

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

June 25, 2008

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, Daniel Kemmis, Karl Englund, Rosalie Cates

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

Public: Mayor John Engen; Anne Guest, Parking Commission; Kelly Gregory, 2200 Dixon Ave.

APPROVAL OF MINUTES

May 21, 2008 Regular Board Meeting Minutes were approved as submitted.

May 27, 2008 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

COMMITTEE REPORTS

FY08 Budget Status Reports – URD II, URD III

Lee reviewed the Budget Status Reports.

Director's Report

Old Sawmill District

Buchanan said they're anticipating clearances in July from the Department of Environmental Quality on all the soils at the Old Sawmill District.

West Broadway Corridor Vision Plan

The West Broadway Plan was unanimously recommended to be adopted as part of the Comprehensive Plan by the Planning Board. A public hearing was set for July.

Riverfront Triangle URD

The Riverfront Triangle Urban Renewal Plan went to Planning Board and will go on to City Council. Fraser asked if the Council's approval date will establish the tax increment date. Buchanan replied yes.

ACTION ITEMS

Front St. Parking Structure – Request from Mayor Engen to have MRA Assume Responsibility

Mayor Engen said roughly 18 months ago he spoke with Mike Hickey from First Interstate Bank and Kevin Gordon from Gordon Construction regarding their proposal for rebuilding at the corner of Front and Higgins. As a part of that, they talked with the Missoula Parking Commission (MPC) about the public benefit and need of parking. Along with that, Engen said other pieces that fit in with this are the Downtown Master Plan, charrettes, financing applications, and some infrastructure. He said in the end, the MPC is ready and able to help make something happen but could use some project management assistance. Engen said he'd be more comfortable knowing it's managed through MRA to make sure the right people are talking and the right steps are being taken. He said Buchanan has agreed for MRA to do this with assistance from additional resources given all the other projects at play.

Buchanan said generally there is a request made to the Board on projects the City would like MRA to take on that aren't necessarily things it would normally do. She said this was done with the Civic Stadium. Fraser asked what the personnel burden is. Buchanan said at this point she doesn't know and it depends on when other big projects like the Old Sawmill District get going, but MRA will make it work. She said MRA may have to do some reinforcement with consulting help and said the MPC is willing to partner with MRA on that. Guest concurred.

Kemmis said the way he reads the budget for the Front St. URD, all increment goes to the Wilma project. Buchanan replied a very high percentage of increment generated by the Wilma will go back into the Wilma. Ten percent will go to administration. Kemmis asked if that's all the increment that will be expected in the District. Buchanan replied Staff isn't sure what will happen with First Interstate Bank. There will be a loss of value from the demolition, but the Dept. of Revenue says there will also be added value from whatever point construction is at so there may be net gain there. Kemmis asked if MRA is expecting the Front St. URD to cover the costs of this request. Buchanan said MRA will have to borrow from URD II and then reimburse it when the funds are available.

Englund asked Buchanan if she was comfortable in doing this. Buchanan responded that Staff will make it work. Englund asked Guest if the MPC was comfortable with it. Guest replied yes and said historically this also happened with the Central Park Parking Structure. Discussion ensued. Fraser said as a Board member he wants to know that there will be some sharing and identification of coming up with the project and the management plan of the project so that it's not all coming out of MRA's money. Guest said the MPC is fully aware it will be shared.

MOTION

CATES: I MOVE THAT WE ACCEPT THE MAYOR'S REQUEST FOR MRA TO ASSUME A PROJECT MANAGEMENT ROLE IN DEVELOPMENT OF PARKING IN THE FIRST INTERSTATE BANK AREA WITH THE UNDERSTANDING OF A PARTNERSHIP ROLE WITH THE PARKING

COMMISSION AND THAT THERE BE A FAIR COST SHARING ON ALL THE COSTS OF THE PROJECTS THAT IT GOES THROUGH. Englund seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

Change tape 1 s1/s2

2200 Dixon Avenue – URD III TIF Request for Demolition

Nelson said at the last Board meeting Kelly Gregory was granted a Proceed Without Prejudice for his project at 2200 Dixon Avenue. Gregory has since turned in an application to MRA for work on the project which includes a single family unit and a two-unit condominium. Each unit will be approximately 2,400 sq. ft. and will all have one-car garages and two parking spaces. Nelson said Gregory is asking MRA for assistance with demolition, water and sewer hookup from the main line to the property line, rerouting gas and electric, sidewalk work, and alley paving. She said the sewer will be extended to the end of the alley so that adjacent property owners can hook onto it. These items total \$37,984 and the total project cost is approximately \$723,000. Nelson reviewed from her memo the criteria established for analyzing projects in URD III. Nelson said the Staff recommendation is for approval of an amount not to exceed \$37,984 for TIF eligible items for the project at 2200 Dixon Avenue.

Gregory said he wanted to build something unique to the area where people can walk to their destinations. Kemmis asked what the status of the property to the north and west is. Nelson replied Dr. Matz owns it and is currently working on a project for that property. Kemmis asked what his project is. Nelson replied it's a chiropractic/medical office. Gregory said he's talked to Dr. Matz and they're collectively trying to have a certain feel and look to that area so their projects will complement each other. Kemmis asked what the status and ownership of the larger parcel is. Buchanan replied most of it is owned by Lambros and Beach and there are some smaller owners along there as well. She said MRA explored the possibility of a land swap between property Lambros owns and property Dr. Matz is going to develop, but it didn't work out. Buchanan said there will probably be a proposal in the near future to build the extension of Ernst St. in conjunction with the two adjacent property owners, Dr. Matz and Lambros. She said it may be through a Special Improvement District (SID). She said if the extension gets done then Dr. Matz will front his building on Ernst St. Cates asked what the selling price of the units are. Gregory replied he penciled in \$269,000 for the single family; Unit A to the south is \$259,000; Unit B is penciled in around \$240,000. Discussion ensued.

MOTION

ENGLUND: I MOVE APPROVAL OF REIMBURSEMENT OF EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$37,984 TO KELLY GREGORY FOR THE ELIGIBLE TAX INCREMENT ITEMS AT 2200 DIXON AVENUE IN URD III, SUBJECT TO THE CONDITIONS CONTAINED IN THE MEMO TO THE BOARD OF JUNE 18, 2008. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

Kemmis said he likes the project and its design. He said he's concerned and thinks wherever possible MRA needs to be strategic in its investments and make sure that what

MRA is doing will likely contribute to further redevelopment. He said Gregory's project might or might not do that and said it didn't seem to him that Gregory's project was big enough to have much of a catalyzing effect given the neighborhood it's in.

Buchanan asked Nelson how Gregory's project fits into the planning that was done for the property behind Bob Wards. Nelson replied it fits in with what WGM identified. Also, she said once Dr. Matz gets his project underway, two of the most recent projects will be right there together so there is something going on right there, albeit small at this point.

Trails End & Trails West Bars located at 1112 & 1120 W. Broadway – URD II TIF Request for Demolition

Buchanan said the owner is trying to sell this property and the fact that the building is still there has been a deterrent. He would like MRA to assist him with demolishing the building. Buchanan said she and Behan are concerned because there's no redevelopment plan there and she would hope MRA wouldn't get in a position where it helps pay to demolish it and then has no control over what goes back in there. Mayor Engen wondered if there's any leverage for the City to figure out a way to reclaim some right-of-way there. He said that would be extraordinarily helpful. Buchanan said she would recommend that the owner come to the Board with the buyer so MRA can have some control over what goes there.

This item was tabled.

FY09 Preliminary Budget – Request for Approval

Kemmis asked if the reason the salary increases were only a couple of dollars was because the pay plan hadn't been approved. Buchanan replied yes. Mayor Engen said there's a set aside salary reserve for FY09. Cates said she believes in staffing MRA to stay ahead of opportunities and she's receptive to adding staff when it needs to be done because she doesn't expect that the current staff can keep absorbing everything.

Buchanan said when MRA was putting the budget together there was no anticipation it would be taking on the parking garage. She said MRA may need to get some outside help with it, but thought it was something Staff could handle. Buchanan said Gass and Lee are transitioning into Project Managers and are taking on projects that Behan or Nelson typically would have done. Fraser said the Board is and has been positive in supporting personnel.

MOTION

KEMMIS: I MOVE APPROVAL OF THE FISCAL YEAR 2009 PRELIMINARY BUDGET. Englund seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Moe absent.

NON-ACTION ITEMS

Silver Park Bench Shelter Update

Nelson said she's been in contact with Jennifer Anthony and her deadline to have 75% of the fundraising for the bench shelters was June 15th. Nelson said that deadline has

passed and Anthony hasn't met the goal yet. Currently, Home Resources is the project sponsor for the bench shelters and Anthony is in negotiations with them, but Nelson said if that falls through then Anthony has another agency that's willing to step up and take over. Nelson said cash donations are currently \$15,300 with a goal of \$25,000 more. In-kind donations are currently \$9,689 and their goal is to get \$10,900 more. She said the Sunrise Rotary Club has indicated they will adopt one of the bench shelters, but paperwork has not been done for that. Also, Nelson reminded the Board that if they know of any groups that Anthony can talk to they should let her know.

STAFF REPORTS

OTHER ITEMS

Cates said the Board acknowledges the passing of Chris Behan's dad and the terrific role he played in the community.

Gass mentioned there will be a skateboard tour coming through town today and will be at MOBASH Skatepark from 3-6 pm.

ADJOURNMENT

Meeting adjourned at 1:05 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II