

## MISSOULA REDEVELOPMENT AGENCY

### CONDENSED BOARD MEETING MINUTES

December 19, 2019

**FINAL**

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, December 19, 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, Ruth Reineking, Melanie Brock, Tasha Jones

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

**Public:** Kaitlin McCafferty, Development Services; Martin Kidston, Missoula Current; Charlie Beaton, Big Dipper Ice Cream; Julie Lacey, Missoula Economic Partnership (MEP); David Erickson, Missoulian; Missoula Community Access Television (MCAT)

#### **CALL TO ORDER**

12:00 p.m.

#### **APPROVAL OF MINUTES**

October 16, 2019 Regular Board Meeting Minutes were approved as submitted.

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

Behan introduced Kaitlin McCafferty from the City of Missoula Development Services department. She has been assigned to help monitor all things going on with the Fox Site and development of the Riverfront Triangle over the next several months. He said the City is putting together a coordinated effort to be able to respond to plans, permits, infrastructure and other things. Englund asked if the Board will be getting an update on the progress. Behan said hopefully next month.

#### **ACTION ITEMS**

##### **Big Dipper Ice Cream – 2700 Paxson Street, Suite F (URD III) – FIP Request (Behan)**

Behan reviewed the history of Paxson Plaza and Big Dipper Ice Cream as outlined in his memo. He said Big Dipper recognized a real change in the environment near the mall and that, coupled with their downtown success, led them to lease another location at 2700 Paxson Street. This will allow them to connect with a new set of customers on the south side who may not come downtown very much. Behan said several downtown businesses

are expanding into the south area of town including Bridge Pizza, The Trail Head, The Dram Shop and now Big Dipper.

Behan said Big Dipper has been in the downtown for a number of years. It started as a wholesale business in the back of KettleHouse Brewery and then moved to its current location on the corner of 5<sup>th</sup> Street East and Higgins Avenue. Behan said Charlie Beaton, owner, reports there are 45 minute lines most of the year and they now have their product in different communities across the state.

The Big Dipper's new location will be next to The Dram Shop in Paxson Plaza. Behan said the building is somewhat dated, but structurally is in good shape. The total renovation costs of the property are approximately \$504,000. The eligible Façade Improvement Program (FIP) costs are \$43,986. Those include an awning and support posts, steel siding, patio construction, windows and doors, planting beds and irrigation, and exterior lighting and electrical.

Beaton said the building is pretty beat up, but their plan is to really transform the space. Reineking said the exterior lighting will be a definite improvement. She asked what the empty space is on the left side of the rendering attached to Behan's memo. Beaton said that space is part of their lease. They are going to fill it with something related to Big Dipper, although they don't have definite plans yet. He said the space is cobbled together very oddly and they had to take both of the spaces in their lease. He said the windows will be clear glass and the space will be very bright. Reineking said she appreciates the landscaping, patio and energy efficiency. Brock said Midtown is hurting for outdoor seating so it is sought after. She thanked Beaton for including it in the project. Beaton said The Dram Shop has outdoor seating as well so with both of them it will be a nice draw for that area.

Englund asked what MRA helped with on The Dram Shop project. Buchanan said MRA helped with façade improvement. She said part of their façade was a large patio with some canopies that will really elevate that corner. She said it hasn't been installed yet. Englund asked if the patio extends the building. Buchanan said it visually extends the building with the patio and canopies. Englund asked how long the building was vacant. Behan said a couple of years. Englund asked if it had been taken care of during that time. Beaton said they will completely gut it and everything will be redone.

Moe asked if there will be a parking issue and if they are guaranteed adequate parking. Beaton said they anticipate it will be fine. There is a lot of parking there even during peak movie times. Behan said there is quite a bit of parking around the building. Beaton said he feels like the people that are going to the movies are their customers as well.

**JONES: I MOVE THE BOARD APPROVE REIMBURSEMENT OF UP TO \$43,986 IN URBAN RENEWAL DISTRICT III FAÇADE IMPROVEMENT PROGRAM GRANT ASSISTANCE TO CHARLES BEATON FOR EXTERIOR RENOVATIONS AT 2700 PAXSON STREET SUITE F IN PAXSON PLAZA FOR THE SECOND MISSOULA LOCATION OF BIG DIPPER ICE CREAM, AND AUTHORIZE THE CHAIR TO SIGN THE DEVELOPMENT AGREEMENT SUBJECT TO PROGRAM CRITERIA AND TRADITIONAL CONDITIONS MRA PLACES ON SUCH ASSISTANCE INCLUDING**

**REIMBURSEMENT BEING MADE UPON SATISFACTORY COMPLETION OF THE PROJECT BASED ON PAID INVOICES DESCRIBING THE ACTUAL COST OF THE APPROVED IMPROVEMENTS.**

**Reineking seconded the motion.**

Moe said she appreciates that Big Dipper has an active recycling plan. Beaton said the business is almost entirely compostable.

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

**Motion passed unanimously (5 ayes, 0 nays).**

**Brooks Corridor Transit-Oriented Development Infrastructure Study (URD III) – Request to Enter into Contract Negotiations for Next Phase of Work (Marchesseault)**

Marchesseault said it is clear that there is a lot of activity in Midtown. In the last couple of years there have been four businesses in the downtown that have expanded into Midtown. In 2015, the Midtown Mojo group formed from city, county and private parties. That group has been working for a vision for transforming the Brooks Street corridor to make it penetrable for pedestrians, cyclists and transit-oriented development (TOD). In 2017, the City received a grant for New Mobility West to assist with the visioning process. That resulted in a Brooks Corridor Study that the MRA Board approved as a guiding document for future MRA projects in the corridor. As a follow up to that, she said the Midtown Mojo group wanted to take it another step and figure out how they can get transit on Brooks Street and make it work.

Marchesseault said Midtown Mojo engaged HDR as a consulting firm to help with their initiative. MRA and other entities provided funding for the study. She said it is a tough nut to crack. Many communities across the country are wrestling with the issue of how to re-urbanize their suburban areas. Brooks Street is even more complicated because of its geometry. The vision that has been established through a community process is TOD and how to make it happen. She said it has taken a long time. HDR has been guiding the process and has been astute at understanding what the issues are and bringing experience from other communities they have worked with in different types of configurations.

Marchesseault said about six months ago there was an “aha” moment and the vision that appeared was for a center-running bus rapid transit system that would have bus stops at strategic locations that roughly correspond to the nodes that were established in the New Mobility West study. She said the stops in the middle of Brooks Street solve a lot of issues, especially with pedestrians crossing the street. The Montana Department of Transportation (MDT), who owns the street, does have some concerns with left-turn movements and the potential of closing off some streets and aggregating some properties to make them more functional and developable.

Marchesseault said they have a vision and the study is within six weeks of being complete and ready to roll out. Now they need to take the vision, test it, and do a feasibility study. Midtown Mojo is proposing to go into a next phase of the infrastructure study that has a pretty defined scope to look at right-of-way (ROW) impacts, working closely with MDT as

integral partners in the project, and do a detailed public engagement. She said Midtown Mojo would like to continue working with HDR as the consultant for the project. They have been very engaged and bring a lot of expertise. She said rather than starting fresh with another consultant, it makes sense to continue forward with HDR. The recommendation is that the Board approve staff to enter into contract negotiations directly with HDR to extend the contract. She said staff would come back to the Board with a final scope and fee proposal. She said Midtown Mojo anticipates there will be an ask from MRA for some of the fee, but they are expecting the fee for the next phase will be shared with other parties like it was with the initial part of the study.

Reineking said the initial contract with HDR was through a competitive process. She said Marchesseault explained what the Midtown Mojo group has been doing for a long time. She said the memo states "the study was undertaken to identify strategies for putting in place the infrastructure necessary to support 15-minute transit services on Brooks Street...".

Reineking clarified that and said the strategy was to spur transit-oriented economic development, and that 15-minute transit service and permanent bus stops were identified as the best way to achieve that result of increased economic development in that area.

Reineking said Midtown Mojo are enthusiastic about the potential for transformational change and the Midtown Association has grown in members and are very much in support of this. Marchesseault said the Midtown Association is a group that was moving slowly for a long time and in the last year and a half has really come on gangbusters and are very enthusiastic about making things happen in Midtown. There is a lot of synergy right now with development happening in Midtown on its own and a desire to get a vision for what is happening along Brooks Street and a Master Plan, which they understand will be a few years out. She said they want to get all of these visions in place so new development is not at odds with the long term plan for the area.

Jones said she lives on the south end of town and is very interested in what is going on along the Brooks Street corridor. She said she is excited about everything that is happening and was very interested to hear the update. She said it didn't seem like something that would need the Board's approval to do. She asked if this was a necessary action item or more of an update of what's coming down the road. Buchanan said typically the Board will authorize staff to issue a Request for Proposals (RFP) or engage in further services. This process is not unlike what MRA did with the South Reserve Pedestrian Bridge where an RFP was issued and DJ&A was engaged to do a feasibility study of what was possible to get folks across South Reserve Street. Then they went to the next phase which was figuring out the best method to do it. Then they went to actual design once those decisions had been made. Buchanan said it is kind of the same process for the Brooks Street corridor. Englund said the issue of extending the contract or doing an RFP is the decision, and MRA needs to be careful about extending contracts and avoiding the RFP process because of legality and ethics. Buchanan said staff has discussed this with the City Attorney, Jim Nugent. It is his opinion that this is in no way an effort to circumvent the procurement processes of the City, it is the logical thing to do. She said they could go through an RFP process but HDR would have a clear advantage because of the amount of work they have done. Jones said that would be a waste of resources and taxpayer money. Buchanan said Nugent is very in tune with that. Moe said she considers this a request to enter into another contract which covers what Marchesseault and Reineking have been

talking about. She said the Board will need to see the dollar figures for the new contract. Buchanan said that is the piece that will come back to the Board for approval.

Moe said as part of these negotiations it would be good for HDR to produce a product on paper and in graphs so that the people who want to comment on it for the public engagement piece are able to see something before, without just going to a meeting and getting a lot of material. Marchesseault said Midtown Mojo has thought of that, and HDR has put together an infographic that very succinctly encapsulates the vision and concept that can be used for beginning the public engagement. She said they do have that, it's just not quite ready for public release.

Reineking said she would like to see some discussion in the study about the potential for economic development. She doesn't want to see that part get lost because they've been talking so much about the transit part of it. She said economic development is a big part of the story. She also wanted to see the safety issues involved with the pedestrian experience. She said there is potential for transformational change to make it safer and possible for people who live in that area, as well as the rest of the city, to utilize the businesses there.

Buchanan said this is a really ambitious project. It is not something that can be done strictly with local resources. She said whatever comes out of this has to be the foundational piece to go after another major federal grant like was just received for the Mullan Road area. She said it is all based on economic development.

Englund asked what it is like dealing with MDT on something this unusual. Jones asked if they are active and helpful. Reineking said they have been. Buchanan added they are on the Midtown Mojo committee. She said one of the main things MDT's safety audit said was that you can't have just the "suicide lane" with continuous left turns and that is why it is a safety issue. She said MDT wanted Midtown Mojo to do the legwork with businesses and property owners, but that they would pay for the medians. Now there is another way of accomplishing that and it doesn't involve building medians, it runs a bus lane up and down through there. It is not something they have ever done before, but they have to be a partner or there is no project. Marchesseault said the study that is just about complete takes a look at running traffic models because they know MDT wants to have assurance that the traffic flow will continue efficiently and we will not lose the level of service that exists. She said in doing absolutely nothing out there, the models show that the level of service will fail in the next 20 years.

Englund asked if the closing of access would occur on some of the lanes with weird angles on the triangular shaped properties. Buchanan said yes, it has been talked about for years. Englund said when the Urban Land Institute plan was done, one of the first slides they showed were all the little triangles and they said the city needed to figure out what to do with them. Marchesseault said that is something that will be a part of the scope of this next phase of the study, because you can't just close streets and expect that nothing happens. There is the potential that if some streets get closed and there are some ROW impacts, there are negotiating potentials. She said it opens up all sorts of opportunities, but they have to be carefully identified and examined.

Marchesseault referred back to the MDT discussion and said they have been at the table, even before Midtown Mojo formed. They have not said no. They have said there are a lot of things that need to be thought about, but they have not said no. She said Mayor Engen is apprised of the vision and he and Council member Jordan Hess met with MDT administration to continue to lay foundations. HDR has a very strong relationship with MDT.

**MOE: I MOVE THAT THE MRA BOARD DIRECT STAFF TO ENTER INTO  
NEGOTIATIONS WITH HDR TO EXTEND THEIR CONTRACT FOR A NEXT PHASE OF  
WORK ON THE BROOKS CORRIDOR TOD INFRASTRUCTURE STUDY.**

**Brock seconded the motion.**

Moe asked that the comments from today's discussion be relayed to HDR. Marchesseault said that will be done. Englund thanked Marchesseault for the update.

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

**Motion passed unanimously (5 ayes, 0 nays).**

**Montana Rail Link (MRL) Park – 1930 South Avenue (URD III) – Request to Reimburse  
Costs for Removing Excess Unusable Soil (Marchesseault)**

Marchesseault said there was excess soil left after the completion of MRL Park. Some of it was usable and some of it was not. The soil was stockpiled on the City-owned property north of the Park. Staff reached out to other City departments and County departments to see whether they would have a need for the soil. Gass used some of it on Wyoming Street and Missoula Water used some of it for fill at a crestline tank project. Missoula Water got so far into the pile and hit material that was unusable – it had asphalt, tires, etc. in it.

Marchesseault said once Missoula Water got to the unusable soil they contacted Knife River because they have an ongoing contract with them to do hauling-type work. Knife River said they would take the rest of it for their fill site and/or to the landfill. The staff request is for approval to reimburse Missoula Water for doing that work. She said it would have needed to be done anyway to get that site prepared for future development.

Marchesseault said the MRL Park project came in under budget. There's about \$70,000 remaining in contingency fees. There is adequate budget to cover it. Brock asked if there is anything coming up that staff anticipates needing the \$70,000 for. Marchesseault said no, the project is almost closed out. She said the warranty period will end in June 2020 and she is waiting until then to fully close out the project. She said there might be a couple of minor things that, as the park has been used for a year, they determine would be good to have. Beyond that she is not anticipating anything.

Reineking asked about the soil removal at the beginning of the project and if it is cleaned up while the contractors are moving the dirt and happen to run into things like tires and asphalt. She asked if it is part of their contract to make sure the really bad stuff is separated out to begin with. Marchesseault said in some of the excavation, when they were going through the grading exercise, there was more spoil than anticipated. Initially, it was stockpiled on site and then it was moved from the site to the north end of the site. It was more or less stockpiled with that separation, but at some point they didn't know exactly where that line

was. Marchesseault said in retrospect she would be much more clear about it in a future project.

**REINEKING: I MOVE THE MRA BOARD APPROVE REIMBURSING MISSOULA WATER IN THE AMOUNT OF \$11,672.75 FOR HAULING AND DISPOSING OF THE EXCESS SOIL FROM MRL PARK THAT WAS NOT USEFUL IN OTHER CITY PROJECTS.**

**Moe seconded the motion.**

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

**Motion passed unanimously (5 ayes, 0 nays).**

Reineking thanked Marchesseault for getting it under budget by \$70,000. She said it is really impressive. Marchesseault said she can't take full credit, the contractor (Dick Anderson Construction) was wonderful to work with.

**Wyoming Street Reconstruction (URD II) – Request Authorization to Reprogram Construction Budget Funds to Professional Services Budget and Authorize Design Memorandum of Understanding Amendment #2 (Gass)**

Gass said his memo gives a detailed description of why the budget is over on the professional services portion of the Wyoming Street Reconstruction. He said for the most part the project is complete; they are under a work suspension right now so they can finish planting trees in the spring. At that point the project will be 100% complete. He said budget-wise on the construction side they are looking at a \$51,799 surplus, mainly due to cost-sharing with Missoula Water on certain items.

Gass said there was about two feet of mud that was replaced with some of the dirt from MRL Park. WGM Group coordinated with MRA, the City and irrigation district to move the ditch further from the street, realign the ditch, and line the ditch with clay to seal it. By doing that there was a significant savings realized on the project of \$18,090 (Change Order 1).

Gass said prior to construction and during final design, the original plan for the power supply for the street lights was to piggyback on what the Old Sawmill District has on the other side of California Street. He said there wasn't a good way to figure that out and agree on something so they changed course and added electrical service to the west side to serve 11 street lights.

Reineking said she almost ran over the mini hybrid roundabout once and she had some friends say they almost ran over it too. Moe said even during the day, it is so low that it isn't very visible. She said something needs to be done to make it more apparent. Gass said he will talk to the City about it.

Gass said with winter shutdown and new regulations the City has in place for substantial completion, they have to go through the process twice on substantial completion for the project. A condition substantial completion was done in the fall and a final will be done in the spring. That requires WGM Group to do more submittals to the City. After several

discussions between MRA and WGM Group, Gass said they agreed on a cost of \$18,509 for Professional Services that was conducted outside the original scope of work.

**Gass said the staff request is to reallocate \$18,509.32 from the Wyoming Street construction budget to the professional services budget and authorize an amendment to the MRA/Missoula Water Design Memorandum of Understanding (MOU) in the amount not to exceed \$18,509.32.** Gass said that still leaves a \$33,300 surplus on the overall budget. Englund asked if there was a contingency in the original budget. Gass said it was \$30,000 in the construction.

**MOE: I MOVE THE MOTION THAT GASS ALREADY RECITED.**

**Brock seconded the motion.**

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

**Motion passed unanimously (5 ayes, 0 nays).**

#### **NON-ACTION ITEMS**

##### **Missoula Economic Partnership – Update**

Julie Lacey, Economic Development Director at Missoula Economic Partnership (MEP), said they received funding from MRA in September regarding their efforts on the Opportunity Zone (OZ). She said they wanted to come and update the Board on how those funds are being used and MEP's progress. Lacey said MEP had three goals for the project which were to facilitate knowledge-sharing and community outreach around the OZ, learn creative ways in which developers and cities are using public/private partnerships in OZs to meet community needs, and to strategically direct public/private investment into Missoula's OZ.

Lacey said MEP continues to hold stakeholder meetings quarterly with local professionals in various industries. She said the group discusses local and federal issues around OZs. A lot of the regulations are still in flux, so they talk about what that looks like in terms of final passage of the regulations. They also discuss what individuals are seeing happening in the OZ. She said MEP is maintaining an inventory of both people interested in investing in the OZ and businesses looking to relocate there, as well as property owners who would be interested in selling or purchasing in the zone. MEP is also working as a resource for information if someone has interest in what it would look like to make an investment in the OZ.

Lacey said she and Grant Kier, MEP Director, just returned from a trip to gather information in four cities including Redmond, Bend, Hood River and Portland. Through that trip they learned how deals are being structured and incentivized to achieve public benefits in OZs, as well as how developers are approaching some unique OZ developments. Lacey said they looked at some urban renewal district projects and talked to city managers and officials to learn how projects were being financed and creative uses of TIF. They also toured affordable housing, mixed-use projects, and unique commercial projects that had some layered incentives and incentivized rents.

Lacey said MEP is working with key stakeholders to identify specific properties that could be showcased in an upcoming developer's showcase in June, or just to facilitate the coordination of a project that layers community incentives and needs. She said through that developer's showcase they would also like to showcase more than what is in the OZ and are thinking strategically in terms of what that looks like. Lacey said MEP feels on track with their goals and are excited at the engagement they have received and work that's been happening. They are also in the midst of planning one of two community events that can engage members of the north and west side including business owners and homeowners to understand their needs and update them on the work MEP is doing.

Lacey thanked the Board for their support and said she is happy to come back for more updates. Reineking asked that MEP send an invitation to the Board for the upcoming community events. Lacey said they will, and are working with a local non-profit to facilitate it. Reineking said she is interested in what the local residents are saying and that feedback can help inform decisions, especially if it is in an URD.

Englund thanked MEP for its open communication on this. Reineking said she appreciates MEP working with MRA and other stakeholders on this as it seems to be more of a participatory situation than has been in the past. Lacey said that is their intent. They want to make a model of this project that could be replicated down the road.

Reineking asked if there were any best practices or red flags to share as they have met with the other communities. Lacey said what struck them was the creative uses of TIF that are incentivizing development. She said there is no one model in particular, but the communities that have TIF are really getting creative in terms of utilization. She said one example is the need for public/private partnerships to ensure a mixed-use and housing stack. It is tricky for all of the projects to pencil out and developers are recognizing that. They want to meet needs, and how it all stacks up becomes a project that can be a model for a community. It is trickier than what MEP had originally assumed and it is something they are really trying to bring back to Missoula. Reineking said she is glad that is part of the discussion and that community benefits aren't being lost in the OZ redevelopment.

Buchanan said one of the challenges has always been financing. She said financial institutions tend to like things that are in discreet boxes. She asked Lacey if they are finding creative ways that that mentality can be dealt with. Lacey said on their trip they did not specifically look at the lending side. She said as they continue to have the local stakeholder meetings they do have commercial lenders involved in those and that is a great conversation they need to have. Buchanan said she is excited about the project on the MRL property because there is the opportunity to do a model there of mixed use and housing that can be replicated. Englund said MEP is beginning to see specialized developers who are understanding those things and one of the challenges is figuring out how to get the right developers to come.

Moe said the MRA Board and staff are amenable to producing information that MEP finds valuable in making its presentation and meeting its goals. She said if there are ways MRA can improve its available information that would be helpful to know.

## **STAFF REPORTS**

Behan said the Bitterroot Trail on Pine Street is substantially complete. Like Wyoming Street, the trees will be planted in the spring. He said there was a savings of \$17,000 on the contract through some creative engineering during construction. He encouraged the Board to take a look and said it is well lit all the way from Broadway Street to Toole Avenue. It looks like an inviting and nice place now.

## **COMMITTEE REPORTS**

## **OTHER ITEMS**

## **ADJOURNMENT**

Adjourned at 1:12 p.m.

Respectfully Submitted,



Lesley Pugh