

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

April 19, 2018

FINAL

A **Regular** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, April 19, 2018 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, Natasha P. Jones, Melanie Brock

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

Public: Jan Schweitzer, Anderson Zurmuehlen; Grace McKoy, Anderson Zurmuehlen; Bob Moore, Citizen; Aaron Wilson, Development Services - Transportation; Julie Merritt, Missoula City Council – Ward 6; Martin Kidston, Missoula Current/Montana Today; David Erickson, Missoulian; Jeff Maphis, JCM Architecture; Eric Gabster, Missoula Midtown Association; Eric Abrams, JCM Architecture; Jeremy Keene, WGM Group; Emily Brock Bentley, Missoula Fairgrounds; Bryan von Lossberg, Missoula City Council; Mae Nan Ellingson, Missoula Library Foundation; Honore D. Bray, Missoula Public Library; Barbara Berens, Missoula Public Library Board of Trustees; Chris Martison, A&E Architects; Geoff Badenoch, Missoula Library Foundation; Karl Olson, Missoula Library Foundation; Neil Wells, Missoula Community Access Television (MCAT)

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

April 4, 2018 Special Board meeting minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Bob Moore, citizen, read an excerpt from a newspaper publication.

ACTION ITEMS

FY17 Audit Report – Request for Acceptance (Dunn)

Grace McKoy and Jan Schweitzer from Anderson Zurmuehlen gave a brief presentation summarizing the Missoula Redevelopment Agency's (MRA) financial position as of June 30, 2017. Overall the audit went well and there were no findings.

McKoy referred to a slide from her presentation that looked at revenue sources over the last four years. She said property tax revenues and personal property reimbursement revenues are the two largest sources. Moore said he has heard it said a number of times that MRA doesn't spend property taxes, yet Anderson Zurmuehlen's report shows MRA spending property taxes. He asked if it was a property tax or some other kind of revenue to the MRA. Dunn responded, stating that the revenue from MRA is derived from a tax increment financing mechanism approved by the state. She said that mechanism captures the incremental value of the taxes that would already be paid by the property taxpayers.

Property taxes are determined by the value of one's property and the tax rate that is set by the taxing jurisdictions in whatever jurisdictional area one lives in. MRA captures a portion of that income that the taxpayer would already be paying in their property taxes. The part that goes to MRA is the incremental portion of their taxes, the difference in their taxes from the time the district was formed to the current day. The money goes into MRA's URDs to fund projects only in that district. She said MRA does not levy taxes, it captures a portion of the property taxes that the property taxpayer would already be paying. Moe said the tax increment financing mechanism is allowed under current state law.

Moe pointed out that the MRA Board has had a copy of the full audit report and that a very significant part of the audit is information that is provided by the staff in the Management's Discussion and Analysis, which is a significant part of the material. She also said the audit report does include all of the bonds that are attributed to each district and the status of those bonds as of the fiscal year ending June 30, 2017. She said there is quite a bit of information in the audit report that the MRA Board has reviewed. She said she personally considers the report very comprehensive and thanked Dunn and the auditors for their work.

Reineking thanked the auditors for their work and presentation. She also thanked Dunn for all of the work she does. Jones agreed and said to get the highest praise from independent auditors and have a report where they say they had no disagreements, misstatements or errors is a credit to the MRA staff on how professionally things are handled on a day-to-day basis. Buchanan said MRA's transactions get more complex every year and no two transactions are alike. She said Dunn does a great job and said she also liked the graphs in Anderson Zurmuehlen's presentation.

Moe asked for a motion to accept the FY17 audit report.

REINEKING: So moved.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Montana Ace Fancy Plants Garden Center – 1101 Burlington Avenue (URD III) – FIP Request (Behan)

Behan said Montana Ace Fancy Plants has just entered into their second, 10-year lease at their location on Burlington Avenue. As part of that lease, Behan said Montana Ace has also leased a portion of a large, adjacent building that faces Strand Avenue. The building

also houses an auto parts dealer, Novco Parts Plus. By leasing the additional space, it allows what is now a seasonal business to have winter business and be able to do a significant indoor plant inventory and retail for things other than shrubs, plants and trees. Behan said to prepare the space they are going to renovate the interior and exterior of the building so that it appears to be a store front. Behan said the entire project is just over \$424,000 and he showed renderings of what the façade would look like with and without assistance from MRA. He said the façade portion of the renovation is about \$141,345. The Façade Improvement Program (FIP) allows for assistance of 25% of the total project cost up to \$50,000.

Behan said materials used will be steel siding, wood, glass, and rock which are all on the list of eligible materials to be used under the FIP. He said the owner and the architect understand that there is a gauge minimum for the siding. Along with that, Behan said his memo contains the analysis that the Board has asked for in the past on these projects, which is similar to the analysis on projects requesting Tax Increment Financing (TIF) assistance. Behan said the staff recommendation is that the MRA Board approve reimbursement up to \$50,000 in FIP grant assistance to Montana Ace Fancy Plants on Burlington Avenue.

Jeff Maphis, JCM Architecture, said this project takes the back of a building on Burlington Avenue that is basically an unused, blank Concrete Masonary Unit (CMU) wall and makes it a recognizable store front with year-round use. He said they believe it significantly improves the streetscape and meets the intent of the FIP. He said the improvements include windows, glass entry door, pergola with arching entry and steel siding. Jones asked if there will be any improvements to other parts of the building. Maphis said they have added a garage door, but that is all Montana Ace is planning to do.

Moe asked if the area in front of the building will still be used totally for display of product. Maphis said yes. He said Montana Ace is going to reconfigure the garden and nursery area to enhance the new entry, but it will still be used for display. Moe asked about parking and Maphis said the parking lot is on the west end of the building and is part of Montana Ace's lease.

Julie Merritt, City Council Ward 6, spoke to an email that was sent to the MRA staff and Board from John Wolverton, a constituent of hers. She said the question Wolverton raised was whether or not there is a possibility as part of this project to re-open what used to be an unofficial trail in between Burlington and Strand Avenues. Merritt said she spoke with Ben Weiss, City of Missoula Bicycle Pedestrian Program Manager, and learned that a similar connection is in the Bicycle Facilities Master Plan. She said Weiss said he had been contemplating the trail going through on the east end (Regent Street), but the connection Wolverton was talking about is on the west end (Oxford Street). Merritt said she wanted to make sure this was brought up and that everyone was aware. She said with the block going for so long, with no connections at all, creates a difficulty for pedestrians and bicyclists and it would be nice to have a connection. Merritt said she didn't know if it was possible to make this part of the Montana Ace project, but wanted whatever was going to happen at the site not be something that precludes the possibility of making the connection in the future.

Moe said the Board will take note of it, but said it seemed to her to be a discussion to have with the owner of the property rather than with the MRA Board as part of this project. She said she understands there is a question about whether the right-of-way (ROW) was abandoned and what the status of the ROW is on the east or west side, as well as whether there needs to be negotiation between the property owner and the City to allow that use in between the buildings. Moe said it seemed to be more feasible to her if a trail connection is on the west side where Oxford Street would go through because on the east side, where the bus buildings are, buildings are built into what had been a ROW, if there was one at Regent Street. Moe said it is a decision that is beyond the project MRA is considering. She said the Board is glad to have the information, but doesn't see it as part of their action today.

Brock wanted to thank Wolverton and Merritt for coming and bringing it to the Board's attention. She said it is a big, concrete desert of no connectivity that should be on everyone's radar moving forward.

Eric Gabster, Missoula Midtown Association (MMA), said the MMA is very supportive of other efforts that the MRA has taken to support connectivity in Midtown.

Behan said he went through some records and Oxford Street was vacated in the fall of 1953 and Regent Street was vacated in the winter of 1954. He said they were vacated by the county.

Jones thanked Merritt and Wolverton for raising the issue. She said her impression is that the Board is supportive of the concerns. She said the reality is that the decision before the Board relates to the façade, which she sees as not inconsistent with their concerns. She said when an area is improved there can be a ripple effect and that can lead to further improvements including potentially improving pedestrian and bicycle lanes. Jones said she sees this particular concern as not being appropriately before the MRA Board, but said she does not see the action item today as inconsistent with their concerns or goals.

Reineking said she drove by the site today and didn't realize the block runs from Stephens Avenue to Russell Street with no through connection there. She said if the City wants to extend a bike trail there they will likely come before the MRA Board with a separate request and in terms of an action item, the Board would need it to be an action item before they can do anything.

Reineking said there is a lot of chain link fence around these properties and she understands having to secure the inventory for Montana Ace Fancy Plants. However, if it's open during the day she wondered if there isn't some potential of people going through the parking lot whether it's vacated or not. She asked Maphis if there were any plans for changing the fencing or adding gates to the fencing. Maphis said he couldn't answer that question because JCM Architecture hasn't been involved in the actual layout of the garden area. He said Montana Ace would be receptive to discuss what is being talked about in terms of connectivity. Reineking said she thinks the design is fantastic as opposed to the "back of a warehouse" look.

JONES: I MOVE THAT WE ACCEPT THE STAFF RECOMMENDATION AND APPROVE A REIMBURSEMENT OF UP TO \$50,000 IN FAÇADE IMPROVEMENT PROGRAM

GRANT ASSISTANCE TO MONTANA ACE FANCY PLANTS FOR ITS PROJECT LOCATED AT 1101 BURLINGTON AVENUE, SUBJECT TO PROGRAM CRITERIA AND TRADITIONAL CONDITIONS MRA PLACES ON SUCH ASSISTANCE.

Reineking seconded the motion.

Moe said she is in favor of the motion, but wanted to make sure the program criteria includes the approval of exterior siding materials. Behan concurred.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Fire Hydrant at Dore Lane/Brooks Street Intersection (URD III) – TIF Request (Marchesseault)

Marchesseault said staff received a request from the Missoula Fire Department to install a fire hydrant on the north side of Brooks Street. Currently, the only fire hydrant in this vicinity is on the south side of Brooks Street, so if there is any fire event on the north side it requires closing down Brooks Street and hauling hoses across the street. She said the request was triggered by that need and also the new Stockman Bank building being built in this location. She said Stockman Bank's fire suppression system includes a stand pipe that requires a fire hydrant within a certain radius, which does not exist today. Marchesseault said the Fire Department has requested this hydrant knowing that Stockman Bank is building in this location and are currently getting under construction. She said staff felt that it was most efficient to reach out to Stockman Bank and see whether they would be willing to include this fire hydrant in their construction project pending approval from the MRA Board.

Marchesseault said staff asked Stockman Bank to get an estimate for what the fire hydrant would cost and it is right at \$15,000. She said staff is recommending that the Board approve up to \$15,000 to install a new fire hydrant at Brooks Street and Dore Lane and then work with Stockman Bank to include it in their reimbursement amount.

Moe asked for the status of the Montana Department of Transportation (MDT) review of the public ROW sidewalk and landscaping. Buchanan said the City is doing site-specific maintenance agreements on Stockman Bank at the corner of Orange and Broadway Streets, Les Schwab on Russell Street, and the intersection of Brooks Street and Mary Avenue. Ultimately, she thinks there will be a master agreement that the City will have with MDT so they don't have to have agreements on every project. Moe asked if it is holding up anything that Stockman Bank is doing. Buchanan said it is not holding up anything on Brooks Street, however it probably is at Broadway and Orange Streets. She said Stockman Bank needs to get their landscaping in because right now it's a trip hazard. They have the bases and anchor bolts in place for the pedestrian-scale lighting.

BROCK: I MOVE TO APPROVE THE RECOMMENDATION OF THE COST OF INSTALLING A NEW FIRE HYDRANT IN THE PUBLIC RIGHT-OF-WAY AT THE INTERSECTION OF BROOKS STREET AND DORE LANE IN AN AMOUNT NOT TO EXCEED \$15,000, AND DIRECT STAFF TO WORK WITH STOCKMAN BANK TO INCLUDE THE HYDRANT INSTALLATION IN THEIR CONSTRUCTION PROJECT AND

AMEND THE DEVELOPMENT AGREEMENT WITH STOCKMAN BANK TO ADD THE HYDRANT COST TO THEIR TOTAL TIF REIMBURSEMENT.

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

Motion passed unanimously (4 ayes, 0 nays).

Missoula County Fairgrounds – 1101 South Avenue West (URD III) – TIF Request (Buchanan)

Buchanan said there have been discussions around the fate of the Fairgrounds, the redevelopment of the Fairgrounds and possible relocation of the fair for decades in Missoula. The County has gone through a very extensive planning process relative to the Fairgrounds and hired Emily Brock Bentley to take on the project, manage the Fairgrounds and manage redevelopment of the Fairgrounds. Buchanan said staff has been working with Brock Bentley, City Council members and the County for a while now to try to figure out what role, if any, the City through MRA might play in the redevelopment master plan. One of the things that has repeatedly been expressed and adopted in formalized City plans is the desire to penetrate the Fairgrounds. Right now it is fenced off and impenetrable in terms of connectivity to the Young Men's Christian Association (YMCA), Playfair Park, as well as how you manipulate through the Brooks/South/Russell intersection.

Buchanan said there have been concerns about how MRA might assist in the redevelopment. There was discussion about the possibility of amending the boundaries of URD III to include the Fairgrounds. She said the discussions led collectively to a request to confine the investment of TIF dollars to the connectivity piece of it and put trails through the Fairgrounds that will get you around Brooks/South/Russell if you are a bicyclist or pedestrian and will connect you to the south part of the property where the YMCA exists and get you into Playfair Park. Buchanan said this is allowed under state statute even though this particular piece of acreage is not in the urban renewal district. She said there is language in state statute that recognizes that sometimes connections and infrastructure extensions are needed outside of the district to make the district function better. This connection not only connects the district to other facilities outside of the district, it also connects the district to itself.

Buchanan said the cost estimate for design and construction of the connectivity piece is \$1,155,500 which would be spread over two fiscal years, 2019 and 2020. One of the requests from Council members who worked on this was some analysis of how much capacity this will absorb in the district and what projects might not be able to be done if the investment is made in the Fairgrounds. Buchanan said as soon as MRA got taxable values this year she had financial advisors Springsted & Associates run a capacity analysis on URD II and URD III because they both have limited life spans and potentially big projects on the horizon. Buchanan said they need to figure out some splits and what is taxable and tax exempt in the bonding MRA is looking to do, but the analysis shows that if the Fairgrounds project is funded through bonding and it is combined with the bonds issued to build the Montana Rail Link (MRL) Park, Bitterroot Trail connection and pay for acquisition of the MRL property, MRA will still have between \$10-\$12 million in bonding capacity in URD III. The

other piece of that is that revenue is increasing in URD III consistently which is why MRA is able to do these large projects.

Buchanan said the staff recommendation is that the MRA Board approve the request from Missoula County Fairgrounds for reimbursement of up to \$1,155,500. Further, Buchanan said the recommendation includes that the City enter into some sort of instrument with the County/Fairgrounds to ensure that the trails will be accessible except during the fair when livestock must be contained and some of the trail access points may need to be fenced off. She said the trails show up in the Bicycle Facilities Master Plan and Long Range Transportation Plan so there is certainly plenty of justification for doing this. She said staff agrees there needs to be some sort of a permanent agreement with the County/Fairgrounds that the trails will remain accessible, if the Board sees fit to approve this. She said staff also recommends that MRA combines this bond with the bonds that will be issued for the MRL property because it will be more efficient and have cost savings.

Jeremy Keene, WGM Group, gave a presentation of the plans for the trails. He said they already gave the presentation to the Land, Use and Planning (LUP) Committee. He said the County is embarking on a major reinvestment in the Fairgrounds with the mission to promote the idea of agriculture, education and community recreation around the Fairgrounds, which is the physical space that embodies that mission. He said the reasons for redevelopment are that it is a precious resource and a valuable community resource in terms of open space in Midtown. It is also valuable in preserving our cultural identity around our agricultural roots in helping promote the next generation of farming and education around agriculture. There are also health and recreation opportunities with the ice sports located at the Fairgrounds. It will also promote and actualize the vision of Midtown because it is an amenity that supports the kind of intense development seen in Midtown.

Keene said the process the County/Fairgrounds have been working through began in 2008 when the master planning began. It came together in 2016 when an implementation plan was adopted which gave the vision and use for the Fairgrounds. He said last year they began working on design guidelines which are intended to provide consistency in design as they go through the various projects. At the same time, he said they have been working through a schematic design which further takes the implementation plan to some "on the ground" design and starts to look at the specific construction features that will be involved. He said they will be breaking ground with some construction projects this spring including regrading and prepping the back side of the Fairgrounds (racetrack area) for future development, as well as utility work.

Keene said the schematic plan includes some big changes from the master plan. One is the change in the location of the ice rink to the southwest corner. He said it was done because the County/Fairgrounds did a study and engaged a specialist in ice rink design. The specialists told them that reconfiguring the existing facility was not going to be the best, most efficient design. In moving the ice rink, it clears the current space it's in for open space and views into the Fairgrounds as well as getting some better synergy with the YMCA and some shared parking opportunities at the corner. He said the exhibit building will move to the location where the existing ice rink sits today. The other changes include moving the Learning Center closer to the street so it will better engage the street and be a more urban-type building that will complement South Avenue. It will also incorporate the Butterfly

House/Insectarium. The last change made is that the maintenance building will be moved out of the corner of the property, primarily to save costs with the utility runs that need to be made. Keene said the building will be a shared facility with the City Parks and Recreation Department.

Keene said the County/Fairgrounds and WGM Group are aware of how important the open space is and how they treat landscaping. They want to create a park atmosphere so when there aren't big events going on at the Fairgrounds it feels like an open campus and a place to come and recreate. They want to emphasize the views in and out of the Fairgrounds, both how you see the Fairgrounds from the streets externally as well as looking out from the inside. Keene said the landscaping will represent these project aesthetic characteristics of legacy and innovation through the types of plantings they use and the way they are treated. This includes things like native plantings, crops and grasslands that you would see in an agricultural setting as well as more formal manicured lawns and spaces around historic buildings that complement those uses. He said there is also the opportunity for innovation where they can incorporate new sustainable techniques like rain gardens, pervious pavements and things they think are part of the mission of the Fairgrounds to promote through education and sustainability in design.

Keene reviewed the bicycle and pedestrian part of the plan, really looking at the Fairgrounds and bike-ped facilities as a way to get visitors to the Fairgrounds and circulate inside the Fairgrounds, as well as for commuters, park users, school kids, YMCA users and Midtown businesses to be able to circulate through the Fairgrounds and around. Keene said they broke it into two different categories of trails within the Fairgrounds with the trails being more of multi-use path, designed more for bicyclists and commuter traffic and then walkways being more akin to a sidewalk with internal circulation within the Fairgrounds. The walkways will be narrower than the trails and less geared toward bicycle traffic.

Keene said the perimeter of the Fairgrounds is important to Midtown and the URD III District. He said they want to make it pedestrian friendly with nice curb appeal, providing depth to the landscaping so that it creates a transition between the more urban-intense area and the more rural/agricultural space. There will be view corridors that also center in on important buildings within the Fairgrounds.

Keene said the request from the Fairgrounds today is to look at three different trail corridors. They include the Fairway/Raceway Trail which goes through the Fairgrounds, Stephens Trail which would extend the bike lane system from Stephens Avenue to Playfair Park, and Playfair Park Trail which would run along the south boundary of the Fairgrounds between the YMCA and the Fairgrounds as well as connect some of the bicycle facilities in continuation of that network west of Russell Street.

Keene said the trail system connections are recognized in the URD III Needs Assessment and the more current Bicycle Facilities Master Plan. He said it enhances URD III and the benefit to the district is that this Fairground property without that permeability really doesn't provide an easy way to get through the Brooks/South/Russell intersection. He said these trails will connect two different parts of the district through the Fairgrounds. They will also connect the important facilities of recreation, schools, and other infrastructure to the district.

Keene said the schematics show a 30 foot trail corridor. The request includes the trail surfacing as well as landscaping, lighting, and fencing to establish a nice, wide greenway through the Fairgrounds and along the edges. Moe asked Keene to address the style of the fencing that has been discussed. Keene said they are looking at how to treat the fences in different locations. He showed a picture of an example of the vision for the perimeter along South Avenue and Russell Street where it would be a combination of a low wall of landscaping and permeable/transparent fencing above that to allow visibility into the Fairgrounds. He said they looked into whether they needed fencing at all and concluded that for some of the events they do need fencing because some of the sites will need to be contained during the Fair. In other parts of the Fairgrounds they are looking at fencing that will complement the use. For instance the agricultural areas will have fencing in style with agriculture. That could be the pipe rail rodeo-type fencing, chain link or wrought iron fencing. He said they can be coated with black vinyl to help them blend in or screened with landscaping. Keene said within the gardens they are looking at wood and wire fences that would be transparent and tall enough to prevent deer from getting in. Moe asked if the fencing is included in the \$1,155,500. Keene said yes, where the fencing is needed along the boundaries is included in the request. He said Jackson Contractor Group, the general contractor for the Fairgrounds, helped them put together the estimate.

Bryan von Lossberg, Missoula City Council President, said he wanted to underscore a few things that were discussed before and mentioned in Buchanan's memo. He said his colleagues John DiBari, LUP Committee Chair, and Gwen Jones, Missoula City Council Vice President, were in some of the discussions as the planning was being done. He said Buchanan's memo really highlights the things they were looking at from a City Council perspective. He said they are glad to be a part of approving ambitious plans when it comes to bicycle and pedestrian facilities around the community. He said they are very comfortable supporting the community for those sorts of values and infrastructure. von Lossberg said it is always challenging for himself and others because funding those visions is difficult. He said when there is an opportunity like this he becomes very interested in the opportunity to implement what has been put in the Bicycle Facilities Master Plan and Active Transportation Plan to realize those visions. von Lossberg said any investment is a weighing of the benefits and the constraints. The Council members are always looking at these sorts of things from an opportunity/cost standpoint of if they do this are they going to not be able to do something else on the horizon that is important to be doing. He said it was critical for the City Council to see the capacity analysis that Buchanan mentioned and see that there is healthy opportunity and funding within the district to do other things as they look at important priorities for the community. von Lossberg said he, personally, is excited about the opportunity and thinks it is a wise investment.

Aaron Wilson, City of Missoula Development Services - Transportation, said these trails are in the Bicycle Facilities Master Plan and they were put in there specifically because they make connections that the City currently does not have. He said the barrier the Fairgrounds poses is a fairly big obstacle in terms of cost and time and energy to get around it when you are on a bike or walking. These trails will make it much more permeable and connect a lot of existing and future facilities to get people to, from and across the Fairgrounds. Wilson said when they looked at the Southgate Triangle Neighborhood and the number of people biking and walking, it dropped off dramatically when they got to the Fairgrounds part of town. There are clear barriers there and the proposed trails are a way for it to be opened

up. He also said as they have gone through the process, the designs have gotten a lot better over time with changes such as moving the buildings. It separated the pedestrians and bicyclists from motor vehicle traffic even more which is a positive outcome of the designs.

Merritt said there is so much to be excited about here. She said one other way in which she thinks it can fit in with existing plans is around the sustainability piece. She said she would love to see the trails and fencing incorporate use of recycled materials and sustainable materials. She said one of the main points in Keene's presentation was about using innovative techniques and she wanted to stress how important she thinks that is. Merritt added she would like to see it plugged into the Zero Waste and other sustainability initiatives the City has.

Gabster said he was there on behalf of Mark Bellon, President of the MMA, and as a member of the Missoula County Fairgrounds Advisory Committee with Behan and Keene which started eight years ago, and also as a resident of Midtown. He said on behalf of the MMA and comments Bellon wanted passed along, the MMA has always seen that a robust Fairgrounds is very important for driving all levels of business and community life in the area. He said it will make a huge difference in the community and business life for the area because every one of the businesses around the Fairgrounds benefits phenomenally when the Fair comes every year, and that is only for one week. Gabster said the programming that Brock Bentley has put in place and planned for phased deployment over time is going to bring year-round activity happening on almost a nightly basis and that is a phenomenal benefit to the development of Midtown's life and business community. He said the other point the MMA has always supported is the value of TIF funding. They supported the expansion of URD III and its engagements at Mary Avenue, circulation around Southgate Mall, development of the bridge over Reserve Street, and MRL Park that is underway. Gabster said MMA sees the phenomenal value in using the TIF money to be able to expand the life and development of Midtown, which has for many years been ignored and blighted. He said it is exciting for all of them to see it developed.

Touching on the work of the Fairground Advisory Committee, Gabster said this is not a build it and they will come kind of situation. He said people are using trails there already, but not to the extent they could be. He said this is a matter of reinforcing and supporting something that exists as a community benefit to connect different parts of the URD and also make an enormous benefit to the community to be able to reach all of the things that surround the Fairgrounds. He said the Fairgrounds should do everything it can in planning to connect to the sides that are all around it. He said this is a significant and beneficial effort and is well endorsed. Gabster said as a resident of Midtown it will be great to have this gem polished off after a century and make it the utility it can be.

Moe asked Behan if he had anything to add since he was part of the Fairground Advisory Committee and other committees. Behan said his involvement has ended, but that it is good to see some of the things he was pushing for be included in the changes to the overall design.

Reineking said she agreed the new layout is better with the ice rink moved, allowing more open space with views into the interior of the Fairgrounds. She said with the new Les

Schwab building on Russell Street to the west of the Fairgrounds and previous talks about extending the bike trail on Fairview Avenue, she asked if there was a plan for a roundabout or something at Fairview Avenue. Brock Bentley said those plans are still in the works but not in the Fairgrounds Master Plan because it is not part of the property. However, she said it is definitely the vision they are pursuing in conjunction with the City. Reineking said it occurred to her as they were talking about increased bicycle and pedestrian use that this could be safer by a great magnitude for people who are already using it and will be using it if the trails go through the Fairgrounds, instead of forcing them out onto Russell Street and South Avenue. Reineking said she wanted to make sure there is a way for them to get across Russell Street at Fairview Avenue.

Reineking said the economic impact is huge for the Fairgrounds getting developed and thinks so many people just think about it being used mainly during the Fair and that is not the case. She said it gets used almost every day of the year for different purposes. Brock Bentley said in terms of raw numbers the biggest impact the Fairgrounds redevelopment will have is adding another sheet of ice and better facilities. She said the exhibit/livestock center and learning center which will house the Butterfly House/Insectarium will also bring a lot of traffic to Midtown. The Insectarium is a non-profit that pushes up against increased rents and this will be a way for it to have a permanent home. For school groups that come to Midtown, weekend traffic in the area, and the 86,000 people that came to the fair last year, she said the surrounding businesses have reported that they see an economic benefit. Brock Bentley said the Fairgrounds Master Plan increases the open space from five acres to 19 acres, which will definitely be an asset to high-density housing in the area where there isn't a lot of open space. She said they continue to be involved in discussions with Mountain Line and other groups advocating for better transit service in the area and are happy to partner in whatever ways are best for the community. Reineking said she is glad Brock Bentley mentioned Mountain Line. She said she'd like to know there is still some flexibility there for a connection with Mountain Line, whether it's a transfer station on Fairgrounds property or elsewhere.

Brock asked about the Fairway/Raceway Trail and wondered if it will be lit and open 24-7 and included in the agreement, except for the week of the Fair. Brock Bentley said yes. She said the motion before the Board is contingent upon that agreement. Brock Bentley said she wanted to emphasize that the design guidelines that they are putting through the process of public review right now have been developed in conjunction with the City. She said one of the great things that came out of that process and having City participation was the emphasis on the issue of connectivity. She said there are a lot of Fairgrounds stakeholders that have been involved in the Fairgrounds for a long time and have a different perspective about the trails. She said it's not a given that they would be open 24/7, but with the City coming to the table on it, they will be. She said the current trails at the Fairgrounds are used a lot, and it's sort of a local secret, but they're not reliably open. She said if they're not reliable they are almost useless for commuters. Brock Bentley said with the City coming to the table with this funding, the Fairgrounds will agree to keep the trails open 24/7, except during the fair. She said the City trails aren't technically open 24/7, there is a curfew on those trails and the Fairgrounds will be aligned with whatever the City policy is for those commuter trails. She said there will be no physical barrier, although there may be posted hours consistent with whatever the City's posted hours are. Keene pointed out that the trail that runs along Stephens Avenue and the trail that runs along the south edge will be outside

of the Fairgrounds fence so even when the fair is happening those trails will still be accessible. Brock said she likes that this will be part of a written agreement forever that the trails are truly open.

Jones asked if there was a pedestrian walkway on the corner of Brooks Street and South Avenue. Keene said all of the gray areas on the map are trail connections or road connections so there is a lot of new connectivity being added. Jones asked if the entrances will also remain open. Brock Bentley said they will still have the same issues as the Fair and there might be some events, such as the dog show, where if they rent the whole Fairgrounds they can control access and charge for admission. She said they will use temporary barriers to do that and nothing will be designed as permanent. Brock Bentley said a big piece of the design is traffic calming because it is such a temptation for people to blow through the Fairgrounds. Jones wanted to confirm that the access points will remain open and promote a feeling of openness and connection. Brock Bentley concurred. Keene said the design guidelines state the accesses will be generally open to the public, meaning that unless there is an event going on you can expect to see them open.

Moe asked if there was any legal work associated with this. Brock Bentley said the County will still own and maintain the trails. She said they have been working closely with the school district and City Parks and Rec on what it looks like and making sure they are designing parking that can be shared and that works for everybody. She said the Fairgrounds and Parks and Rec will be going through a Memorandum of Understanding (MOU) process because part of the property is owned by the City. Moe asked if the request includes surveying. Keene said the estimate does include professional services including design, survey and construction services.

Moe said she is also concerned about crossing Russell Street. She asked if there had been any discussions about access across Russell Street at Fairview Avenue. Buchanan said staff had Woodbury Corp. redesign their site plan on the Les Schwab property so that there is adequate room to acquire what ROW would be needed for a traffic circle or roundabout. She said it is in the long-range plan. Moe asked if it is a Montana Department of Transportation (MDT) street. Buchanan said it is a state ROW so it will involve MDT. Brock Bentley said the Fairgrounds does plan on dedicating ROW to the City to have boulevard sidewalks, but they can't do it until they get the new ice rinks built because the current ones are in that space. She said they do envision a really beautiful Russell Street and want to give the space needed for those nice facilities, so the whole community would benefit. Moe asked if anything in the future would happen that would cause the trails to have to be dug up and redone. Brock Bentley said no.

Moe asked Buchanan if she had an idea of the timing for the bonds. Buchanan said she would like to have them in front of the MRA Board in May. She said they are trying to pin down costs and figure out what the size of the bond issue will be. Bids on the Montana Rail Link (MRL) Park will be opened on May 1st and staff and bond counsel will be in a better position to size the bonds, figure out how much is taxable and how much is tax exempt, and move forward.

Moe asked if the lighting complies with the Dark Skies/Missoula Lighting Ordinance. Keene said they will comply with that. He said they are looking at using the same lights Parks and

Rec is using on their trails because they have been very happy with them. Moe asked if the electrical is included in the request. Keene said yes.

Reineking thanked Brock Bentley for clarifying that MRA will not get a request for additional trails down the road. She said she was concerned about water, sewer and other kinds of infrastructure connections in the Fairgrounds. Brock Bentley said there are 16 unknown septic systems on the Fairgrounds property. She said the County is going to move forward on implementing and building new sewer and water infrastructure. She said they are in discussions with Missoula Water about connections to add to the system instead of dead-ending them. She said the Fairgrounds is happy to do that if Missoula Water is willing to pay for it. Buchanan said staff looked at this as part of their request because it is part of infrastructure and connectivity. She said the sewer in the Fairgrounds does not benefit the district and there was no way to make that case. She said they suspected the redundancy on the water lines might and Missoula Water ran every model they knew to run and could not find that it was something that would benefit the district because it was just outside of the district.

Brock Bentley addressed Merritt's points in terms of innovation and sustainable techniques. She said they will definitely explore alternatives. She said Aaron Wilson is on the Missoula Urban Demonstration (MUD) Project Board and also has some really exciting sustainable products they have been doing and the Fairgrounds would like to be a demonstration project. She said Keene has ideas about alternative bidding and seeing what is practical and can actually happen. Moe said the County used a parking area out in the industrial park that is recyclable material that has grass growing into the parking area. It is by the baseball fields. Brock Bentley said the Health Department requires full paving if you use a facility more than 60 days per year because of dust mitigation. She said all of the Fairground's flex parking is not anticipated to be used more than that so they are looking at alternatives.

Buchanan said after the agenda was published she had several people ask whether or not City Council would review this and if their approval would be necessary. She said this does go to City Council because MRA would be bonding and because of the request for a permanent agreement between the City and the County as to the permeability and availability of the trails. She said the ultimate approval will be City Council.

Moore said he wanted to make an offer to pay for a survey similar to one the University did, asking the taxpayers if they would like to spend \$1,155,500 on city streets or another \$1,155,500 on more trails. He said he wanted to put the results of the survey in the media. Moe said she was going to rule that Moore's offer was out of order for the meeting and would not be considered.

REINEKING: I MOVE THE STAFF RECOMMENDATION THAT THE MRA BOARD APPROVE THE REQUEST FROM THE MISSOULA COUNTY FAIRGROUNDS FOR REIMBURSEMENT OF UP TO \$1,155,500 FOR THE DESIGN AND CONSTRUCTION OF THE FAIRWAY/RACEWAY, STEPHENS AND PLAYFAIR PARK TRAILS THROUGH THE FAIRGROUNDS WITH THE CONDITION THAT THE PUBLIC ACCESS TO THE TRAILS BE MAINTAINED EXCEPT DURING EVENTS REQUIRING FENCING OF THE GROUNDS AND RECOMMEND TO THE CITY COUNCIL THAT THEY APPROVE COMBINING THIS

FUNDING WITH THE BONDS THAT WILL BE ISSUED FOR THE MRL PROPERTY PURCHASE AND DEVELOPMENT OF THE PARK AND TRAIL ON THAT PROPERTY AND AUTHORIZE THE CHAIR TO SIGN THE REQUIRED AGREEMENTS.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Bitterroot Trail Connection – North to Livingston (URD III) – Request to Approve Change Order (Gass)

Gass said construction is progressing on the trail. He said his memo is regarding the old GTS Supply site on the northern half of the property that the City purchased from MRL. He said there are vacant buildings in the area and with the trail project the fenced area was opened up. It was determined to be in the best interest of the City to control access into the vacant buildings and prevent vandalism. Gass reviewed a map showing the proposed six foot chain link fence in red. The cost estimate for 650 feet of chain link fence is \$19,500 and Gass said staff would like to add some contingency to that amount and establish a not-to-exceed cost level, which will allow MRA to move forward with the project without delaying the contractor.

Gass said staff is continuing to explore other options of bringing the cost down, such as leasing some temporary fencing. Ultimately the fencing will come down because the property is planned to be redeveloped, so perhaps a temporary fence will be more cost effective. He said staff is asking for a contingency because the proposed line for the fence may be tweaked to shave off some of the corners and have more clearance between the trail and the fence, but the goal is to try and bring the number down.

Gass said the staff recommendation is for the Board to approve Change Order #1 to the Bitterroot Trail Extension project in an amount not-to-exceed \$25,000 to provide security fencing around a portion of the City-owned property west of the trail and adjacent to North Avenue and authorize the Board Chair to sign the Change Order.

Jones confirmed that the property and buildings are City owned. Gass said that is correct. Buchanan said the tenant moved out about a month ago, leaving the property vacant. Jones asked what the longer-term plan is for the property. Buchanan said that whole northern section is the area the City would like to see redeveloped as a model mixed use/mixed income/mixed housing development to demonstrate that things don't have to be segregated. Jones asked if the buildings will eventually come down. Buchanan said all of them will. She said one of the things staff may want to look at is whether or not it's less expensive to go ahead and demo the site. Jones said that was her concern. She said she raised this concern at the first meeting where the MRL Park was being discussed because it is not appealing to the Park or surrounding area. Gass said staff will look into demolition. Buchanan added that this has been a scramble because once the fence came down they recognized the liability issues there. Moe concurred and said it is a security problem. Jones asked if it was possible that staff will go back and demo instead of fence. Buchanan said staff will look at several options. Reineking said the fence will be necessary in the

meantime. Gass agreed and said the trail project needs to keep moving forward so the contractor isn't delayed. Jones asked if the issue arose because the City is preventing a problem or if problems have already arisen. Buchanan said they are preventing a problem. Moe said MRA has had experience with other vacant properties that have not been fenced off with people causing nuisances.

BROCK: I MOVE THAT THE BOARD APPROVE CHANGE ORDER 1 TO THE BITTERROOT TRAIL EXTENSION PROJECT IN AN AMOUNT NOT TO EXCEED \$25,000 TO PROVIDE SECURITY FENCING AROUND A PORTION OF THE CITY-OWNED PROPERTY WEST OF THE BITTERROOT TRAIL AND ADJACENT TO NORTH AVENUE AND AUTHORIZE THE BOARD CHAIR TO SIGN THE CHANGE ORDER.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Jones said even if the buildings are demolished there might just need to be different fencing. Buchanan said the other buildings out there are occupied and there is a fair amount of activity associated with the church and Camp Mak-A-Dream. She said once those buildings are no longer occupied then the City will be full steam ahead and try to craft a Request for Proposals (RFP) for a public-private partnership to develop the land. She said that will take some time and will allow the current occupants to find new homes. The City has talked with Camp Mak-A-Dream about accommodating them in the new mixed-use development.

FY18-FY19 Audit Services – Request to Approve Two Year Contract Extension with Anderson Zurmuehlen, P.C. (Dunn)

Dunn said the action requested is to ask for Board approval of a two year extension with the City and MRA's current auditors, Anderson Zurmuehlen, P.C. She said under the Montana Department of Administration's guidelines audit contracts and extensions can be no more than three years at a time and extensions only two years. Dunn said MRA went out in 2009 and 2014 for an RFP and Anderson Zurmuehlen, P.C. was the successful agency that got the audits in those years. This is the end of MRA's three year contact with them and Dunn said she called the City to see if they wanted to go out for another RFP or what their pleasure was. She also contacted the Missoula Parking Commission, who does their audit independently from the City like MRA does. She said both were satisfied with Anderson Zurmuehlen, P.C. services and would rather do a two year extension. Dunn said she spoke with Buchanan and both of them feel like Anderson Zurmuehlen, P.C. do a quality job. She said MRA does get a new set of eyes on the financials because they do have turnover there and the staff that comes in is new.

Moe said the MRA Board has also been pleased with the services provided by Anderson Zurmuehlen, P.C. She said it is also nice to have people with experience with MRA.

JONES: I MOVE THAT WE APPROVE A TWO YEAR EXTENSION OF THE CONTRACT WITH ANDERSON ZURMUEHLEN, P.C. FOR AUDIT SERVICES FOR FISCAL YEARS

ENDING JUNE 30, 2018 AND JUNE 30, 2019 FOR AN AMOUNT NOT TO EXCEED \$12,500 AND \$12,875 RESPECTIVELY.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Copier Replacement – Request to Approve (Dunn)

Dunn said MRA currently has a Sharp copier and have had it since 2010. The City has a replacement cycle for copiers between six and eight years. MRA passed on replacing the copier for a couple of years because it was in good working condition. Over the past year there have been some issues with copies wrinkling and scanning/networking. She said the recommendation from the Information Technologies (IT) Department is that MRA look at replacing it because they update and migrate to new servers and there is a compatibility issue.

Dunn said the IT Dept. does a request for quotes and there is a table in her memo that shows the results. She said staff has been very happy with the Sharp's performance. It meets staff needs and the customer service/maintenance is extremely responsive. Dunn said she and Pugh visited with Frank Sheehy from Office Solutions & Services where he demonstrated the current model of Sharp's functionality and services. It is very similar to what MRA already has and is used to. Dunn said the recommendation is to approve the purchase of a Sharp MX-4070V digital copier in an amount not to exceed \$7,749.

JONES: I MOVE THAT THE BOARD APPROVE AND ACCEPT THE QUOTE FROM OFFICE SOLUTIONS AND SERVICES FOR THE PURCHASE OF A SHARP MX-4070V DIGITAL COLOR MULTIFUNCTIONAL COPIER IN AN AMOUNT NOT TO EXCEED \$7,749 AND DIRECT STAFF TO ENTER INTO A FOUR YEAR MAINTENANCE SERVICE AGREEMENT.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

NON-ACTION ITEMS

Missoula Public Library – Presentation

Barbara Berens, member of the Library Board of Trustees, thanked the MRA Board for the opportunity to make a presentation. She introduced representatives of the Library that were present including Geoff Badenoch, member of the Library Foundation Board of Trustees, Chris Martison, A&E Architects, Mae Nan Ellingson, member of the Library Foundation Board of Trustees and Chair of the Finance Committee, Honora Bray, Library Director and Karl Olson, Missoula Library Foundation.

Badenoch talked about the background of the project and why they are doing it. He said they still find, even after the successful bond issue, people are asking them questions about why they aren't just renovating and/or expanding the existing Library. He said the Library underwent a very extensive consideration of these issues several years ago that was triggered by a lack of space. He said the Library doesn't have enough space for the services it currently provides. Badenoch said the Missoula Public Library is the busiest Library in the state of Montana. More items are checked out (books, CDs, movies, etc.) than any other library in the state, as well as more library cards issued per capita. Badenoch said Missoulians love and use the Library.

Badenoch said when they looked at renovation they also had to wrestle with the mechanical systems. He said the current mechanical systems are so old that when a part breaks they can't buy a replacement. Someone actually has to manufacture the part. He said the Library is not going to try and limp along for forty more years with its systems. The Library space is very limited and the building is not designed to take another story so they can't go up or out. Badenoch said the Library Trustees made the decision that it is time to have a new Library.

Badenoch said the Trustees were successful in getting the County to put this on the ballot as a bond issue and it passed. He said Missoula County wants this Library project. The bond issue before the voters was for \$30 million and the Library Foundation pledged to raise the remaining \$5-\$6 million needed to complete the building. He said in the last year they have been on a mission to collect the pledges and support and have been very successful.

Badenoch said the Library Foundation has also undertaken a lot of community meetings to get input on the design and features of the Library. One of the things they did was select a design team that included a local architect and an architectural firm out of Minneapolis that specializes in library design. They felt this combination was essential. They needed to have local architectural and design services that know the community as well as the specialized design services that a library demands.

Martison gave a presentation on the Library design, describing the themes, focus and activities for each floor.

Ellingson gave an update on the Library Foundation's fundraising efforts. She said they are very close to their \$5 million goal and have currently raised \$4,750,000. Last fall, she said A&E Architects were designing the building and trying to fit it in the \$35 million budget. They came to the Library Board and Foundation and said there is no way they can build the Library envisioned for \$35 million. She said A&E Architects were looking for ways to shave off \$1.25 million by cutting square feet or eliminating the fourth floor. At that time, the Foundation felt that because of the early drawings they had shown to the voters and what they felt was the importance of the fourth floor and having a monumental building downtown, they did not want to lose the fourth floor. Ellingson said at that time the Foundation took on the responsibility of figuring out how to come up with another \$1.25 million so they did not lose the fourth floor. She said that is why they now have a budget that is closer to \$36.5 million instead of the \$35 million they had hoped to bring the building in at. She said those who worked so hard on it felt like they only have one shot to do the

building and it is not really possible to put on the fourth floor later on so they want to make sure they can try to deliver the best they can.

Ellingson said now, with the new Library budget and obligation, they basically need another \$900,000 by September 28th, or before. She said they hope to enter into a Guaranteed Maximum Price (GMP) contract with Dick Anderson Construction at the end of July. The agreement the Library has with the County will require the Foundation to deposit with the County the amount of money that they need to complete the contractually obligated price. She said they have been thrilled with the public's response to the fundraising and they are still making lots of asks.

Badenoch said when the current Library was built he was a college freshman at the University of Montana and the new Library project then was led by Ty Robinson who was also the honorary chairman of this effort. Badenoch said when Robinson undertook that project he was eight years younger than Badenoch is now. He recently passed away at 102. Badenoch said that gives a historical perspective of how long that Library has served Missoula.

Badenoch said the reason the Library is coming to MRA is that MRA has a history over the years of making the marginal difference between mediocre projects and good projects. He gave examples of A Carousel for Missoula, Orange Street Bridge, Mountain Line Transportation Center, Fire Station #1, and the parking garages in town. He said without MRA's participation all of those projects would serve the people of Missoula in a much poorer fashion that would not be nearly as good. Badenoch says he knows from his experience that MRA does not keep bags of cash around. He said the Foundation's plan is to come back next month with a more definite proposal for participation. He said he knows MRA uses the guideline of no more than 10% of a project and they are not in a position to ask for anywhere near 10% of their project from MRA, it will be quite a bit less than that. Badenoch said they hope that when they come back, the Board will take the information they got today and give a good, earnest listen to their request. He said they know it will take some creativity to find the money out of this district. Badenoch said there are ways to do it and they have to try hard, think hard and imagine a way to do it. When they come back next time they will have an ask for what it is they want and hope to have a proposal for how they can get it.

Jones asked if the Library will be asking the MRA Board to take action at the next meeting. Badenoch said yes, they will have a formal proposal and request. He said today they just wanted to lay the groundwork of why this project is important and why it fits within the mission of the MRA.

STAFF REPORTS

Director's Report

Buchanan said Riverfront Triangle is trekking along. The Front Street student housing project, ROAM, already has some leases in place and will start occupying in a month or so. She said the brick is going up on The Merc and it looks fantastic.

Budget Reports

Dunn reviewed the budget reports and spoke to the proposed bond. Jones asked her to summarize where they are with the expected request from the Library. She said right now the Front Street URD is showing \$488,000 in contingency. Buchanan said she thinks MRA will see a significant amount of positive increment spinoff from The Merc when it is finished, because their ask doesn't appear to come close to absorbing all of their increment in debt service. She said that is a ways out, though. The challenge the district will have with an ask from the Library is that there is no cash to do it and staff has been really clear in all of the discussions they've had that MRA will not take a significant amount of what cash it does have and sacrifice other projects like the townhouse project on Levasseur Street and other projects they think will come before the Board that are residential going on in the Kiwanis Park area. She said that is what MRA wants to see happen and if it can't support the projects then they won't happen or won't happen as well. She said the biggest issue is that MRA is not in a position today to issue anything that can be construed as debt in that district. She said it is challenging and will take some creativity.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 2:21 p.m.

Respectfully Submitted,



Lesley Pugh