

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 17, 2010

FINAL

A meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at MRA Conference Room, 140 W. Pine, Missoula, MT 59802 at 12:00 pm. Those in attendance were as follows:

Board: Hal Fraser, Nancy Moe, Rosalie Cates, Karl Englund, Daniel Kemmis (via phone)

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

Public: Jamie Lockman, MRA Rep to the HPC; Cory Davis, Territorial Landworks, Inc.; Jace Bovington, TLI; Mark Bellon, TLI; Breanna Roy, KPAX-TV; Mayor Engen

APPROVAL OF MINUTES

February 24, 2010 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

HPC Update from Jamie Lockman

Lockman said the Historic Preservation Ordinance was adopted February 22, 2010 by the City Council. She said Philip Maechling conceded an addition to the Downtown Historic District to expand the boundary to include the Downtown Warehouse District. Lockman said an Historic Preservation Fair is being planned for May 7 & 8th. It will include preservation awards on the evening of May 7th. She encouraged people to submit nominations for properties they would like to see considered for an award. Lockman said the HPC also has a vacancy and will be looking for a new member from the southwest area that includes the Missoula Southside and McCormick District and the Slant Street District.

Best Place Project

Mayor Engen gave the Board an overview of the Best Place Project. He said it's intended to answer two fundamental questions: What is the City of Missoula's economic development strategy and who is in charge of executing that economic development strategy. Mayor Engen said he's come to believe that who's in charge has to be himself for the time being because he feels there's an urgency and need for leadership. He said in conversations he's had with employers in the community, he does know there's a sense that Missoula doesn't do recruitment in a reasonable, thoughtful, strategic and tactical way; Missoula doesn't engage in retention practices and there are infrastructure needs that Missoula may be able to anticipate, solicit or meet if it's pulled together.

Mayor Engen said Jay Garner from Garner Economics was in town spending time getting a tour of the community and talking with people. He said Garner works through a checklist to see if Missoula makes sense and has its act together on a fundamental level as a place for a company to do business. Garner will give the City a report on what he thinks Missoula's strengths and weaknesses are as a community in terms of economic development.

Mayor Engen said two consultants from National Community Development Services are in Missoula for four weeks. They will be interviewing a list of employers, opinion leaders and advocates in the community to get a sense of what sort of community support there is for a more comprehensive, organized economic development effort. He said they expect the reports to be done by the end of April. This report will also include a sense of capacity for how much money Missoula can raise over the course of a five-year period to create and execute a strategy.

Mayor Engen said he thinks there's some general confusion and some folks who are feeling organizationally threatened by this effort. He said he understands why they might be and will address them as plainly as he can. He said the Missoula Area Economic Development Corporation (MAEDC), in its origin, was largely created to do a lot of the work he's talking about today. Mayor Engen said the fact of the matter is that MAEDC today operates based on its funding sources and works hard to deliver state programs through the Department of Commerce. He said what MAEDC has gotten away from is the recruitment piece and he thinks some of the retention pieces aren't there.

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Mayor Engen said Montana Community Development Corporation (MCDC) is a fantastic small business development center that runs a great loan fund along with other specific programming. MCDC has also brought New Markets Tax Credits to Missoula. He said this organization is an asset and resource, but it is not an economic development organization. He said there are a lot of assumptions and complications surrounding these institutions that are probably not there so another part of this effort is to sort them out and make sure aces are in their places and the resources are used in the best way possible.

Mayor Engen also spoke about BitterRoot Economic Development District (BREDD). This is a product of the United States Federal Economic Development Authority. He said Marcey Allen is working to find BREDD's way in this mix, but they have limited resources and a complicated framework for getting things done. Again, Engen reiterated that the purpose of the Best Place Project is to find out what Missoula's economic development strategy is and who's in charge of it.

Mayor Engen said today there are cities and towns across the nation who strategically and actively recruit business to their places. He said if Missoula is to engage in recruitment, one of the things it has to do is recognize what its strengths are. Mayor Engen said he believes Missoula has three strengths: 1) There is a green infrastructure with recreation, open spaces, trails and a quality of life that is unique. 2) There are real opportunities with helping existing businesses grow, expand and improve. 3) The MRA is continuing an evolution from an Agency, as it was one time largely about street trees and urban infrastructure, into creating real infrastructure and opportunities for that infrastructure to meet with business and community needs. He said he thinks URDs II and III provide tremendous opportunity. He

said just as in the 1970s, 1980s and 1990s in Missoula the linear park along the Riverfront represented real opportunity to build a place, community and environment, so does the rail corridor. He thinks a lot of things could happen there and a piece of it is having some vision. Another piece is making some infrastructure investment. Mayor Engen said the MRA will have money in URDs II and III for the foreseeable future and he wants to make sure it's doing things in a meaningful way to invest the money so that the goal of the Districts becomes manifest and increases value over time. Discussion ensued.

Mayor Engen said he doesn't know what the organization looks like to carry forth the Best Place Project. He said it could be a 501(c)(3) with a small board of directors. He said he doesn't think it can be an organization with a 20 member board of directors. He said the majority of the funding will need to come from private partners, but it also needs public money invested in it. Mayor Engen said he will come ask the MRA for money over the course of the five year life of the program to support it because in no small part these and MRA's efforts should be hand in hand.

Mayor Engen said if this is done strategically there's no reason that MAEDC won't own its piece of it because it has some core competencies that make sense with relation to the goals. He said there's no reason that MCDC, BREDD, the Chamber of Commerce, MDA, BID, etc. don't have a piece in it. They all have resources that can help execute a strategy, assuming a strategy is realized.

Englund said he guessed that the Mayor has the support of the MRA and the good work MRA can do and has done in the past. He said for what the Mayor has outlined, he admires the outline and its focus, and also the Mayor's leadership and timing. Englund said the concern he has is that it stay what the Mayor has outlined. He said if the city is going to round up anybody who's willing to come, regardless of the cost and quality, all that's being accomplished is the potential to destroy what the Mayor is calling the "Best Place" with too much of the wrong kind of development. Englund said the documents the Mayor has prepared make it very clear that's not what this is, but yet it also makes clear that it's going to be a big effort. He said if the big effort gets expanded beyond what the document is, then that's where his concern would lie. Otherwise, he said what the Mayor has outlined is fantastic. The Mayor said he appreciates that and has asked one of the consultants to talk to him more in-depth as he puts his report together about a governance piece. Discussion ensued.

Mayor Engen said one of the reasons he selected who he did to help steer the effort is because he wants large employers with immediate impact. He wants people to notice that the employers could work anywhere, but they choose to work and have their business in Missoula. Mayor Engen said he wants to attract companies with a long-term vision. He said he recognizes there are many holes in the plan, but if everyone works together they can begin to fill them up.

Moe asked if there's consideration of using county resources in the project. Mayor Engen said he has had conversations with Missoula County. He said he's as parochial about this as he has been about anything as Mayor and said he can't put himself in charge of the region's economic development. He said not only is it jurisdictional, but some of the people won't want his help and his responsibility is within the city limits. He said if the city does this right, the county has every opportunity to join in or replicate without duplicating some of the

programming. Mayor Engen said he is not the mayor that's interested in regional economic development. He said at least one of the consultants will say there has to be a region for regional economic development and here there are urban areas, not regions. He said if they can make things work well in urban areas, there's real opportunity for the rural areas to succeed as well. Cates said she disagrees because so many of the resources for economic development are in the county and she doesn't think people who live here understand the boundaries that the city is affected by. She said she is concerned if a fragmented system is built if the county isn't in it at the onset, without creating expectations that it's for areas like Seeley Lake and Frenchtown. Cates said she hopes they can find a way to have more formal involvement from the county.

Fraser said he's in favor of what the Mayor is doing and is happy to see he's involving people that employ a lot of people and for work reasons go to a lot of places for meetings to potentially get involved in the recruitment process. In talking about the county, Fraser said the first thing he thought of was the airport. He said the thinks that has to be an elementary part of recruitment and it is in the county. Fraser asked if there was a way to bring parts of it together. Mayor Engen said there are going to be some blurry lines. He said he's meeting with people at the airport to talk about how they're development and planning efforts can work with this effort. He said the city and county are going to need each other, but he's not the mayor of Seeley Lake, However the County Commissioners are the County Commissioners of Seeley Lake. He said he needs to be able to work within a fairly narrow scope and he doesn't want the effort to be so dilute that suddenly investments are being made far afield from where he has responsibility and duty. Engen agreed they need the airport and will continue to need state government. Cates said she thinks there's a way. Engen and Fraser agreed.

Kemmis said he seconds what several of the Board members have said, starting with a vote of appreciation for the Mayor's leadership and trying to move this forward. He also said he doesn't think anything like a traditional industrial recruitment model is what the city ought to be engaging in. Kemmis said he also agrees that if something effective is going to be done then all of the major economic elements in the urban area to bear need to be brought in. For example, what Fraser said about the airport is absolutely right and the county's industrial development areas and so on has to be part of the picture in order to have a complete effort. Kemmis said in terms of MRA's development, he is willing to consider requests for support from MRA. He said he thinks it would be a mistake to not have MRA involved. Kemmis said he thinks the most important contribution MRA can make over time to economic development is roughly what it's done before, to continue to improve infrastructure and quality of life. Kemmis said he wouldn't be in favor of a vast redirection of resources away from the vision that MRA has pursued. Having said that, Kemmis said something along the lines of what the Mayor has suggested about a rail corridor is something MRA ought to look at very closely.

Moe said she appreciates this project as well and thinks the timing is great to bring it forward and get some control and direction to what's happening in the area. Moe said she also thinks of the urban area to use as many urban resources as can possibly be used because if the water in the county rises, the water in the city rises too, and it works both ways as to what is happening.

Change tape 1/tape 2

Mayor Engen said he wants to see everyone pull together and create a brand for Missoula. Englund said if it's one economic interest that grabs this thing and says Missoula can produce something that generates more real estate sales or something else and that's all they're thinking of, that's where the city will end up with problems and wake up ten years from now wondering what happened. He said this needs to keep going in the right direction.

Fraser said 30 years ago at the end of the 1970s when everything was terrible there were studies done that centered along the river. He said that's how URD I was born, MRA was set up and the ball started rolling. Fraser said today's talk about the rail line could be the start of making things happen.

STAFF REPORTS

Director's Report

East Front St. Parking Structure

Buchanan said they had a productive conference call earlier this week with the Holiday Inn, First Interstate Bank and Parking Commission. She said depending on what comes out of the next draft of Agreements being worked on, they may be able to come to agreement. She said they may be in a position to move forward with the purchase of the Holiday Inn property. The other piece that has to happen is to work on the Development Agreement between First Interstate Bank, MPC and the City about the conditions and what triggers the land transfer.

Downtown Master Plan

Buchanan said bids were opened on the North Higgins Project and Western Excavating was the low bidder. She said MDT and FHWA have to review them because federal money is being spent on the project. She said they hope to have the bid awarded within the next week.

Montana Sustainable Building Center (MSBC)

Buchanan said City Council approved authorization for the Mayor to sign the EDA Grant and enter into a Memorandum of Understanding. She said if all the other financing falls into place with First Security Bank, MCDC and Montana Board of Investments, there will be a project. In the meantime, she said Home Resources is starting to move into their space.

Miscellaneous

Buchanan said she volunteered to spearhead the Google project to see if they will choose Missoula to be a trial location to run a high-speed broadband network. She said it's a huge economic development opportunity if Missoula is selected.

Sidewalk Projects

Gass said Knife River has started work on the Brooks St. project. There will be a minor change order coming to add two relatively small segments to the project. Coincidentally, Gass said they come in under the \$5,000 threshold for Buchanan's approval.

Gass said Staff met with Jeremy Keene from WGM Group to discuss a budget amendment to their scope of services. He said they are working on the Brooks St. project and there are a lot of unknowns. They are going to try to quantify how much work will need to be done with easements and negotiations because they've already used up a significant portion of what they originally budgeted. This will come back to the Board for authorization.

Gass said tree removal will start on the Catlin/Wyoming sidewalk project at the end of March. He said the cement work for the sidewalks will commence on April 19th, thus starting the 90-day construction period for the project.

ACTION ITEMS

Silver Park Phase II – Request for Engineering Changes

Behan said today's action will complete an action the Board took in February on Phase II. Behan reminded the Board that MRA changed engineers for the remainder of this phase of the project. In February, the Board approved \$5,000 to Territorial-Landworks, Inc. (TLI) to start getting things sorted out. Behan said the current request is for a not-to-exceed total contract for the entire Phase of \$16,395. This includes the previous request for \$5,000. Behan said TLI's contracts are time and materials-based so they have tried to get ahead of any changes that may come along in this amount. It includes amounts for five construction change orders. Behan said he doesn't think there will be change orders, but they want to be ready for them just in case.

Mark Bellon, TLI, spoke for Mike Day who's been working with Behan. Bellon said he thinks they have it ironed out and have a good handle on the scope of services and budget to get the project back on track.

Moe asked what the timeline is for completing Phase II. Behan replied that he's made it as clear as he possibly can that the parking lot will be open for opening day of the Osprey season. Behan said he hopes Phase II will be wrapping up by the end of May and will have already gone out to bid for Phase III.

Cates asked what the amount of the five change orders makes up of the \$16,395. Behan replied about \$7,000.

MOTION

KEMMIS: I MOVE THAT MRA ENTER INTO AN AGREEMENT WITH TERRITORIAL-LANDWORKS, INC. FOR SILVER PARK PHASE 2 CONSTRUCTION ENGINEERING, SURVEYING, AND CONSTRUCTION ADMINISTRATION SERVICES IN AN AMOUNT NOT TO EXCEED \$16,395 WITH PAYMENTS TO BE BASED ON ACTUAL TIME WORKED AND MATERIALS USED AT RATES AND COSTS PROVIDED BY TERRITORIAL-LANDWORKS, INC. Moe seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Audit Contract Extension for FY10-11

Lee said the audit for FY09 was the third year of a three year contract with Anderson Zurmuehlen, P.C. She said three years ago MRA went out to bid with the City to find cost savings and coordinate MRA's audit with the City's. In discussions with the City about what they would like to do this year, Brentt Ramharter, City Finance Director, would prefer to do an extension of the contract with AZ. The reasons for this are listed in Lee's memo. Lee said MRA concurs with Ramharter's decision. She said MRA is happy with AZ and works well with them. The request is for the MRA Board to approve an extension of two years with AZ for the audit.

Moe asked what triggers a single compliance audit. Lee replied it's the threshold of federal money spent in a fiscal year (\$500,000). Buchanan said the City will have several of those this year because of stimulus money.

MOTION

MOE: I MOVE APPROVAL OF A TWO-YEAR EXTENSION TO THE AUDIT CONTRACT BETWEEN MRA AND AZ, NOT TO EXCEED THE AMOUNTS STATED JIL'S MEMORANDUM. Cates seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

URD III Residential Curb & Sidewalk Project – Request to Award Construction Contract

Gass said last August, MRA entered into an Agreement for Professional Services with TLI for design, engineering and contract administration services for Phase I of the URD III Residential Curb & Sidewalk Project. Gass said this is anticipated to be a four-phase project spreading out over the next few years. Phase I includes portions of Eaton, Schilling, Dearborn, Fairview and Benton.

Gass said this project was advertised to bid in January. Seven bids were received. He said one bid was rejected as non-responsive due to an incorrect bid form being used and two bid items being omitted. Therefore, Gass said the lowest responsive bid was submitted by Gregston Construction Co. of Hamilton. The amount of their bid was \$442,076.50. This bid is \$90,836 below the engineer's estimate.

Gass said TLI has reviewed the bid by Gregston Construction and finds it to be responsive, correct and complete. He said the Staff recommendation is that the Board award the Construction Contract for Phase I of the URD III Residential Curb & Sidewalk Project to Gregston Construction in an amount not to exceed \$442,076.50.

Fraser asked if the City or TLI has experience with Gregston Construction. Bellon replied he's very pleased with them. He said TLI has worked on City projects with Gregston and they have historically performed well with public relations and overall quality construction. Gass said Public Works is comfortable with Gregston and have worked with them on several projects.

MOTION

CATES: I MOVE THAT WE APPROVE THE AWARD FOR CONSTRUCTION FOR URD III RESIDENTIAL CURB & SIDEWALK PROJECT-PHASE I TO GREGSTON CONSTRUCTION CO. AS OUTLINED IN THE MEMO FROM TOD ON MARCH 11, 2010. Kemmis seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

CIP Projects for FY11-FY15 – Request for Approval

Nelson said this year the City asked that the departments not put forth any new projects. She said because MRA's projects are not part of the general fund, the CIP is seen more as a way of notifying other departments and the public of large capital projects that the MRA is pursuing. She said MRA doesn't have any new projects and the eight listed in her memo are projects that are carrying on to second phases, etc. She said one project that will be added to MRA's list is the Clegg/Wyoming connection.

MOTION

MOE: I MOVE APPROVAL OF MRA'S 2011 CAPITAL IMPROVEMENT PROJECTS FOR INCLUSION INTO THE CITY'S 2011-2015 CAPITAL IMPROVEMENT PROGRAM PLAN. Cates seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

NON-ACTION ITEMS

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 1:30 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II