORTS**

**OTHER ITEMS**

**ADJOURNMENT**

Adjourned at 1:05 p.m.

Respectfully Submitted,



Lesley Pugh