

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

February 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

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

Public: Jeff Smith, WGM Group; Jeremy Keene, WGM Group; Jamie Lockman, MRA Rep to HPC; Tim Roberts, WTR Consulting Engineers; Mary Anne Moseley, Tremper's Shopping Center; Debbie Williams, Tremper's Shopping Center; Glenn Tremper, Tremper's Shopping Center; Bill Tremper, Tremper's Shopping Center; Barbara Tremper, Tremper's Shopping Center

APPROVAL OF MINUTES

December 17, 2008 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Behan said MRA received two responses to the Fox Site Request for Proposals (RFP). He said neither response was complete, but MRA has allowed them to address some of its concerns. Behan said a small group will evaluate the completeness of the RFP's and will bring them to the MRA Board for consideration. He said they will be getting into negotiating mode moving forward and hope to have an MRA Board member in that group.

Jamie Lockman, MRA Representative to the Historical Preservation Commission (HPC), gave an update on the HPC's last meeting. She said she talked to Philip Maechling about the timing of the Downtown Historical District. Maechling indicated there was a discrepancy between the maps and the address list that was first worked out for the submission. That issue has been worked out and resubmitted. Lockman said Maechling anticipates they will receive notice of the district in two or three months. Also, Lockman said the HPC wanted to express to the MRA its disappointment in the Downtown Master Plan. The HPC feels the Plan should include more historic preservation including thinking of historic preservation as an economic tool that encourages buying local, employing local, anti-sprawl, and promoting stability and predictability.

Cates asked if MRA put money into the Stoverud's clock. Buchanan replied no. She said at least two individuals have come to the Missoula Downtown Association (MDA) and the Business Improvement District (BID) to say they might be willing to purchase the clock and

donate it to one of those two entities. She said ALPS will pay the electric bill and maintain it.

Moe wanted updates from Lockman added to the agenda for MRA's meetings. She also said MRA should consider the comments passed on from the HPC regarding the Downtown Master Plan.

COMMITTEE REPORTS

Director's Report

Old Sawmill District/Silver Park

Buchanan said the soils have final signoffs from the Department of Environmental Quality (DEQ). She said they are still working on resolving the groundwater issue. She said Staff is continuing to move forward on Silver Park and hope to bid construction in a month or so. She said if there's not enough money to do the whole Park then it will be bid in parcels to at least finish the Riverfront Trail section and build the parking for Playball this spring.

Downtown Master Plan

Buchanan said the subdocuments are being reviewed and edited by the Parking Commission, BID and City Staff. She said Staff will bring the Plan to the MRA Board for recommendation for adoption by the City Council. Buchanan said they will also be asking the MRA, BID, MPC and MDA Boards to adopt the Plan before it's taken to Planning Board for their April meeting.

Fraser asked if the Master Plan can still be tweaked after the Board reviews it. Buchanan replied yes.

East Front Street Parking Structure

Buchanan said they shortlisted firms as a result of the Request for Qualifications (RFQ). There are three architectural firms: MMW, OZ Architects and CTA Architects. There are two construction firms: Gordon Construction and Quality Construction. Buchanan said she has not issued a Request for Proposals (RFP) yet because it's her opinion that they're not far enough along in tying down the ability to purchase all of the property and she doesn't want to put the firms through the cost and time commitment it takes to respond at this point.

FY09 Budget Status Reports

Moe asked if any of the budget revisions going on at the state level have been factored in or if they affect MRA. Lee replied she hasn't been notified of anything she needs to change. Buchanan added the only way MRA is going to be impacted is if property tax collections are down, which they are. Fraser asked if it was because of delinquencies or assessment. Buchanan replied because of delinquencies, particularly in the commercial sector. She said it affects URD III more than URD II. Fraser asked if MRA will lose revenue. Buchanan replied Staff received mid-year reports from the Department of Revenue (DOR) based on the reassessment and URD III is doing really well and URD II is doing well too.

Buchanan said she's part of a community leadership team that's been doing a video conference with legislative delegation every other Tuesday at the University. She said part of the recent discussion was about what will happen with reassessment. Buchanan said it's in a joint committee with the senate and the house as to how to deal with and equalize it.

Buchanan said there are three bills in the Legislature that MRA feels are pretty onerous. She said Behan was able to go to Helena and testify on all three bills. The bills are being initiated by Elsie Arntzen of Billings. She said one of the bills would have caused the creation of an MRA Board for every district with a residential requirement for that Board within that district. Another would have limited the length of bonding and there were also conditions that no property could go into an urban renewal district that had been in a pre-existing one for up to 10 years. Buchanan said Arntzen is also passionate about getting rid of the word blight in the legislation.

ACTION ITEMS

Tremper's Shopping Center – URD III TIF Request

Nelson reviewed her memo for the proposed project in the rear of the building at Tremper's Shopping Center. Tremper's previously undertook a major renovation costing \$1.6 million in 2006. However, Nelson said this renovation did not address the rear of the building. She said Tremper's also recently took part in improvements to the Kent St. area. She said tenants of the building have also undertaken or are planning to undertake improvements to their businesses.

Nelson reviewed a breakdown in her memo of the various elements to the project, altogether totaling roughly \$1.6 million. The total TIF request to MRA is \$763,296. This includes \$258,096 for exterior building, site utility, site surface and street improvements and \$505,200 for public utility relocation.

Nelson also went through the 14 criteria for TIF projects in URD III as listed in her memo.

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Nelson recommended the MRA Board approve the \$258,096, which includes everything but the undergrounding of the power. She also recommended that the Board indicate a willingness to participate in undergrounding of the power depending on what Northwestern Energy has to say about participating.

Glenn Tremper said Tremper's is a third generation family business. He said they share with MRA the passion for the District and believe it can be redeveloped. He said they've done a lot on their own to share the vision of URD III and they want to finish the project.

Jeremy Keene from WGM Group gave a Power Point presentation highlighting aspects of the project. He said the basic needs are to address some of the maintenance issues, loading/delivery issues and the streetscape/aesthetics. Keene said when it's all said and done, the investment being made in the property is \$6.6 million. Keene said they realize it's a big request and the bottom line is that there are more things they'd like to do than they can afford. Keene said he thinks the real benefit is what happens to the properties around the Shopping Center and the greater District. He said it's an anchor for the neighborhood and for having housing in URD III. Discussion ensued.

Fraser asked for an update on the negotiations with Northwestern Energy. He didn't see what could be done with the building until they know if Northwestern Energy will participate in underground power relocation. Keene said Northwestern Energy told them they were willing to contribute to the cost of replacing the poles as they are today, which would amount to

about \$30,000. Keene said he thinks they have an interest in contributing more than that. Keene said the poles are in the City's right-of-way and the City can force the utility to move if it's in conflict with other things. He said one of the issues is that the power line dictates what they can do with all the other issues.

Buchanan asked what the other options were. Keene said there's an above ground option to move the poles either closer to the building or with different spacing. This would cost around \$300,000. Keene said the other option is to underground everything which will cost \$505,200.

Glenn Tremper said it's difficult for them to go and ask how much they're willing to contribute without them having the ability to say how much MRA and Tremper's can contribute as well. He said the negotiation process has to start somewhere and he thinks they need some understanding of what level MRA would be willing to contribute so they can put some leverage on Northwestern Energy. Cates asked if it was the case that the City can enforce right-of-way. Keene replied technically they can and typically they need a good reason to do it. He said what happens a lot with power lines like these is that they just build the sidewalk around them. Nelson said Doug Harby from the Engineering Dept. said they could put some pressure on Northwest Energy to accommodate loading and sidewalks.

Cates asked if Northwestern Energy's costs of relocating utilities can be reduced by having the trench already built. Glenn Tremper replied he thought so. He said they won't use Tremper's contractors to install because they want their particular contractors to do the work. He said they intend to negotiate hard with them, but need a starting point to be able to do that. Buchanan said having worked in similar situations, typically you can get them to let you pay to open the trench. They won't necessarily let your contractor put their stuff in the trench, but the cost of opening it is significant.

Cates said there's no plan without the power poles gone and it's safe to assume MRA doesn't want to pay for the whole power pole deal, if any. She said whatever MRA does should be contingent on Northwestern Energy getting involved. Glenn Tremper said what would help them is if MRA gives them some indication of what they're willing to contribute so they can take that information with them to negotiate with Northwestern Energy. She added she thinks it's a beautiful project.

Cates asked if the street improvement was the City's matter or a private matter. Buchanan replied it's the City's. Cates asked if it was an unusual case that Tremper's would pay for the median. Glenn Tremper replied the money they receive from MRA would go towards that project and they would work with the City's contractor. Cates asked who maintains the median. Buchanan replied the City. Cates said she's interested in medians that don't have to be watered on that hot street. She said the trees are beautiful but hard to maintain. Keene said one option for irrigation is to extend Tremper's irrigation system.

Moe asked who's in charge of Russell Street. Keene replied it's a city street with urban federal aid, so that brings the state in. He said when they showed the City the median it was sent to the state and they got a call from the state. Keene said he thinks it's dual jurisdiction. Moe said she thought MDT was in charge and that it's a state street. She asked if it was known for sure that Tremper's can put the median there. Nelson replied and said she thought Keene was right about it having dual jurisdiction. Moe asked if the median will reduce the

east side of the street to one lane. Keene replied no. He said what they're doing is putting the median in where there's currently a small left turn lane. Moe said Keen reported the state has been concerned about drainage there in the past and they have a project but they haven't funded it. She said it makes her think the state is somehow involved in what's going on with the street. She said she knows it's been a problem in the past that the state retains some control. She said she doesn't have an understanding of who's in charge. Keene replied they will have to get approval of the design from MDT. He said he thinks they'll be on board with the design and if they wait long enough, MDT will get around to funding it themselves because it's been on their list for six years. Keene said he asked MDT if they would contribute funds towards them doing it, but they said no because it has to go through their approval process.

Moe referred to the design and said she didn't understand where the access or loading points are for anyone along the back besides Albertson's which is on Kent. She asked if they'll be driving over the new sidewalk and causing cracking. Keene said those are some details they're still working out. They will have pull outs for loading for Paul's Pancake Parlor and The Book Exchange. He said Ace's preference was to have the trucks come across the sidewalk and park closer to the building. He said there have been discussions about problems with parking on the sidewalk so they're looking at other designs. He said to the north there's another loading area for Sportsman's Surplus and Albertson's has a second entrance as well.

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Fraser said he's confused as to how they're going to determine an amount to approve. He said the recommended amount of \$258,096 has items in it that are dependent on the other part and there's also some savings that are potentially identified. He said he's having trouble coming up with an idea to give guidance. He said he agrees with everything identified in the \$258,096 and would like to see the utility relocation amount lower. He said he's willing to start with 1/3 of that cost. He said he thinks Northwestern Energy should come up with at least 1/3 of that cost and maybe Tremper's come up with the other 1/3. Glenn Tremper said he understands the difficulty. He said one of their challenges is to find out how much they can save so they don't have to pass costs onto their tenants. Discussion ensued.

Buchanan asked what Tremper's would propose if the only thing Northwestern will do is to replace the power poles where they are now. She asked if they would still do a project and what it would be. Glenn Tremper said they would address the drain water and sewer situations, paint what they've got and put a sidewalk in. He said that would probably cost around \$300,000. However, he said they're willing to do more and are committed to doing more for the District.

Moe said she likes to see the sidewalk there but has difficulty seeing how that's going to happen because it's such a narrow space and there will still be trucks crossing the sidewalk to get to the building. Keene said there's about 20 ft. to work with between the curb and the building. There's 8-10 ft. for the pullout and 8-10 ft. for the sidewalk. Keene said they're looking at having some type of bollard separating where the trucks and the sidewalk are. Albertson's will move their receiving desk to the Kent St. side and will want most of their deliveries there. That will require the new loading dock.

Tim Roberts from WTR Consulting Engineers referred to the light poles that are still shown in the ground in the new plan. He wondered if the light fixtures could be put on the building itself to eliminate the poles. Keene said it can be done, but then there's the issue of who will maintain and own the lights. Also, he said the further you get from the street, the higher up the lights have to be which might not be on the pedestrian scale. Roberts said he was encouraged to see that the design keeps the truck traffic on the street.

Cates said whatever the Board decides, it should be contingent on getting some kind of deal with Northwestern Energy. Fraser said he was working with a number in his head of roughly \$150,000 in addition to the \$258,096 for a total of about \$400,000 into the whole project including getting rid of the poles. Glenn Tremper said the only thing that's pressing in terms of timing is the loading dock that needs to be moved. Albertson's are starting their renovation and Tremper's needs to have the loading dock built for them before they finish their renovations.

MOTION

MOE SAID THE BOARD COULD APPROVE THE LOADING DOCK PORTION FOR \$28,980 AND THEN HAVE THE REST OF THE APPROVAL FOR \$229,116 CONTINGENT ON THE BOARD'S APPROVAL OF A SATISFACTORY PLAN FOR RELOCATING THE UTILITIES. THE BOARD ALSO WANTS TO EXPRESS INTEREST IN COST SHARING WITH NORTHWESTERN ENERGY AND TREMPER'S FOR THE UTILITY RELOCATION. THE BOARD IS WILLING TO CONTRIBUTE UP TO \$150,000 FOR RELOCATION OF UTILITIES DEPENDENT ON AN MRA APPROVED PLAN.

CATES: SO MOVED. Moe seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Englund and Kemmis absent.

NON-ACTION ITEMS

STAFF REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 1:30 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II