

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

May 16, 2019

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, May 16, 2019 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, Tasha Jones

Staff: Ellen Buchanan, Chris Behan, Jilayne Dunn, Lesley Pugh

Public: Lindsay Rogers, Cornerstone Dental; Logan Rogers, Cornerstone Dental; Katherine Foley, Gavin-Hanks Architects; Terri Raugland, Blackfoot River Outfitters; Michael Kane, RMR Builders; Martin Kidston, Missoula Current; Cody Frey, Jackson Contractor Group; David Erickson, Missoulian; Sara Townsley, Sterling CRE Advisors; Bruce Kramer, Consumer Direct; Mark Little, In2itive Architecture; Marie Wilson, In2itive Architecture; Raluca Vandergrift, True North Architecture/Incep LLC; Joe Easton, Jackson Contractor Group; Mike Jensen, DJ&A, PC; Missoula Community Access Television (MCAT)

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

April 18, 2019 Regular Board Meeting Minutes were approved as submitted.

May 7, 2019 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

ACTION ITEMS

Blackfoot River Outfitters – 235 North Russell Street (URD II) – TIF Request (Behan)

Behan said at the February 2019 Board meeting, Blackfoot River Outfitters was given approval to Proceed Without Prejudice so they could start on some demolition and site clearing activities on the parcel located at 235 North Russell Street. Currently, Blackfoot River Outfitters are located on North Reserve Street across from Lowe's. They have done business in Missoula for 29 years. At this point, they are to a place in their business where they feel like they can locate to a more visible, central location associated with the river more so than the location on North Reserve Street. Behan said they are looking at the 235 North Russell property, which has been vacant for a long time. It is on the corner of Russell and Montana Streets. The property has a bunker-type building on it with 16-inch thick

concrete walls. The interior is not in very good shape. Over the years the site has been used by several different businesses, mainly used vehicle sales.

Behan said Blackfoot River Outfitters will demolish the bunker-type building. He said they do understand that MRA has a deconstruction policy, but have already figured out that they can dispose of most of the concrete and asphalt with a local contractor who will use it for fill cover or reuse it in new asphalt. The new building will be 5,100 square feet, located right on the corner with parking in the rear. 2,600 square feet will be used by the primary business which will expand to have more of a retail presence. The outside area will have bike racks, two patios, and a rooftop patio on the second story. There will be spaces for two other businesses including a coffee shop and another retail business.

A few years ago, Behan said MRA partnered with the Sonoran Institute and the City Development Services Department for a study on Russell Street from South Third Street to West Broadway. They were primarily looking at how the built environment might interact with Russell Street as it became bigger and had more traffic. That study talked about coffee shops, patios along the area, more retail, etc. He said the design of the new Blackfoot River Outfitters building fits with the study very well.

Behan said the request is for demolition, clearing, deconstruction, sewer main extension, and landscaping in the Russell and Montana Streets public right of ways (ROW). He said with better accessibility from Russell Street and accessible water, the city will really start to see things happening in this area. Behan said staff appreciates Blackfoot River Outfitters coming up with a plan that fits with the city's hopes for the area and in taking the first step. The staff recommendation is to approve up to \$80,582 in Tax Increment Financing (TIF) assistance for eligible items listed in the memorandum.

Terri Raugland, Blackfoot River Outfitters, said they are still on the same course they described at the February meeting. She said they were hoping for something to happen by the end of this year, but might be looking out a little further because the permitting process is taking a little longer than they had hoped for.

Reineking said the Montana Department of Transportation (MDT) is redoing the street and putting in sidewalks and boulevards, but they are not paying for any landscaping in the ROW. Behan said that is correct. She said she appreciates that Blackfoot River Outfitters is able to get the concrete and asphalt materials crushed for reuse because she is hearing that it is getting harder to find people to accept those materials. Raluca Vandergrift, True North Architecture/Incep LLC, said the contractor has accepted that as part of the project so they will crush it and reuse it in their other projects or elsewhere.

Reineking said it is worth noting that there will be additional job creation with this project. Behan said there will be several different kinds. There will be two positions created with the expanded shop and also gives the opportunity for several more river guides in the summertime. Also, the other two businesses will be creating jobs.

Jones asked if they think the project will push into 2020. Vandergrift said they think it will happen that way with the extended permitting time. She said they are pushing to get it done as quickly as possible, but most likely it will be completed in 2020. Buchanan said it has

gone through the Design Excellence review process. Vandergrift said it has passed the Design Excellence process. Reineking asked Vandergrift how she felt about the process. Vandergrift said they were very helpful and easy to work with. At the same time, she said it is a design that follows the Design Excellence requirements so it isn't out of the norm.

Moe asked if Blackfoot River Outfitters stores or parks their trailers and boats on the property. Raugland said most of their guides are independent contractors so they own all of their own equipment. She said every once in a while there might be a single boat there for a customer to purchase, but for the most part their guides meet there in the mornings to pick up their clients and then go to the river. Raugland said most of the parking will be for customers for the retail business portion.

Moe said she doesn't see where the boulevard is landscaped on Russell Street in the drawings. She asked for more detail on the landscaping. Vandergrift said they had to work back and forth with Design Excellence because the building is so close to the property line. They had to create a little bench and sitting area to the southeast portion of the property to accommodate for the landscaping discrepancies.

Moe asked if there is anything being done in the design or the way facilities are set up that encourage recycling. Vandergrift said there are two bins in the garbage area – one for recycling and one for garbage.

Moe asked if the soils need to be tested since there was possible industrial use on the site. Vandergrift said they've had the soils tested and everything turned out okay.

REINEKING: I MOVE THE BOARD APPROVE UP TO \$80,582 IN TIF ASSISTANCE FOR ELIGIBLE ITEMS ENUMERATED IN THE TIF APPLICATION AND THIS MEMORANDUM FOR THE BLACKFOOT RIVER OUTFITTERS PROJECT LOCATED AT 235 NORTH RUSSELL STREET AND AUTHORIZE THE BOARD CHAIR TO SIGN RELATED DOCUMENTS SUBJECT TO THE STANDARD CONDITIONS FOR MRA ASSISTED PROJECTS INCLUDING ASSISTANCE BEING MADE ON A REIMBURSEMENT BASIS BASED ON COPIES OF PAID CONTRACTOR AND VENDOR INVOICES SHOWING THE ACTUAL WORK COMPLETED AND MATERIALS USED.

Jones seconded the motion.

Moe noted that there are adequate funds in the URD II contingency to cover this expense.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Cornerstone Dental – 3111 Grant Street (URD III) – FIP Request (Behan)

Behan said Dr. Lindsay Rogers currently owns a dental practice at 1201 Kensington Avenue. The dental business is growing and she would like to move to a commercial office building that she owns at 3111 Grant Street. Behan said it is right on the edge of a residential area and the highly commercial area on Brooks Street. The project involves completely repurposing the Grant Street building from its current light office uses to a

medical office building. Dr. Rogers also wants to update the current façade. Right now it has very few windows and no entrances on the primary part of the building. Behan said without MRA assistance they would be putting in double doors to make the entrance obvious, as well as adding some windows and material around the doors and windows to set those pieces off with wood and steel. With MRA assistance, one of the things they would be doing is adding even more windows around the building and changing the front door into a vestibule area. Behan said it will also better serve American's With Disabilities Act (ADA) accessibility.

Behan said the other part of the project is to use reused materials wherever possible, mainly the wood. The new windows and vestibule will increase energy efficiency, which is part of the Façade Improvement Program (FIP). They will also have the ability to add bike racks for those coming to appointments on their bikes. The grand total for improvements is estimated at \$640,227. Behan said twenty-five percent of the construction estimate for FIP eligible items in this project is just over \$160,000, making it eligible for the maximum \$50,000 grant.

Behan said it is important to recognize where the project is going either with or without MRA participation. It is something that takes the building from something that is rather bland and occupies that neighborhood and special area between highly commercial and residential, and makes it into something that is pleasant to look at and go by that doesn't feel like a highly commercial piece.

Behan said staff has had some discussions about what the vestibule does. Is it an addition or a way to project the façade and make it have more character? He said additions don't qualify for FIP assistance. He said projects in the past that have had real additions include onXmaps on Brooks Street, Solar Plexus and a couple of others where it is very clear that there are additions. Behan said the other side of that which staff has looked at includes Great Burn Brewing and Berkshire Hathaway where they have put out porch areas that MRA decided did qualify. Behan said he just wanted to toss it out there and note that staff is constantly thinking about it. He said whether the vestibule is included or not, the amount Cornerstone Dental is eligible for is the same. Behan said it is something that staff will keep looking at. In this case, he said it falls right on the line. The vestibule is functional, it helps increase efficiency and keep cold air out of the building, and serves as a nice looking piece of the façade.

Behan said the staff recommendation is to approve an amount not to exceed \$50,000 for façade work at this location. Moe asked if the plan for the east elevation will happen with or without FIP assistance. Behan said it will.

Dr. Lindsay Rogers said her administrators would thank the MRA for approving this because they get really cold being up front when the doors open in the winter. She said the vestibule will be nice for them.

Jones said Behan's memo mentions that the practice will be expanding and adding a partner. Dr. Rogers said they are looking for a really great fit, which can take some time. It is in the works for the next few years to bring in another dentist. Jones asked if that would be the job creation along with the dentist bringing in their staff. Dr. Rogers said yes. Katherine Foley, Gavin-Hanks Architects, said the interior is designed to have extra exam

rooms. Jones asked what the timeline is for the project. Dr. Rogers said they plan to start in October and open in March or April of 2020.

Moe asked if there are other businesses in the building. Foley said there are currently two tenants. The dental office will take over the whole building. Jones asked if all of the windows will be replaced. Dr. Rogers said they are adding windows. Foley said the ones that are there seem to be in good shape so they are adding windows to match the existing ones. Moe asked if a project like this gets reviewed by Design Excellence. Behan said it does not because it is off the corridor. Foley said the Grant Street side does almost meet the percentage of windows required in Design Excellence.

JONES: I MOVE THE MRA BOARD APPROVE AND AUTHORIZE ALL APPROPRIATE SIGNATURES ON DOCUMENTS RELATED TO THE FAÇADE IMPROVEMENT PROGRAM REQUEST FROM ROGERS REAL ESTATE, LLC IN AN AMOUNT NOT TO EXCEED \$50,000, WITH THE FINAL AMOUNT OF FUNDS TO BE DETERMINED ON THE BASIS OF PAID INVOICES FOR LABOR AND MATERIALS ON FAÇADE IMPROVEMENT PROGRAM ELIGIBLE PROJECT WORK.

Reineking seconded the motion.

Moe noted that sufficient funds exist in URD III for this project.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

DJ&A Office Building – 2000 Maple Street (URD II) – TIF Request (Buchanan)

Buchanan said this is a new office building that DJ&A Engineers, Planners, Surveyors, PC is going to build and occupy most of. They have done a lot of work for MRA in the past. Mike Jensen from DJ&A was present to represent the firm, and Joe Easton and Cody Frey from Jackson Contractor Group were also present for the project. Buchanan said this is a site that is vacant so there is no deconstruction or demolition associated with the project. She said DJ&A bought the property which includes the building that houses MISMO gymnastics and a number of ancillary buildings in the back. This project will occupy about 1.5 acres of the large piece of property. Buchanan said several months ago staff discussed a master plan for a tech park that might go in this area. It involves the acreage that DJ&A has purchased, an acreage that Blackfoot Communications owns, and possibly the Montana Department of Transportation (MDT) property. Moe asked for more information about the property boundaries. Buchanan said it goes from Broadway Street. Joe Easton, Jackson Contractor Group, said Engineering Support Services, LLC (ESS) bought the trapezoidal shaped property shown in Buchanan's memo attachments. It does not include the multi-plex. Buchanan said some of the other property owners in the area have been involved in the discussion about the tech park and how it might impact Rick's Auto Body and the building where Black Cat Bakery and Noodle Express are. She said those discussions are ongoing and there is some uncertainty about how it will move forward. In the meantime, DJ&A need office space.

Buchanan said ESS bought the 6.5+ acres that comprises the whole property and Broadway Opportunity Fund, LLC (BOF) is developing the new office building. It is being designed to house DJ&A offices and a couple of other spaces, one of which they hope will be a restaurant fronting on Maple Street. Buchanan said the discussion around this has been interesting because the biggest challenge for this whole area is sanitary sewer service. All of the properties in that area are on what are called “step systems” which means they are pumping their sewer. She said it is not something that City Wastewater or property owners want to have. Buchanan said when there is an elevation issue and no gravity line this is what has to be done. Buchanan said there have been several meetings with City Public Works and Wastewater. Collectively they decided to run a gravity line down Broadway Street to tie into a line that exists on Mullan Road as a result of this project being a catalyst. Buchanan said staff had discussions with the developers and Public Works about how to share that cost if they decided to go that direction. She said without the gravity line, BOF was going to have to run a forced service line to tie into existing sewer for about \$100,000. What BOF said is if they don’t have to run that service line (which MRA would not pay for anyway because it’s not a main) they will contribute \$100,000 to the sewer improvements. Wastewater said they have money in the sewer development fund to pay for the rest of it and leave TIF money to do other things. Therefore, the sewer is being totally funded with no assistance from the Urban Renewal District (URD). Buchanan said the sewer line will be a catalyst for additional development to happen and gives the potential to extend the sewer into what could become a tech park at some point.

Buchanan said there are utility relocations needed in order for NorthWestern Energy to serve the new building. BOF has not been able to get firm costs from NorthWestern Energy for the electric and gas extensions that are needed. She said it isn’t a large amount of money, but BOF has chosen not to request reimbursement for that funding as part of this project because the cost is unidentified and there is a strong possibility of a second development occurring in the near future on the corner of Broadway and Maple. That will require the same utility upgrades in order for that building to happen, so if there is a request it will be from the second building. Buchanan said it will not be done by BOF, but rather there will be a sale of the piece of property and it will be developed independently.

Buchanan said MRA has been asked for TIF assistance for this project for improvements to Maple Street. She said the intention is to put in new curb, gutter, sidewalk, street trees, and lighting from this project to the Broadway intersection. There have been concerns about tearing up the new sidewalk that is put in with this project if a second building comes on board. Buchanan said there is a pretty severe elevation change there and so the second building will not be accessing there and the sidewalk will not be torn up. This project will build the driveway to service the other piece of property. Moe asked for clarification. Buchanan said BOF will take the sidewalk all the way down to the corner and will build in the driveway to service the other development so they aren’t coming back in and tearing up new sidewalk. She said BOF is looking ahead and doing it in a way that will not require reconstruction at any point in time.

Moe said she would like to know the details of the request for \$301,432 in TIF assistance. She said it is a steep grade/hill on the drive and wanted clarification of what is going to happen with access to the parcel. She said if sidewalk is being put in from Broadway street to the edge of the property then there is a part of that street that will not have sidewalk.

Buchanan said that was correct and there is a small gap. Buchanan said the hill will probably have to be cut down and the decision has to be made on where the driveway will be. She said that is being decided in conjunction with Development Services and City Engineer distances from the intersection, etc., and how to best develop the site. Buchanan said there is a site plan in the packet that does show the driveway. She said it's a grading plan so you can actually see the grade. Jones asked if it is in the approximate same location. Easton reviewed the property for the office and described where the entry will be. Moe said there is still a hill there. She asked if the office is going to be built into the hill. Cody Frey, Jackson Contractor Group, said the office building will be two stories on the back side and appear to be three stories on the Maple Street side. He showed where the parking will be for DJ&A staff along with a garage access on the lower floor for storage for DJ&A's utility vehicles and survey equipment. Buchanan said it is being sited the way the Design Excellence Standards would want it to be in terms of addressing the street. She said there are a mix of materials and a fair amount of glazing on the building. This project was not subject to review by Development Services because it is too far off of Broadway Street to be within the corridor. However, Buchanan said as she understands it from the architects, there was a fair amount of discussion in the early stages of design of the building with Development Services staff about what they needed to do to meet the Design Guidelines and it was incorporated on the front end.

Moe asked for a breakdown of the request. Easton emphasized that the initial project doesn't require any demolition and the existing businesses that are there will continue. He reviewed the breakdown which includes precast sump and curb inlet, asphalt & concrete, base, removal & disposal of existing asphalt, grading cut and fill, retaining, coat and gutter, detectable warning panels on the surface on top of the new sewer, new and salvageable signage, delineator ball and sleeves, irrigation and landscaping. Easton said there is a 15% contingency in there but the \$301,432 reimbursement is based on actual costs. Moe asked for a discreet figure on landscaping. Easton said it is \$5,800 for trees and \$10,000 for turf establishment and seeding. Reineking asked if there is no lighting in the public ROW. Easton said there is \$16,400 for street lights, but it is contingent on City requirements. He said the City has not required that of them yet, but it is included in the request.

Buchanan said this is the beginning of seeing some real development on West Broadway, which the city has been waiting to see for a long time. She said it is encouraging that this building is being brought out to the street and if the second project comes on board it is also brought out to the street and built on the corner. It will be subject to the Design Excellence Standards. Moe asked if there is anything in the designs for the building, or in anticipation of other construction and owners/tenants, that encourages recycling by the businesses that locate here. Frey said there is a trash and recycle bin on the north side of the building that DJ&A plans to utilize. He said the other tenants will be strongly encouraged to recycle.

Jones asked if the timeline stated for them to start right away is still on schedule. Easton said yes. Buchanan said the goal is to start by the end of the month. Frey said it is estimated to take 14 months from start of construction. He said the biggest holdup is permitting.

Buchanan said this expansion will represent between 12-18 new jobs for DJ&A. She said they are higher salaried jobs than the average in Missoula. Other jobs will be created if the

restaurant comes about and if there is other leased office space that is not a relocation of an existing business.

Moe said the staff recommendation appears directly related to the new office building, but in fact it is broader than that. Buchanan said the new office building is the catalyst for putting the sidewalk in. She said a clause could be added. Moe said it could state "...in TIF assistance for public right of way improvements on Maple Street from the new office building to Broadway Street...". Jones asked where the sewer tie in is. Buchanan said there will be a sewer line that runs down Maple Street to Broadway Street and then it will go south on Broadway Street to Mullan Road and tie in there. Jones asked if the other property would tie into that if it is developed. Buchanan said yes, if the corner is developed they will run a service line to the new line. There will be easements going into the property so that gravity sewer can be extended, should it develop as a tech park. Jones asked where the utility extension will be. Buchanan said it won't happen internally to the site until there is more development to the north between the MISMO and MDT buildings.

Buchanan said an interesting thing about this site is that it is Missoula's only Opportunity Zone, which is most of the West Broadway corridor and all of the North Reserve-Scott Street URD. She said this will be one of the first projects to take advantage of the Opportunity Zone investments. Buchanan said with TIF assistance available and the Opportunity Zone there will be some major changes seen.

Dunn said she lives in the River Road area and traffic is a nightmare with the Russell Street Bridge construction. She asked what is being done to mitigate the impact to commuters. Easton said it will have some traffic mitigation during the installation of the sewer which will be a two to three month process.

Moe: I would like the motion to be a little broader and more specific to read that the MRA Board approve an amount not to exceed \$301,431.81 in TIF assistance for public right of way improvements on Maple Street from the east edge of the new office building proposed to Broadway Street as proposed by Broadway Opportunity Fund, LLC and authorize the Chair to sign the Development Agreement.

REINEKING: SO MOVED.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Consumer Direct Phase 2 – 100 Consumer Direct Way (North Reserve-Scott Street URD) – Request to Proceed Without Prejudice (Behan)

Behan said a couple of years ago Consumer Direct took on an ambitious project in the fairly new North Reserve-Scott Street URD. They constructed a large building that currently houses around 300 employees. He said Consumer Direct manages, owns and operates in-home health care facilities in 20 states. Consumer Direct has planned for two more phases over the next decade as business grows. However, Behan said that growth has happened

much faster than anticipated and they are currently planning and designing Phase 2. It will look similar to the building constructed in Phase 1. Consumer Direct is also thinking about Phase 3 and how it will all fit together.

Behan said Phase 2 will be somewhat smaller than Phase 1. It will be three stories with all of the amenities the first building has, including energy efficiency and having a low impact on the environment. He said the first thing Consumer Direct has to do is build parking to be able to start moving employees around and later have a place for Phase 2 and Phase 3 to park for employees and clients. He noted that Consumer Direct has close to the most number of employees who use alternate means of transportation for a large business. Parking is necessary, but they are trying to minimize the total impact their employees have on the environment.

Behan said the only real TIF eligible item is the sidewalk along Howard Raser Drive that runs along the property. It is across the street from Phase 1. Consumer Direct currently needs to move ahead with the parking lot and are asking permission to proceed with that work before coming in with a full application for the sidewalk. Behan said MRA paid for the extension and widening of Howard Raser Drive, as well as pedestrian-scale street lights. The staff recommendation is to allow Consumer Direct to proceed without prejudice.

Bruce Kramer, Consumer Direct, said they are back a little sooner than anticipated. He said that is a good thing. They now have over 350 employees in the building and are growing.

JONES: I MOVE THE MRA BOARD APPROVE THE REQUEST FROM CONSUMER DIRECT TO PROCEED WITH WORK ON THE PARKING LOT AND RELATED PUBLIC INFRASTRUCTURE WITHOUT PRECLUDING THOSE ITEMS FROM BEING INCLUDED IN A FUTURE TIF ASSISTANCE APPLICATION.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Westside Lanes and Fun Center – 1615 Wyoming Street (URD II) – FIP Request (Marchesseault/Behan)

(Marchesseault was out of town at a landscape architecture conference.)

Behan said the building is currently two buildings with two different facades. One side is a casino/lounge and the other side is a bowling alley. The western side is primarily faux brick columns with painted concrete cinder blocks, deteriorating stucco and faded metal. The eastern end of the building is more modern and has metal wainscot siding and Exterior Insulation Finishing System (EFIS). The purpose of this project is to tie the entire building together to look like one place, increase visibility for the entrances and update the entire structure which goes along with an extensive interior renovation they undertook in the amount of \$521,000.

Behan reviewed Marchesseault's memo which contained outlines of what the project would include with and without FIP assistance. Behan also showed drawings that matched this.

He said with assistance there are increased windows and upgraded materials, as well as a much more prominent and attractive primary entry. He said Marchesseault noted that although this project is not directly on one of the corridors identified for meeting Design Excellence Standards, it is close to the Russell Street corridor and staff and the project designer examined it with an eye toward the guidelines. Behan said Marchesseault's memo noted that removing the outdated parapet areas and EFIS, cladding the entire north façade in a consistent material, adding windows at the ground level, and additional landscaping will make the building more cohesive and visually appealing. Her memo also noted the possibility of adding street trees along Wyoming Street to establish a street edge and buffer the parking lot, which could be done in a future project.

Marie Wilson, In2uitive Architecture, said Westside Lanes and Fun Center has taken on a lot of additional business they hadn't anticipated since they are now the only bowling alley in town. She said the main piece of this project is to differentiate the entries. She said previously the mentality was to not let anybody see in, but that mentality is changing and they have added windows where possible. Wilson pointed out that with FIP assistance the material around the entry will be stone. The glazing and materials will speak to the Design Excellence Guidelines.

Moe said for years her family has had an annual event at Westside Lanes and the facility has always been well maintained and run, as well as the parking area with the landscaping that is there. She said she is pleased to see all of the changes. Reineking said she agreed with Moe's comments and lives in the neighborhood. She said she is looking forward to seeing the interior renovation. Moe said she appreciates that people are paying attention to what Design Excellence is offering for guidance even if they are not in one of the zones.

REINEKING: I MOVE THE BOARD APPROVE A FAÇADE IMPROVEMENT PROGRAM GRANT TO WESTSIDE LANES AND FUN CENTER IN AN AMOUNT NOT TO EXCEED \$50,000 FOR EXTERIOR RENOVATION OF THE BUILDING LOCATED AT 1615 WYOMING STREET, WITH THE STIPULATION THAT REIMBURSEMENT WILL BE MADE AT THE CONCLUSION OF THE PROJECT UNDER SUBMISSION OF ANY REQUIRED LIEN RELEASES AND PROOF OF EXPENDITURES, AND AUTHORIZE THE CHAIR TO SIGN THE DEVELOPMENT AGREEMENT.

Jones seconded the motion.

Moe noted that this is the third project in URD II and it's nice to see things happening there. She said there is money in the contingency funds to handle this project. She also encouraged recycling as possible in the project. Mark Little, In2uitive Architecture, said the brick is being pulled off to be reused. Wilson said any materials that can be salvaged will be. Moe encouraged recycling for operations as well.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

FY20 Budget – Request for Approval (Dunn)

No action was taken on this item.

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Buchanan said the extension for the Hotel Fox agreements has been approved by City Council. Brownfields Revolving Loan Fund (RLF) to remediate the buildings and the site went in front of Committee yesterday and is on Consent Agenda for approval on Monday night, May 20th.

AC Hotel by Marriott was in front of Committee yesterday with a Resolution of Intent to issue bonds to reimburse for eligible costs and to enter into a Reimbursement Agreement. It is also on Consent Agenda for Monday night.

Buchanan said the Housing Policy was in front of Committee yesterday as well. She said Reineking has been very involved with the Housing Policy development and was a great part of the presentation to Committee of the Whole. She said Council Chambers was packed, which is a testament to the degree of interest there is in the community around this policy. Buchanan said the presentation was very good and there will be continued discussion next week in Committee. There was not a lot of opportunity for City Council to ask questions because there was so much content. She said Eran Pehan, Director of Housing and Community Development, and her staff have done amazing work on the Housing Policy. Reineking said because the presentation was so long there was very little time for public comment, but there will be additional time for public comment at future Committee of the Whole meetings, City Council meetings, and open houses that are scheduled. She said there will be lots of time for people to weigh in on it, in addition to those who have already contributed. Jones asked what the comments were from the meeting. Reineking said somebody was there representing Missoula Interfaith Collaborative and they were very supportive of it. She said they may come in with additional comments. Reineking said a couple of other comments were made without full information. She said she considers that a public comment and it is appreciated, even if it may not be relevant to the actual Housing Policy, particularly around inclusionary zoning. Reineking said one comment she heard that she really appreciated was from Barb Callahan from First Security Bank. She said Callahan was talking about unique funding they have been able to do, for instance when homeWORD purchased Creekside Apartments. She said Callahan mentioned that in all of her work with commercial and housing development she hears more people say that there is so much interest and support for doing something about the housing situation in Missoula. Reineking said she finds that extremely encouraging that there are so many people that want to help and do something about it.

Buchanan said a number of years ago staff brought a white paper on affordable housing to the Board and the Board's response, rightfully so, was that the City needs to develop some policy around housing and then MRA will do what it can and should to implement that policy, but should not be setting policy for the City. She said one of the things that is important to her is that the Policy is for housing across the board, not just affordable or subsidized housing. She said there is a problem on every level in Missoula. Buchanan said she thinks the discussion next week will be interesting. She said there may be concerns from some of the neighborhoods about what their fair share of solving this problem might be, but one of

the underlying tenets is that no neighborhood should have to carry an excessive burden of solving this problem and no neighborhood should be exempt from solving this problem. Reineking said she is excited that MRA can be part of the solution. Moe said there was an article in the Missoulian that City staff are developing a list of developable properties that would fit into housing.

Buchanan said Montana Rail Link (MRL) Park final walk-thrus are being done. The railroad cart benches are in and the dog park has gotten lots of use. Buchanan said the fence will come down in June or July.

Moe said the meeting for the Downtown Master Plan presentation by Dover, Kohl & Partners is set for May 21st in the Jack Reidy Conference Room.

Buchanan said as a result of the Higgins Avenue Bridge project and its disruptive nature on the use of Caras Park, there has been a lot of talk about what will be done next summer with Caras Park and whether or not events can work around the construction. She said one of the things that came out of that is what really will be done with Caras Park. She said the canopy has already outlived its projected life. Buchanan said Dover, Kohl & Partners, some of the best designers in the country, will be in town working on the Downtown Master Plan update. They have been asked and have given a proposal to take an in-depth look at Caras, East Caras and Bess Reed Parks. She said Dover, Kohl & Partners will take the lead on that and Parks Department staff will take the lead on Kiwanis Park down to Missoula College and Caras Park to California Street. Buchanan said most of the funding is there to do that. Buchanan said the Parks Dept. had a large amount of money programmed for the canopy replacement and it will be used to figure out and let the community decide what Caras Park should be now. There are proposals coming out of the Downtown Master Plan that could have a big impact on Caras Park in terms of changing how it is used and giving it a year-round presence. Buchanan said the Business Improvement District (BID) and Downtown Partnership will be contributing a sizeable amount of money to that as well.

Budget Reports

Dunn said Riverfront Triangle URD has been carrying a large balance with the bond attorneys working on Hotel Fox. Since that district had funding available, Buchanan decided MRA should pay the bond attorneys so they continue to provide services. That will show up as a new expense under the Hotel Fox Legal Services. She said the contingency will change from \$542,600 to \$281,073.

Dunn said in the Front Street URD the contingency shows as a negative. That is because when MRA budgeted for The Merc it showed the amount that was approved, but no cost of issuance is rolled in because it is not known at that time what it will be. She said now that the bond has been sold there's a \$50,000 cost of issuance that needed to be added up above in the report. She said there was a \$9,000 contingency last month and so the cost of issuance put the number in the negative. Dunn said luckily there are a couple of projects that had project savings – the Overhead Utility Upgrade at North Higgins and East Main (Radio Central) is not going to happen. Now the contingency is at \$5,000.

Dunn said the North Reserve-Scott Street URD had a Proceed Without Prejudice today for Consumer Direct. Dunn pointed out that Consumer Direct's previous large project was a

\$1.3 million bond and they ended up having a \$12,313 remaining amount. Jones asked if that rolls into the new project. Dunn said no. It gets rolled over into debt service. She said she wanted to point out that they did not expend all that was approved for their original project. Behan said the Phase 2 application to MRA is estimated to be for \$50,000 for the sidewalks. The new building is estimated to cost around \$10 million.

Moe said the end of the fiscal year is nearing and asked when the Board can expect final collections. Dunn said taxes are due at the end of May and MRA will get those receipts mid-June. She said there is a partial transfer from the county mid-June and another large lump at the end of June. Then it trickles in over the next three months as late collections come in. Dunn said the May report might show some increased revenue, but otherwise there hasn't been much revenue over the last few months because it is in between tax bills. Buchanan said the big day is in July or August when MRA gets certified taxable values and really knows where things are for the new fiscal year.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:25 p.m.

Respectfully Submitted,



Lesley Pugh