

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 18, 2009

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

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

Public: John Wolverton, Bike Walk Alliance for Missoula; Matt Ellis, Master Plan Steering Committee; Rod Austin, Downtown BID; Jamie Lockman, MRA Rep to HPC; John Weyhrich, Bike-Ped Board; Ethel MacDonald, Bike Walk Alliance for Missoula; Bob Giordano, Missoula Institute for Sustainable Transportation; Alex Taft, Missoula Advocates for Sustainable Transportation; Nancy Wilson, ASUM Transportation; Joe Deluca, Montana Marketing & Development; Jim Sayer, Adventure Cycling; Keila Szpaller, Missoulian; Doug Harby, Missoula Public Works Dept.

APPROVAL OF MINUTES

February 18, 2009 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Moe said after the last meeting, the Board received some information by email about the lack of participation of the Historic Preservation Commission (HPC) in commenting on the Downtown Master Plan. Moe said she talked with Buchanan about it and felt it's information that should have been received at the meeting at the time Lockman gave her report.

Historic Preservation Update from Jamie Lockman

Lockman said Buchanan, Linda McCarthy and Matt Ellis attended the last HPC meeting on March 5th to address the Commission about the Downtown Master Plan. Lockman said the HPC realizes it's late to add comments to the document and acknowledges that the ball was dropped. She said McCarthy offered to give a presentation to the HPC at a future date.

Lockman said the HPC wanted to report that the National Park Service Tax Incentives Annual Report includes Zip Auto Body. She said they are waiting to receive copies and the MRA is spotlighted in it.

Lockman said the HPC also wanted to report that Preserve America no longer exists. However, there are stimulus funds available for shovel-ready projects. She said Missoula Preservation Alliance presented a \$10 million request to Montana Housing Appropriations subcommittee on general government education. The subcommittee recommended \$5,000 for historic preservation activities.

Lockman said the HPC is interested to know what it can do to help MRA. She said Philip Maechling has offered to present the HPC's current thinking on economic information. Fraser said Lockman should meet with Staff and decide if there's something they want to bring to a Board meeting. Lockman also reported the HPC is sponsoring a three-day preservation fair May 7-9.

Cates wanted to note the Board's concern and best wishes for Linda McCarthy and her family on the loss of their son.

COMMITTEE REPORTS

Director's Report

East Front Street Parking Structure

Buchanan said they're still working through some issues with the buy/sell agreements and that's why they haven't moved forward with the Request For Proposals yet. She said the Holiday Inn Parkside needs signage; the parking structure will block them and they need to be found. Buchanan met with the Staff at the Office of Planning & Grants (OPG) and they said it's approvable through a Board of Adjustments action.

URD II & URD III Infrastructure Projects

Buchanan said Staff wants to try and proactively develop some URD II and URD III Infrastructure projects. She said there's enough revenue in the Districts so that MRA can look at doing some things of substance, like completing sidewalk networks. Kemmis said it makes sense to invest in things that have long-term, broader impacts and feels the focus should be kept on that. Moe said it would be better to have a couple of items on the agenda considered as part of an overall package or strategy for the District instead of the Street Dept. coming to the MRA when they need money.

FY09 Budget Status Reports – URD II, URD III

Lee said she didn't have anything specific to point out on the Budget Status Reports.

ACTION ITEMS

Downtown Master Plan – Request for Recommendation for Adoption by City Council

Matt Ellis, a member of the Steering Committee for the Downtown Master Plan, gave a presentation of the process they've been through with the Plan. He said it's important to keep in mind that it's a 25 year plan for the community. Ellis requested that the Board

show its support for the Downtown Master Plan through adoption and drafting a letter requesting the Consolidated Planning Board and Missoula City Council adopt the Plan.

Moe said she didn't understand the concept of reserving the land on public and private property. Ellis said the idea of the Plan, for 25 years, is to put things in where the consultants recommend it goes and works best with all the other elements around it. He said things don't have to go in particular spots that are outlined, but it's a placeholder and an opportunity to plan for everything supporting each other.

Kemmis asked how the adoption of the Plan would affect the MRA Board's operation, focusing on the idea of reservation. He said he would assume that adopting the Plan then means that MRA would, at the very least, do its best to avoid approving any action that would then preempt something that's in the Plan. Kemmis asked if that was a fair way to think about the expectation of an organization like MRA. Ellis replied he thought that was a fair strategy, but he also looked at it as a living, breathing, 25 year document that's going to evolve as the community, its interests and opportunities evolve. Ellis said it would be short-sighted to think that in 25 years the Downtown will look exactly like it does in the Plan's diagram. He said they hope it does become a document that helps guide boards like the MRA to make decisions so that they're thinking about how the Downtown is going to be put together for the long haul.

Moe said MRA's responsibility seems to be drafted broader in the Plan than the current Districts are now. For example, she said some of MRA's responsibility seems to include URD I which no longer exists. Buchanan replied part of URD I has been recreated as the Front Street URD and the Riverfront Triangle URD. She said there's an understanding that MRA is limited geographically in what it can do and where it can spend money. She said that's not to say that if the opportunity presented itself to do something on the rail yard that the MRA Board and City Council wouldn't consider creating another URD.

Moe asked if the Plan was calculated with population projections and/or does it take into account what Roger Millar from OPG talks about as to maximizing the population of the urban area. Buchanan replied it does. She said it looked at the numbers that came out of the Urban Fringe Development Area (UFDA) study and is based in large part on the population projections coming out of OPG. She added that Millar was an integral part of the Steering Committee.

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Ellis added that other plans and studies, such as the West Broadway Corridor Vision Plan and UFDA, were reviewed and incorporated into the Plan so the consultants weren't redoing a lot of years of hard work.

Moe asked what the Downtown Master Plan means. She wondered if people will be told they can't do something because it's not in the Plan. Ellis replied he hoped it would be positive and that people will want to know how they can stimulate investment to reach goals in the Plan.

Moe asked what the legal status of the Plan is. Buchanan said if the City Council, with recommendation from the Planning Board, decides to adopt the Plan as part of the Missoula County Growth Policy, then it begins to be the underlying basis for whatever zoning overlay they end up doing for Downtown. Discussion ensued. Fraser asked if it establishes anything legally. Buchanan replied no. She said it helps the City to know where to spend its money. Ellis said if the Steering Committee had one major impact on this Plan it's keeping options open so the community can discuss the fine points of the Plan.

Moe said she's really impressed with the Plan. She said it's nicely laid out and clear. Ellis said Cates was a guiding force in terms of the vision and the Plan's footprint. Cates said she thinks the Plan is great and likes the flexibility in it. She said if it's enacted as a matter of public policy by the City then it's up to MRA to say it's public policy and have its rules reflect it. Behan said if the Downtown Master Plan is passed through City Council and becomes an appendix to the Growth Policy, as are the Urban Renewal Plans, then there will have to be an effort to make them mesh. He said the Downtown Master Plan is referenced in the Urban Renewal Plans, but a stronger link between them will be necessary. Kemmis said it will be a good idea to be fairly explicit, at some point, about how MRA expects to be guided or governed by the Plan.

Nancy Wilson, ASUM Transportation, said it's been a great planning process. However, she said she has some hesitation about the Downtown Plan superseding the Broadway Plan. She said she hopes MRA's recommendation in support of the Downtown Plan will let the Broadway Plan supersede it on Broadway St. Wilson said the Downtown Plan refers to Broadway as four lanes while the language in the Broadway Plan says there will be review of the three lane plan. Wilson said the Downtown Plan is a good plan but there's been a lot of community input on the Broadway Plan prior to the Downtown Plan and a lot of people felt they had already commented on Broadway. She said to make an assumption that the Downtown Plan should supersede the Broadway Plan would be bad public policy. Wilson said she's heard people say at other meetings that no changes can be made to the Downtown Plan. She didn't think that was correct and urged the MRA Board to make its comments so they go forward to the Planning Committee and they understand what the real intention is, especially since the MRA helped to fund the Broadway Plan. Wilson said Missoula has a thriving Downtown and she wants to keep it that way.

Bob Giordano, Missoula Institute for Sustainable Transportation, passed around copies of page 91 from the Broadway Plan. Giordano said he is a proponent of the three lane system and reviewed the three lane roadway as laid out in the Broadway Plan. He said the Broadway Plan states, within a 2-20 year period, to evaluate the four lane roadway for West Broadway. He said his concern is that the Downtown Plan's language solidifies the idea of four lanes. He wanted it to say the lane numbers will be evaluated and that the lane discussion can continue.

John Wolverton, Bike Walk Alliance for Missoula, said he loves the Downtown Plan and the effort that went into it. He said he wanted to bring forward the concern about the

Broadway four lane language. He said for the Higgins Ave. component, Crandall Arambula didn't take a stance so that future discussions could occur. Wolverton said they had some sense of that being the case for Broadway, but the Downtown Plan ended up saying four lanes for Broadway. He wanted to remind the Board about safety concerns that go along with roadway design. He recommended the Board forward some type of motion or amendment to request a change in the language about the four lane Broadway component to leave it open and flexible. Wolverton reiterated that he was pleased with the overall Downtown Plan.

The lane language in the Downtown Master Plan is on page 66.

Jim Sayer, Adventure Cycling, said depending on the evidence, it should be a three or four lane plan. He said there are three areas of evidence to consider: community sentiment, traffic volumes, and safety/traffic flow. Sayer urged the Board to look at the areas of evidence to make their decision.

Englund said he wondered what the relationship is when there's a Master Plan that lays out a grand vision and the idea is to move towards it, but within the Plan there's the Broadway and Fox Site Plans where intense studying was already done on the sites. Buchanan said the first thing Crandall Arambula did when they were awarded the contract was to assimilate all the documents that existed including the West Broadway Plan, Old Sawmill District Master Plan, Riverfront Triangle Master Plan, all documentation on the Performing Arts Center, etc. One of the first observations was that those plans were done less holistically than the Downtown Plan so the market study for the Old Sawmill District didn't look at the whole market the way the Downtown Plan does. The Broadway Corridor Plan looked more specifically at what was going on at the edges of Broadway. Buchanan said as a result there were three plans that called for more commercial square footage collectively than Missoula could absorb in 100 years because none of them were looked at holistically. Buchanan said all of the previous plans were looked at and some of the recommendations in the Downtown Plan differ from the other plans. Buchanan said if there's going to be consideration of deferring to the Broadway Plan, the Board won't want to defer to the entire thing because it would spread the commercial too thin and nothing would benefit. She said what they heard in discussions for the retail hot spot is that if the retail is done right Downtown, then other things will follow much more naturally. However, if you don't get the concentration and critical mass then there won't be that great Downtown that they're trying to strive for. She said if there's going to be a discussion about four lane versus three lane on Broadway then she hopes it's confined to that and doesn't go back to all of the recommendations that came out of the Broadway Plan. Also, Buchanan said the Broadway Plan does, in fact, ultimately end up as a four lane. She added that if and when Russell Street gets redone it will put a tremendous amount of increased traffic on Broadway.

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Alex Taft, Missoula Advocates for Sustainable Transportation, said he remembered going through the Broadway process when they met at St. Patrick Hospital. He said there were lots of heated arguments about three lanes versus four lanes. Taft said it was very clear to

him that the decision was to not make that decision and when they get to specific developments they would then decide on how many lanes it should be. Taft said they are asking that the motion be changed to say “move that the organization show its support of the Greater Downtown Missoula Master Plan” and that the words referencing a four lane Broadway be struck out.

Cates said at the end of the day the people they’re relying on is Crandall Arambula. She asked what their discussion is of this particular item. Buchanan said she thinks what’s driving this is the lane drops at Orange and Russell Streets. She said the discussion becomes whether or not to take a three lane through downtown or make the road consistently four lane so that it works. She said there are things about it that are certainly better now on Broadway from a safety standpoint. Cates asked if Crandall Arambula thinks this is the right recommendation with the four lane in it. Buchanan replied they do. She said there were suggestions from members of the Steering Committee that this is the way it should go. She said if the MRA Board wants to it can recommend language similar to what’s in there for Higgins, to further evaluate the three and four lane options. Cates said she takes this conversation very seriously and wondered if MRA is the Board to weigh the evidence and make that recommendation. Englund said traffic is a redevelopment issue. Buchanan said none of the decisions will be made until there’s money to pay for something. Englund said the Board can’t sit there and say the Downtown Plan will guide them and then say that the guide that says it’s going to be a four lane road is going to guide them in any direction other than that it’s going to be a four lane road.

Ethel MacDonald, Bike-Walk Alliance for Missoula, said she loves the Downtown and believes that a three lane system will enhance Broadway. She said the Downtown Plan implies that the four lane is set in concrete. She said she wanted to see Broadway listed in the “Items for Discussion” that was in the presentation by Ellis.

Kemmis wondered why the Steering Committee felt that having a four lane on Broadway is thought to be crucial to the integrity of the rest of the Plan. He said given the intensity of the exploration during the West Broadway process, the presumption would have been to go forward with those results. He said there must have been a very good reason to open it up and have four lanes in the Downtown Plan. Rod Austin, Downtown BID, replied he thinks the consultants ultimately see it as being a four lane road. He said he does believe the Steering Committee has had direct conversations and he thinks that references to the Broadway Plan are going to allow that vetting process. Austin said he is a proponent of four lanes and believes you can do four lanes and have it be pedestrian and bicycle friendly. He said most of the people on the Steering Committee believe there will be a process relative to Broadway. Discussion ensued regarding language in the Plans.

MOTION

**KEMMIS: I MOVE THE MRA BOARD ENDORSE THE GREATER
DOWNTOWN MASTER PLAN AND RECOMMEND THAT THE PLANNING**

**BOARD AND CITY COUNCIL ADOPT THE PLAN AS PART OF THE
MISSOULA COUNTY GROWTH POLICY.**

**MOE PROPOSED FRIENDLY AMENDMENT: WITH THE MODIFICATION
TO THE SECTION OF THE PLAN DEALING WITH THE CONFIGURATION
OF BROADWAY TO CONTINUE THE PUBLIC PROCESS FOR DESIGN AND
REVIEW OF ALTERNATIVES FOR BROADWAY BETWEEN RUSSELL AND
VAN BUREN STREETS.**

KEMMIS AGREED TO FRIENDLY AMENDMENT. Englund seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Street Milling & Repaving Project – URD III TIF Request

Gass reviewed his memo covering the request from Public Works for street milling and resurfacing for Fairview Avenue and Washburn Street. Gass said this request is eligible for TIF assistance through the State Urban Renewal law which allows for infrastructure rehabilitation. He said this project is similar to several milling and resurfacing projects that occurred in URD I through the successful Downtown Streets Program. Gass said the estimated costs for the proposed project is \$67,000 and includes materials, equipment and labor.

Gass said Staff expects more street rehabilitation requests to come from the City and is currently in the process of assisting the Public Works Dept. in a streets/sidewalks infrastructure inventory. The idea is to create a plan similar to the Downtown Streets Program, if warranted.

Gass said the Staff recommendation is to authorize TIF in an amount not to exceed \$67,000 for the URD III Street Milling & Resurfacing project.

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Doug Harby, Public Works, said in conjunction with projects like this they like to improve the rest of the infrastructure including drainage, curbing and sidewalks. He said the area along Washburn, between Fairview and Benton, has no curb and little access. Harby said they're putting together a project along Washburn for curbs and sidewalks. He said the City will continue a half block south of Benton, outside of URD III, to address curb work and get a pedestrian connection.

Moe suggested waiting to see the comprehensive list of what needs to be done in URD III before approving this so the Board can see what the priorities are. Harby said he drove every street in URD III. He said Fairview is a high priority for Public Works as well as Washburn. Moe said MRA Staff needs to make an evaluation as to whether the monies enhance redevelopment of the area. Cates said she wondered if this was a request MRA wouldn't have gotten before the economy went bad. She said she was getting a picture of what might be going on with tax revenues everywhere and whether or not that will cause MRA to have to shift in understanding what its role is, perhaps towards funding stuff the City used to fund and perhaps not. She said it brings up larger questions of whether there

is a shift in how much is available both to the City and to MRA and then what the right thing for MRA to do is.

Behan said in URD I, one of the things MRA went to Public Works with was the idea of getting the Downtown Streets pushed up in priority for the community and then MRA would help do the milling and repaving. Behan said this was in place for 10-12 years and virtually every street got paved or reconstructed. Discussion ensued.

Kemmis asked if there was some urgency about MRA approving this now as opposed to doing it in the context of a larger plan. Harby replied the urgency Public Works has is that the street may deteriorate if they don't get on it quickly and may deteriorate to a point that requires major reconstruction.

Lee mentioned that there hasn't been a lot of activity in URD III and the contingency is \$2.3 million. She said Staff thought this was a great climate for paying off the Special Improvement District (SID) and talking about a program similar to what was done in URD I since there aren't a lot of projects coming. Lee said she and Gass talked about this project coming forward now and then at the next meeting they'll include a program in the FY10 Budget.

MOTION

KEMMIS: I MOVE MRA AUTHORIZE TAX INCREMENT FINANCING IN AN AMOUNT NOT TO EXCEED \$67,000 FOR THE URD III STREET MILLING & RESURFACING PROJECT SET FORTH IN THE MARCH 12, 2009 MEMO, WITH THE ACTUAL AMOUNT BEING THAT DOCUMENTED ON FINAL INVOICE SUBMITTED TO THE MRA. Cates seconded the motion.

Moe wanted to comment on this motion and said the purpose of approving this project would be to enhance redevelopment of the area. Fraser asked if that was a comment or an amendment. Moe replied that's why she supports the motion. She said she doesn't support the motion for any other reason that is outside the boundaries of the District.

5 ayes, 0 nays. Motion passed unanimously.

URD III Chip & Seal Project

Kemmis said chip & seal is a whole different ball game than the previous item. Kemmis said to approve this would be like picking up part of the maintenance fund. Gass said the Staff recommendation leans towards denial, but he wanted to leave it up for discussion.

No action was taken for this item.

Fox Site RFP Responses

Behan said MRA ended up with two responses to the Fox Site Request for Proposals (RFP) in January. Behan said the initial review committee looked at them and they allowed the respondents time to address some of the deficiencies that were found in terms of their overall completeness. Behan said the RFP was explicit on what its intent was.

He said Millsite Revitalization Project, LLC (MRP) previously did work in that area but didn't have a specific project right now. They felt they could have a project in the future.

MOTION

Behan said MRA Staff and the review committee recommend going ahead and officially declaring MRP's proposal as non-responsive to the RFP and looking at the other proposal to see if it's something they want to move forward with.

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

Behan said the other response was from a group of developers primarily represented by Intermountain Management. Their local representative is Joe Deluca. Behan said Intermountain is a large hotel developer, owner and manager. He said Intermountain owns about 70 hotels in the United States and definitely knows what they're doing and appear to be able to do what's in their response. Their proposal includes a 125 room extended stay Marriot hotel, restaurant and small casino. Behan said their project focuses on one of the two development lots that were offered in the RFP.

Behan said ideally, what they hoped for any portion of the site is a model and an anchor for that portion of the Downtown core. He said there are still a lot of things that need to be worked on with the project if were to go forward. Behan said the recommendation is to move forward with an expanded committee and meet with the development team. Behan said he thought it would take three meetings and asked for an MRA Board member to be part of the team. Kemmis said he's uncertain about his schedule the next few months but would be willing to be on the team. Kemmis said to him there's a very high threshold of what can justify this project because it's such a key site. He said as he understands it right now this project falls short of the scale of what was hoped for the spot. Kemmis said he's glad they got someone with experience that's willing to propose doing something major, but wondered if it was major enough at this point in time. He said he was dubious about that. Fraser said some of the other Board member's sentiments were probably similar to that. He said it's not what was envisioned in the past. Fraser said as long as Mr. Deluca knows there are five Board members that are probably all looking for a real shot in the arm for that piece of property.

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Deluca said he's been active in the hotel business since 2004. He said he did the Hilton Garden Inn and is looking to do another hotel in Missoula.

Englund said he shared dubiousness about the proposed project. He said he thinks MRA ought to be very careful and said there's no hurry. Behan said there is a sense of urgency by the City Council on trying to do something. He said he thought they would take, very seriously, a recommendation to hold back. He said he didn't think Staff or the committee would have brought it forward to this point if they didn't think there was a potential.

Deluca said he bought the Hilton franchise in 2001 and didn't get it built until 2004, failing three times before he got it done. He said he has the staying power to get the job done. He said if they build the hotel it will create over 60 jobs. Deluca said the fact that it's a Marriot and a Residence Inn is one of the hardest franchises to get. Intermountain Development has been the number one Marriot developer for three out of the last five years.

Moe said some of MRA's concern is what one project does for the entire area. She said there were some things that Deluca's project would have to present that make MRA feel that the development of the entire area will be so viable after their project gets done.

FY10 CIP – Request for Approval

Nelson said MRA has five projects in the Capital Improvement Project (CIP) and they are mostly the same projects that are carried over from the previous year. She said one change is that the Broadway Island project is now incorporated into Riverbank Restoration and Flood Control which is a larger, comprehensive project. Moe asked if Riverbank Restoration and Flood Control was a totally new subject. Buchanan said she reported to the Board in the past that there was a request from Max Baucus' office to put together a river restoration project. She said there are flood control issues west of the Millsite along California Street and there's the desire to do a bank restoration project along McCormick, the Old Sawmill District and the Stadium to get rid of the asphalt and concrete rubble. She said the Equinox Project is doing Riverbank Restoration and a new trail as part of their project. Buchanan said she put together a group of projects and it was approved as part of a seven year authorization bill. Buchanan said it's coming to the Board as a project in the FY10 CIP for the first time because it was previously a Clark Fork Coalition application but now the City did its own application.

Nelson reviewed the rest of the items in the FY10 CIP. Moe noted that the West Broadway Corridor Improvements item should refer to the Greater Downtown Master Plan along with the West Broadway Corridor Community Vision Plan. Nelson said she would add it. Fraser asked if approval of the CIP items commits MRA to any money. Nelson replied no.

MOTION

MOE: I MOVE APPROVAL OF THESE PROJECTS AS MRA'S 2010 CAPITAL IMPROVEMENT PROJECTS FOR INCLUSION IN THE CITY OF MISSOULA'S 2010-2014 CAPITAL IMPROVEMENT PROGRAM PLAN.
Englund seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

NON-ACTION ITEMS

Silver Park Discussion

Nelson said MRA is moving ahead and trying to get the parking lot built before baseball. MRA would also like to make it a priority to finish up the trail that was started, make the connection and get the bridge in place and get it landscaped and lit. Nelson said MRA would like to put the whole thing out to bid and see what kinds of bids come in, but if the whole thing is unaffordable then MRA wants to get the priorities completed. Moving

forward, Nelson said there are a few things hanging out there that need to be done. She said Buchanan signed to get a Geotechnical Report done for the parking lot design. Also, she said Abbotswood Design Group will have added costs to fast track and move the parking lot portion out separately. Nelson said MRA will also have to have a methane abatement system designed for underneath the parking lot. Nelson said Geomatrix estimated this would cost \$8,300 to be designed. There will also be signage put up to let people know there's no access in certain parts of the Park. Nelson said the signage would cost about \$600. She said the Parks Dept. is going to work on getting some graffiti guard put on the bench shelters and this will cost around \$1,500. Nelson said Staff will call for a Special Board meeting to approve expenses to Abbotswood and Geomatrix.

Buchanan said she's talked with Mae Nan Ellingson about the whole thing going out to bid. She said if there's a favorable bidding climate there's a possibility of doing a bond issue to build the Park. Buchanan said URD II has plenty of capacity and Aaron Radio at D.A. Davidson agrees this is a favorable climate for issuing bonds that are that secure.

STAFF REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 2:25 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II