

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

July 18, 2019

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, July 18, 2019 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Nancy Moe, Melanie Brock

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

Public: Martin Kidston, Missoula Current; Debbie Campbell, Campbell & Associates; Gordon Campbell, Campbell & Associates; Tim Lee, Gavin-Hanks Architects; Kraig Erickson, Woodbury Corp.; Mike Day, WGM Group; Chase Jones, City of Missoula Energy Conservation and Climate Action Coordinator; Missoula Community Access Television (MCAT)

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

June 20, 2019 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

ACTION ITEMS

Engineering Support Services (ESS) – 1900 W. Broadway (URD II) – Request to Proceed Without Prejudice (Buchanan)

Buchanan said when the Board considered the Proceed Without Prejudice request for the new office building that DJ&A will be occupying on Maple Street it was mentioned that Engineering Support Services, LLC (ESS) had bought a sizeable parcel of land there and another project would be moving forward. Buchanan said she doesn't know exactly what is planned for the corner of Broadway & Maple Streets, but there is a letter of intent to purchase. Buchanan said there are some utility upgrades that need to happen sooner than this project will be ready to come to Board for approval, which is not uncommon with utility upgrades. She said ESS would like to move forward with the utility work which will serve the new building at Broadway and Maple and any other development that will take place there. She said ESS will be back with a formal request for assistance.

Brock asked if DJ&A will be leaving Midtown and moving to the Broadway location. Buchanan said yes, they have outgrown their current space. Moe asked if the planning on this project will

be soon enough so that any paving or other items approved on the other project can be coordinated. Buchanan said yes.

MOE: I MOVE TO APPROVE THE REQUEST FROM ENGINEERING SUPPORT SERVICES TO PROCEED WITHOUT PREJUDICE ON A PROJECT LOCATED AT 1900 WEST BROADWAY ON THE CORNER OF BROADWAY AND MAPLE STREETS WITH THE UNDERSTANDING THAT SUCH APPROVAL DOES NOT CONSTITUTE APPROVAL OF A FUTURE FUNDING REQUEST FOR TIF ELIGIBLE EXPENSES.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Fine Line Building – 2505 South Russell Street (URD III) – FIP Request (Behan)

Marchesseault presented this project for Behan in his absence. It is located at 2505 Russell Street. She said it is an office building and they have submitted an application for Façade Improvement Program (FIP) assistance. She showed current photos of the building and said it is understated and outdated.

Marchesseault also showed renderings of what the building would look like with and without MRA assistance. Tim Lee, Gavin-Hanks Architects, said without MRA assistance they would take off the shake that is currently on the mansard roofs and the awnings over the windows. They would also replace the interior spaces, which are currently Dryvit, with a standing seam metal from Epic Steel. Lee said they would also replace the windows. With MRA assistance they propose to put in a new parapet and recapture the banding to allow more emphasis on the building entry with higher parapets, leave the existing brick and provide new awnings over the windows. Lee said the metal would be a soffit material that would run horizontal with more banding at the top.

Moe asked if the second floor is American's with Disabilities Act (ADA) accessible. Lee said it is not. Moe asked if it needs to be made ADA accessible. Lee replied it is not required. Moe asked who the general contractor is. Lee said it is Tom Poindexter.

Englund asked if the mansard roof works. Lee said they are not aesthetically pleasing to the eye. He said the improvement they're suggesting is that it brings the building to a more modern-day look. Englund reiterated that the request is for FIP assistance. Marchesseault concurred and said the maximum through that program is a \$50,000 grant. Brock asked if URD III is healthy for this disbursement. Buchanan said it is plenty healthy.

BROCK: I MOVE TO APPROVE AND AUTHORIZE ALL APPROPRIATE SIGNATURES ON DOCUMENTS RELATED TO THE FAÇADE IMPROVEMENT PROGRAM GRANT REQUEST FROM FINE LINE PROPERTIES, LLC IN AN AMOUNT UP TO \$50,000 WITH THE UNDERSTANDING THAT THE FINAL AMOUNT OF ASSISTANCE WILL BE DETERMINED ON THE BASIS OF PAID INVOICES FOR LABOR AND MATERIALS ASSOCIATED WITH THE FAÇADE IMPROVEMENT PROGRAM ELIGIBLE PROJECT WORK.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

**South Crossing – Northeast Parcel – 3620 Brooks Street (URD III) – TIF Request
(Marchesseault)**

Marchesseault said at the June 2019 meeting the MRA Board granted the Woodbury Corporation a Proceed Without Prejudice request to remove the existing A-frame building at the corner of Brooks Street and Dore Lane. She said Woodbury Corp. is back this month to request Tax Increment Financing (TIF) assistance primarily for demolition/deconstruction and work within the right-of-way (ROW) to comply with Montana Department of Transportation (MDT) requests.

Marchesseault reviewed the site plan and images of the proposed building. The new building, which will be occupied by AT&T, will be similar in orientation to the old building (Best Bet Casino). She said staff has reviewed the project and the primary point of conversation with Woodbury Corp. has been the wall that fronts Brooks Street and Dore Lane. The concern is that it is a blank wall facing the main streets. Marchesseault said this project was submitted for permitting and received building permits just before the City's Design Guidelines went into effect. She said MRA has always held projects to a high standard and now that Design Excellence is in effect, staff feels strongly that it wants MRA projects to meet the letter and the intent of Design Excellence to the extent possible. Marchesseault said she met with the City's Design Excellence review team and asked what would be required if it had to go through Design Excellence. She showed renderings of what the team proposed and said the developer has come back and proposed adding more articulation on the blank wall, as well as some scoring that would match the lines of the glazing. She said what would be required through Design Excellence would be 35% glazing on the wall, no more than a 14-foot dimension of a blank wall, and a minimum of at least 15% materials somewhere along the façade. Marchesseault said Design Excellence does allow up to 80% of a material like an EFIS or synthetic stucco. She said the developer and the City are still having conversations to modify the building design to meet the Design Excellence standards.

Moe asked if the developer has agreed to the other changes. Kraig Erickson, Woodbury Corporation, said aside from the materiality they have agreed. They are still talking about one section of the building to come to a resolution. Erickson said they have suggested putting in more landscaping to meet Design Guidelines and adding a piece to the building. He said the reason for the glazing not being on one side of the building is because it is difficult to lease a four-sided building, especially the way this building is orientated. The lessee will need a "back of the house" area. Englund asked if that wall will get framed up as if it had windows if someone else wanted to put them in that would be possible. Erickson said windows could be added if a future tenant so desired.

Marchesseault reviewed the breakdown of eligible costs. She said the landscaping in the public ROW is not an allowable expense because it was installed when South Crossing Phase I occurred and was reimbursed to Woodbury Corp. by MRA. She said MRA will not pay for it again and recommended removing it from her breakdown. This makes the new request for TIF reimbursement \$78,847.

Englund asked if there is already landscaping in place. Buchanan replied yes. Erickson said the company has a new landscape designer, so he will take pictures while he is in town and

work with the landscape designer to see what they can do. He said it was not their intention to rip it out and ask MRA to reimburse it twice. Moe said the other three corners are attractively landscaped and it enters an area where MRA wants to encourage pedestrian traffic in, which is very important. Erickson concurred and said he thinks what they are doing with the wall/"back of the building" space will really enhance that. He said the landscaping may get destroyed during construction and they will just have to replace it. He said they will salvage whatever they can that has already been put in. Buchanan said they have also discussed the fact that there are no street trees between the driveway and the corner. If the City will allow Woodbury Corp. to put street trees in there then MRA would pay for the street trees. She said there have never been street trees in that section. She said the space will only allow for two street trees so the costs would be around \$1,000. That amount is within Buchanan's \$5,000 approval limit so it would not need to come back to the Board for approval.

Erickson said Buchanan had asked him what took so long for this project to come about. He said Woodbury Corp. had an issue with the existing tenant and they have finally come to resolution so they are able to move forward with this project. He thanked the Board for their comments and said he personally likes the look of the proposed building. Brock told Marchesseault it is helpful to have the Design Excellence requirements listed alongside her presentation. Marchesseault said this is the first project she has shepherded through Design Excellence and the Design Excellence staff was very helpful to pull the information out.

MOE: I MOVE APPROVAL OF THE REQUEST FROM WOODBURY CORPORATION IN THE AMOUNT OF \$78,847 FOR DECONSTRUCTION/DEMOLITION, ASBESTOS ABATEMENT, AND ACCESS DRIVE IMPROVEMENTS AT BROOKS STREET, CONTINGENT UPON THE DEVELOPER AGREEING TO A SATISFACTORY STRATEGY TO MEET THE CITY'S DESIGN EXCELLENCE AND URBAN DESIGN OBJECTIVES, WITH REIMBURSEMENT FOR ELIGIBLE COSTS UPON RECEIPT OF PROOF OF PAYMENT AND LIEN WAVERS, AND AUTHORIZE THE BOARD CHAIR TO SIGN THE DEVELOPMENT AGREEMENT.

Brock seconded the motion.

Englund said Woodbury Corp. has done remarkable work in that area. He said it's a neat story because when the whole thing started MRA wasn't involved and Woodbury Corp. didn't particularly want to deal with MRA. He said to be able to work together on this and see it work well is one thing. The second thing is that Proceed Without Prejudice approvals happen frequently and to have this project come right back in a timely fashion is very appreciated. Erickson said he will meet with Design Excellence today to try and resolve the materials issue so they can move forward.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Bitterroot Trail Connection – Pine to Spruce Streets (URD II) – Request to Amend Professional Services Agreement (Behan)

Gass presented this item for Behan in his absence. He said the Board authorized staff to enter into a Professional Services Agreement with WGM Group in June 2017. It included surveying, ownership research, design, engineering, and construction administration. In February 2019 a request was made to the MRA Board to amend the Professional Services budget to get to final design, bidding and construction. Gass said that was mainly due to multiple design alternatives

that were being required by the City departments reviewing the project and related to the physical complexity of the project site. He said the project progressed onward and this spring it was put out to bid. In April 2019 the Board authorized MRA to enter into a construction contract with JAG Grading & Paving. At that time, staff noted the City would again be requiring further changes to the project design. Gass said these were changes that were being made after the project was bid and after a construction contract was awarded so these design iterations were not accounted for in that amended budget. He said at the same time, Montana Rail Link (MRL) reversed an earlier decision and is now allowing removal of a concrete box. Initially the trail was specifically designed to go around the box. Gass said it will give them a chance to simplify and straighten the trail through that area. It also allows for construction of a smaller retaining wall on the west side of the trail. Gass said the culmination of the changes that were not accounted for means that the engineer has to go back every time something is moved around to readjust grades, readjust cross slopes, check all ADA slopes, etc. It adds time to the engineering side and the Professional Services budget is expended beyond what was approved to bring the project to completion. The staff recommendation is that the Board authorize an amendment to that budget in an amount not to exceed \$10,848 to complete the construction administration and close out the project.

Mike Day, WGM Group, said it has been a frustrating process on this project. He said it is a necessary project and good for public safety. He said there are some things that precipitated late in the design world and costs went up as time went on for any changes. The concept was approved and what occurred is that the City kept going back to conceptual decisions that were approved and changing those concepts throughout the whole process. Day said he is happy with where it's at and it's going to be a good project. He said the process was difficult and necessitated the changes. He said hopefully when it's all done it will set the stage for further improvements down the line on Pine Street. One of the decisions was to not do the switchback and stairs and not get the pedestrian connectivity on the Pine Street east of the railroad tracks. Day said the City agreed to take that on as a future project so they can do a whole road reconstruction rather than having the switchback and stairs because no one could figure out how to maintain it. He said Jason Long from JAG is a very good contractor, does great work and is one of the better trail contractors out there. Day said the project is set for successful completion this year.

Englund asked what the City could have done differently to avoid this. Day said that is a conversation WGM Group is having internally. He said as far as process, the process at the City can be a circular process and it's not clearly defined what elements are being reviewed. He said even though there aren't necessarily any design standard requirements and even though WGM Group is designing to a professional standard and best practices, the review is not a regulatory review by the City that they are experiencing. He said it is more of a design review where people are wanting to have input on the design. When the City goes into that process it becomes more of a design charrette and they can't really anticipate the requests for additional design past that point. Day said one thing that could be done is to potentially scope out the project through a first submittal and then know that an amendment will come back based upon those comments to address them and get to the next stage rather than try to scope out the project as a whole as far as design services. He said WGM Group is talking internally and will have discussions with MRA and the City on how they can scope it out so they don't end up in these situations on future projects.

Englund asked how much of that is specifically tied to this being an unusual project where they are dealing with the physical problems, plus the railroad, plus the City, etc. Day said about 50%

of this is because it is a complex project. As stated in Behan's memo, there were some things that were inefficient due to designers not looking at the whole picture and all of the complexity in the process. Day said WGM Group has written off \$15,000 in fees on this project and that was right in the beginning. He said they talked internally and it was due to internal issues and not due to anything else. Past that point, he said 50% was the complexity of the project and the other 50% is the uncertainty within the review process and all of the different parties that are involved with that process. Day said this experience is pretty typical with City projects they are working on at this time. Buchanan said the City has some internal work to do with its review process. She said one of the things that happened on this project is that there is a trail, which is Parks and Recreation's world, and then there are the intersections which are Engineering's world, and they didn't necessarily agree on what the ideal solution was. The grade change at the intersection is also unusual for Missoula and there is no standard detail for it. She said there was a lot of back and forth and Day had to change drawings a number of times. Englund asked if MRA should have seen this coming and done what Day had suggested where it is done in smaller bites. Buchanan said the end result financially would have been the same, but it would have saved the staff coming back to the Board twice. Buchanan said Engineering is in the process of developing a number of standard details and the Parks Dept. has developed a set of standards; hopefully they agree with each other when they are all finalized. She said it will be a big help in these types of projects. She added that this is an amazingly complicated little stretch of trail considering how minimal it is. Englund said the Board was warned from the beginning that this was going to be complex with a number of issues involved with it.

BROCK: I MOVE TO APPROVE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT – BITTERROOT TRAIL PINE STREET LINK BETWEEN WGM GROUP AND MRA IN AN AMOUNT NOT TO EXCEED \$10,848 TO COMPLETE CONSTRUCTION ADMINISTRATION AND CLOSE OUT THE PROJECT.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

NON-ACTION ITEMS

ZERObyFIFTY Presentation (Chase Jones)

Chase Jones, City of Missoula Energy Conservation and Climate Action Coordinator, gave a presentation on the City's ZERObyFIFTY strategy. The MRA is interested in what steps it can take to be an active partner in the ZERObyFIFTY strategy. See the presentation here:

<https://www.ci.missoula.mt.us/DocumentCenter/View/50336/Zero-by-Fifty-Presentation-to-MRA-2019-07-18>

STAFF REPORTS

Director's Report

Englund asked how close the West Broadway Island is to completion. Buchanan said it is almost done. There are some modifications that need to be made under the bridge because it has become an encampment. She said there will be a quiet opening during that. There will be a big opening sometime this summer so that people know it's there and available so it gets some use and modifies behavior in that area. She said Western Cider and Imagine Nation Brewing want to turn the opening into a block party.

Budget Reports

Moe asked about the \$50,000 savings in URD II for the Garden City Harvest project. Buchanan said there was a cooperation once the City owned the water company that reduced costs. Dunn added that since they are a non-profit they were also able to get some in-kind donations.

Staff Activities Reports

Moe asked what is going on with Wyoming Street Reconstruction that there was so much time in June spent on it. Gass said staff was getting ramped up to get construction started in the first week of July. He said he was also working with the Missoula Irrigation District to get a maintenance agreement for the City ushered through. MRA is doing the street reconstruction from California to Prince Streets. Buchanan referred to the Bitterroot Trail –Pine Street Link and added that the Wyoming Street reconstruction hasn't been a simple process either.

Englund noted that there has also been a lot of time spent on MRL Park. He said the Park looks great and there was a nice ribbon cutting ceremony. He said Mike Halligan was there and is going on fifty years of good public work. Buchanan said he was instrumental in the deal of getting the property and developing the Park. MRL is proud of the Park. Marchessault said the neighborhood loves the Park.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:25 p.m.

Respectfully Submitted,



Lesley Pugh