

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

JUNE 24, 2010

FINAL

A **Special** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at MRA Conference Room, 140 W. Pine, Missoula, MT 59802 at 1:00 PM. Those in attendance were as follows:

Board: Hal Fraser, Nancy Moe, Daniel Kemmis, Rosalie Cates, Karl Englund

Staff: Ellen Buchanan, Chris Behan, Kari Nelson, Tod Gass, Jilayne Lee, Lesley Pugh

Public: Mayor John Engen, Dan Cederburg, BID/Missoula Downtown Foundation Board

APPROVAL OF MINUTES

June 15, 2010 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Dan Cederburg came and spoke to the MRA about the recently formed Missoula Downtown Foundation, Inc. which has a 501(c)(3) status. They are a charitable organization and their purpose is to work with Downtown projects. He said the MDA is currently working on a permanent replacement for the band shell at Caras Park. The MDF is going to help to raise the funds to build a permanent structure down there and will be the tax advantage entity to which donations can be made. Cederburg said the MDF is going to move into a permanent phase with a Board of Directors in place. He said the current group that serves as the Board has come up with the idea to have the four entities that have been pillars in the Downtown each appoint a Board Member and then those four will appoint three others for a Board of seven. He said the four agencies they're going to ask to appoint members are MRA, MDA, BID and the Parking Commission. Cederburg said he wanted to know if MRA was interested in this and if the Board thinks it's a structure that will work.

Fraser asked what the boundary of the MDF is. Cederburg replied it's the same boundary that's in the Downtown Master Plan. Kemmis asked if there will be a budget. Cederburg said they've already had costs. He said MRA, MDA, BID and MAEDC each contributed \$500 and the MDF has spent around \$1,000 so far. Going forward, they anticipate some expenses will come out of their fundraising. Long term, Cederburg said it's something that will need to be determined but they envision it will come out of the fundraising.

MRA is interested in having a Staff member serve on the Board. Cederburg said the MDF will be back in about six months with a formal request.

STAFF REPORTS

ACTION ITEMS

Missoula Economic Development Partnership – Funding Request

Mayor Engen said he included a letter in the Board packets to answer questions that arose from the previous meeting. He said unfortunately, some of the questions cannot be answered at this time because they're not far enough along organizationally and strategically. He said this investment is really about being on the ground in this first phase of the campaign, doing program refinement and creating the campaign itself. James Grunke, the consultant on the ground with National Community Development Services (NCDS), is re-interviewing some of the people he interviewed the first time around and working to refine the enhanced prospectus in the NCDS report and some of the recommendations from the Garner report. Mayor Engen said Grunke was looking to get a group of 20 people together and work on the program refinement component. He currently has 35 people committed to this. From there, assuming the refinement committee can dial in the prospectus, Mayor Engen said a capital campaign committee will be formed. From there they will have a business plan, goals, a way to measure results, and what one's investment ought to be based on the size of the organization and its wherewithal. He said the goal is to have a program on the ground by the spring of 2011. Discussion ensued. Mayor Engen said MRA's investment today is basically about paying the bills while the tasks of program refinement, building a business plan and a case statement, recruiting leadership for the campaign and getting money in the bank are being done. He said it's a \$30,000/month program. St. Patrick Hospital is in for the first month, he'd like the MRA to be in for the second month, and he's working with other groups on the third month.

Mayor Engen said he will be asking every year for support for this program through MRA. He said in FY12 he will also be recommending support for this program through the City's non-departmental general fund. Fraser asked if there were any tax increment reasons this can't be done through the MRA. Buchanan said she's done some research and in looking at the Urban Renewal Plan for URD III and the ULI study, there's a lot of language about researching the housing and commercial development aspects. She said a strong argument can be made that without a strong economic development effort by the City, those would be hard goals to accomplish in the districts. She said in her mind there isn't a legal reason it can't be done. Moe said based on that, MRA should change its statement in the budget about the Best Place Project in the URD III budget. Moe said she thinks the statement is vague in applying the project to URD III and would like it to talk about some of the specific things MRA has discussed for URD III, including planning and organization that needs to be done.

Kemmis asked for clarification on the relationship between the \$250,000 contract and the work that has already been done on the survey. Mayor Engen said the original feasibility study was separate and is already paid for by contributions from MRA and several other

entities. Kemmis asked if that contract was entered into by all contributors. Mayor Engen replied St. Patrick Hospital was the fiscal agent and the money went into the St. Patrick Hospital Foundation pot. The \$250,000 contract has St. Pats as the fiscal agent. Mayor Engen said he believes NCDS will recommend that a legal entity be created to become the signator.

Kemmis asked if there's been any thought to approaching Phase I of the campaign in the same way that the initial undertaking was approached, having several partners contributing. Mayor Engen said that's what he's endeavoring to do today with St. Pats, MRA, Missoula County, the University of Montana, etc. He said NCDS says once they get past the three month stage they will, in effect, raise their own pay so the Mayor doesn't have to.

Change tape 1 s1/s2

Englund said it feels like the city is paying to get a ball rolling and at some point could just get completely run over by it and/or pushed aside in the process. Mayor Engen said the way the city is in the process is by making an investment which gets it a spot at the table. He said this is about leadership and somebody has to stick their neck out to move Missoula forward. He said if in year three it isn't working they can stop paying. Englund said his concern is that he wonders where Missoula will be left if the program pushed by out of state consultants is something that doesn't fit Missoula, yet has momentum behind it. Mayor Engen referred to the ULI Study that was done by out of state consultants. Englund said they came and met with people, gave MRA their report and MRA decided if it wanted to adopt the report long before it was ever put in motion. The Mayor said that's largely what he thinks this process is doing. Cates said it doesn't seem that way. Englund said if the Mayor thinks that's where the process is and is comfortable with it then he's willing to trust him on it, but said that doesn't feel like where it is. Mayor Engen emphasized that it has to be a Missoula program. Discussion ensued regarding the Garner report and NCDS pieces.

Cates said she's behind the Mayor's efforts because this needs to happen here. She said she respects the Mayor for doing it, but her thoughts going forward are that she wouldn't refine the program, she would junk it and start over so it's done the way Missoula does it. Kemmis said he also respects the Mayor's leadership and as a member of the MRA Board he wants to support MRA's active involvement with the effort to redesign economic development in Missoula. He said he's supportive of the overall effort but is very uncomfortable with the request for \$30,000 at this stage in the process, which he thinks is poorly constructed and poorly designed. Kemmis said he would be much more comfortable being asked for some sort of pro-rated share of a team effort that does the next stage of this process. Kemmis said he's also skeptical about the idea that somehow NCDS is the firm that seems to have been decided in advance that it has to do every stage of the work. He said it looks to him as if NCDS was brought in at the beginning with the understanding that they would do the whole of it. If that's the case, he said when NCDS asks themselves if it's feasible to raise \$3.2 million, the answer is sort of a given if they're the ones that are going to be paid to raise it. Kemmis said he'd like to support a process that makes more sense to him than this one. Mayor Engen said NCDS came in

because they're very experienced doing campaign work for community development efforts. He said NCDS has said no in communities because they don't think they can raise the money. Mayor Engen said he would approach this completely differently if it were the City of Missoula's economic development program. He said he'd have an RFP and a wide variety of processes at play. His concern at this point right now is getting it done and outside of all of that is cautious, thoughtful expedience and NCDS provides that and says they'll get the work done. So do their references. Mayor Engen said the accountability piece is also plugged in. Moe said she took some solace in the fact that the agreement can be cancelled on two weeks' notice. She said this makes it all the more important what organization is the other party to this group and what attitude that organization has. She said they have to be responsible and take over leadership of the project so that if they make the assessment it's not going anywhere it doesn't keep rolling on. Fraser voiced his support for the project.

Change tape 1/tape 2

Englund said he's in favor of giving the Mayor the money with the understanding that it's not going to happen again if the concerns aren't addressed.

MOTION:

CATES: I MOVE THAT WE FUND THE MAYOR'S REQUEST. Moe seconded the motion based on the relationship that it has to URD III and the plans that MRA has there already and the necessity of further planning and methods of implementing the plans that this Board already adopted for URD III. (motion cont'd below)

Kemmis said he fully supports the overall effort but he's not content with the way it's structured. He said the Mayor has heard some honest skepticism from the MRA and he thinks a less than unanimous vote from the Board may be helpful in expressing some of that skepticism.

Englund said he agrees with Kemmis and also thinks it's important that the Mayor gets MRA support for what he's doing. He said he also thinks it's important that the Mayor get that support in a split vote. Englund said he didn't know how else to express to the Mayor his concerns and the importance of the Mayor's continued leadership in this process and the direction that he seems to want to take it.

(motion cont'd)

3 ayes, 2 nays with Kemmis and Englund voting nay. Motion passed.

Copier Replacement – Request for Approval

Lee said the trade-in allowance included in her memo won't count towards the purchase price because MRA will be transferring the copier to the BID for their use. Therefore, the Staff recommendation is that the Board approve and accept the Bid from Office Solutions and Services for the purchase of a Sharp MX-4101N Digital Color Multifunctional Copier in an amount not to exceed \$8,295 and enter into a three year

maintenance service agreement with OS2 to provide the services specified in their Bid document at the price per copy/scan indicated in Lee's memo.

MOTION

ENGLUND: SO MOVED. Cates seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

URD III Residential Sidewalk Project – Request to Approve Change Order for 2000 Block of Sussex Ave.

Gass reviewed his memo. The Staff recommendation is that the Board approve Change Order #2 for the URD III Residential Curb & Sidewalk construction contract with Gregston Construction in the amount of \$18,715.50 to add in the 2000 block of Sussex Ave.

MOTION

KEMMIS: SO MOVED. Cates seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

NON-ACTION ITEMS

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 2:30 PM.

Respectfully Submitted,



Lesley Pugh
Secretary II