

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

October 15, 2008

FINAL

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

Board: Hal Fraser, Nancy Moe, Karl Englund

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

Public: Lori Davidson, Missoula Housing Authority; Jamie Lockman, Missoula Historical Preservation Commission; Collin Bangs, MHA; James Hoffman, MHA; Don MacArthur, MacArthur, Means & Wells Architects

APPROVAL OF MINUTES

August 27, 2008 Regular Board Meeting Minutes and September 22, 2008 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

COMMITTEE REPORTS

Director's Report

Old Sawmill District

Buchanan said there was a meeting with the Health Dept. to see if a resolution could be found regarding the ground water issues. She said the Department of Environmental Quality (DEQ) had directed the Developers to create an Order of Consent that defines what will go on with groundwater testing. Within the last month DEQ has reversed itself and said they don't think they want to do the Order of Consent because if there are still problems found with testing in five years they don't know what they'll do. She said the alternative is to look to the Health Dept. to work on the water quality issues. Behan said the Health Dept. is willing to help out as much as they can. Moe asked if the developers are still pursuing an exchange for the Riverfront Triangle. Buchanan replied no.

Downtown Master Plan

Buchanan said Crandall Arambula will be back for the final series of meetings the week of November 17th. She said the Plan is being taken to service groups to get as much of the community involved as possible in addition to the public meetings.

Riverfront Triangle Urban Renewal District

Buchanan said the Request for Proposals (RFP) is out. The City Council wants it out for 90 days and responses will be due to MRA no later than January 8, 2009. Behan said the RFP is on the website and available at the MRA office.

First Interstate Bank & Downtown Parking

Buchanan said progress has been made with Macy's and the owners of the Holiday Inn, J Herzog. There's been an offer to do a long term lease on the Macy's property and a conference call is scheduled to discuss where Macy's is at in terms of responding to First Interstate regarding the purchase. She said they're looking at a 50-year lease and discounting the cost of the land so that Macy's buys parking for their employees. Buchanan said everyone is hopeful they'll be into designing the parking structure before the first of the year.

Hip Strip Urban Renewal District

Buchanan said Staff is working on the findings of blight. She said there may need to be a Special meeting between now and the next regular Board meeting to get it completed by the end of the year if it's the desire of the City Council to make it an URD.

Moe asked if the Hip Strip was a project the Historic Preservation Commission was involved in. She also wondered if Staff has heard comments for or against the creation of having an URD there. Buchanan replied there's at least one individual who's been very outspoken about not wanting an URD there because of the fear that it will cause change to happen to what's there historically. She said there are probably some others who share that sentiment. Buchanan said the more vocal group would like to see an URD. Buchanan reiterated that the MRA is doing this in response to a request from property owners in that area and isn't something MRA or any City entity initiated. Buchanan said she thinks the City Council is split right now on where they want to be with it.

Long Range Transportation Plan Update

Buchanan said there's been a series of meetings to try and rank projects. She said the Transportation Policy Coordinating Committee met and one of the sticking points has been what to do about Russell St. Buchanan said Phases I and II absorbs all of the capacity for projects for the next 20 years. She said the Transportation Policy Coordinating Committee (TPCC) approved to put Russell St. in phases so only Phase I will be in the 20 year transportation plan update. This will have to go out for public comment and be approved by City Council. Buchanan said the projected construction start is 2012 and then to also fund a number of streets and transit projects.

Russell Street Environmental Impact Statement (EIS)

Buchanan said there should be a Record of Decision on the Russell Street EIS by next summer. She said there was a public meeting and Public Works has to record and respond to all of the public input before the final EIS is done. Buchanan said she attended the public meeting and a vast majority of the comments were not in favor of a five lane street.

Moe asked about the Trails End and Trails West bars because they were tabled at the last meeting until this meeting. Behan said he hasn't heard a word from Mr. Grunow.

Budget Status Reports

Lee said she provided the final FY08 Budget reports in the packets. She said the auditors came and did their work and she doesn't foresee any problems or issues. She anticipated the auditors would bring their final report to the Board for approval in November. Lee said she received the mill levies from the County last week and handed out a Tax Levy report.

ACTION ITEMS

Historic Preservation Commission Board – MRA Representative – Recommendation and Request for Approval

Moe said she and Fraser were the Committee to review the applications for an MRA Representative on the Historic Preservation Commission Board and they recommended Jamie Lockman.

MOTION

MOE: I MOVE THAT THE BOARD ACCEPT JAMIE LOCKMAN'S APPOINTMENT AS THE HISTORIC PRESERVATION COMMISSION REPRESENTATIVE FOR THE MRA BOARD. Fraser seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Cates and Kemmis absent.

Silver Park Salvaged Material – Final Payment to Dupuis Lumber – Request for Approval

Nelson said Jennifer Anthony wanted to purchase enough salvaged timbers from the Bonner Mill to do a large pavilion in Silver Park. She said MRA entered into an agreement with Dupuis Lumber to hold the materials until it was known exactly how much material was needed. Nelson said the design has been completed enough that Anthony has determined how much material is needed. Nelson said MRA received the final invoice from Dupuis Lumber in the amount of \$19,605. She said the lumber has been delivered and is being stored at the City Shops and Cemetery sites.

MOTION

MOE: I MOVE THAT WE APPROVE FINAL PAYMENT OF \$19,605 TO DUPUIS LUMBER FOR SALVAGED MATERIALS FOR CONSTRUCTION OF THE STRUCTURES AND ARBOR IN SILVER PARK. Englund seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Cates and Kemmis absent.

Moe inquired about labor for the construction of the arbor. Nelson replied Anthony plans to get more donations and have the Timber Framers Guild come back and do the arbor. Fraser asked what the estimated timing is for the arbor. Nelson replied it will come towards the end of construction of the Park itself. Buchanan said part of the timing depends on when the Guild can come back. She said it could be next year or the year after.

Silver Park Phase I Trail – Additional Compaction Testing – Request for Approval

Nelson said the last meeting was a Special Board meeting to approve a change order because of organic materials that were discovered along the trail site. Nelson said MRA received a report from Strata Geotechnical Engineers and they suggested that some of the organic materials be removed and because the contractor will be digging out and excavating more materials which will require additional material testing it will require additional work by the

Geotechnical company. Nelson said the amount of the additional testing by the Geotechnical company will be \$500. Moe asked if \$500 is the exact amount. Nelson replied yes.

No action was taken on this item because it's within the \$2,000 approval limit of the MRA Director.

MRA Director's Funding Approval Limit – Discussion and Request for Approval

Fraser said the limit is currently \$2,000 and the Board has discussed raising that limit since it hasn't changed in several years.

MOTION

FRASER: I MOVE TO APPROVE RAISING THIS LIMIT TO \$5,000. Moe seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Cates and Kemmis absent.

Buchanan said Staff will keep the Board informed of what's approved by the Director. Moe suggested if it covers a lot of projects in any one time period then Staff should include a list of what's been approved in the packets.

NON-ACTION ITEMS

Garden District Housing Project at Former Intermountain Lumber Site

Behan introduced this item and said the Missoula Housing Authority (MHA), through a sub-corporation, purchased the property that formerly housed Intermountain Lumber a number of years ago with the anticipation of quick redevelopment the site. Because of economic changes and other issues that has not been realized. Behan said the MHA needs to move forward and invest itself on the property and be able to further their mission on the property.

Lori Davidson, Director of the MHA, said their goal was to bring the Board up to date on the project and see if MRA has any questions about the project. Davidson referred to the map in Behan's memo and said it's the preliminary plat that's been approved by City Council and MHA is expecting to have final plat sometime in early January. The site contains five lots and the current plan is for development on Lot 4, the Garden District site. Davidson said the other lots are being actively marketed. Moe asked what the zoning is for the other lots.

Davidson replied the zoning is the same for the entire parcel, C2 with a Riverfront Overlay. She said this allows about 22 units per acre for housing and a lot of commercial and retail uses.

Davidson said the Garden District has run into significant financial challenges over the past few months. She said MHA has lost over \$500,000 worth of equity in tax credit pricing since they put in their application. MHA has additional costs coming in. Davidson said they are working with the Missoula Irrigation District because they have to put siphons in the ditch because they can't put a culvert in which would have been the most cost effective way to deal with it. She said MHA also has \$47,000 worth of impact fees that they didn't have before. She said investors are also requiring they have six months of operating reserves when the project closes.

Don MacArthur from MMW Architects reviewed the design drawings for Lot 4. He said they've designed simple, good quality construction that's built for the long-term and sticks to the budget. Fraser asked how many units are in each of the three buildings. MacArthur

replied 25, 5 and 7 for a total of 37. He said they anticipate coming to MRA for assistance with the perimeter of the site including boulevard treatments and sidewalks, pedestrian bridges, extending sewer and water mains up Milwaukee Way, etc.

MacArthur said the motivation is to sell or use all of the lots on the property. He said the big taxable piece is what happens along the frontage of Russell which includes the highest value lots. Davidson said their expectation is that once they get their project going, and with Russell St. moving forward, it will increase the possibility of marketing the lots. Fraser asked if the MHA knows how much they will be asking MRA for. Davidson replied roughly \$100,000. Fraser asked what the total cost of the Lot 4 project is. Davidson said \$4.6 million. Buchanan mentioned the possibility of MRA working things out with the MHA like it did on homeWORD's Equinox project.

MacArthur said in discussions with MRA Staff his understanding is that the concern is about the lack of control of urban design and whether MRA would be getting value for its investment and having control over what goes on the other lots. Buchanan replied that is a concern. MacArthur wondered if there's a way to finesse that issue to get good quality urbanism and possibly have the sale dependent on that. He also talked about finding ways to guarantee that the increment is generated to support it over time. Behan asked if there are any design covenants involved with the subdivision plan. Davidson replied no. Buchanan said one of the things that's so attractive about the comprehensive design is that it's the first shot at establishing a new development pattern on Russell St. James Hoffman from the MHA talked about the overlay and said there are already proposed changes in the zoning rewrite. He said he thought it would go before City Council next year and might be ahead of any permanent application for a developer along Russell St.

STAFF REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 1:00 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II