

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

May 21, 2008

DRAFT

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, Daniel Kemmis, Karl Englund

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

Public: Bob Avery, Southgate Triangle Neighborhood; Mike Hickey, First Interstate Bank; Ian Marquand, KPAX; Heather McMilin, homeWORD; Andrea Davis, Missoula Housing Authority

APPROVAL OF MINUTES

April 4, 2008 Special Board Meeting Minutes were approved as submitted.

April 23, 2008 Regular Board Meeting Minutes were approved as amended.

PUBLIC COMMENTS & ANNOUNCEMENTS

Gass said the Dakota Greens project is progressing. The completion date in the Development Agreement is May 31, 2008 but due to nursery delivery delays that date may be overshot by a couple of weeks. Gass said he will be working on an amendment to extend the date on the Agreement.

COMMITTEE REPORTS

Director's Report

Old Sawmill District

Buchanan said this project is in a holding pattern as they wait for the Department of Environmental Quality (DEQ). She said they hope to officially have the soil issues resolved by the end of June or sometime in July. Buchanan said most of MRA's efforts right now have been concentrated on Silver Park. She said it's MRA's intention to move forward with the construction documents and at a minimum put the riverfront trail out to bid and build it this summer so it's in place when the Timber Framer's Guild comes to build the shelters in September. Buchanan said there's \$500,000 in Community Transportation Enhancement Program (CTEP) money for trails.

Greater Downtown Master Plan

Buchanan said Crandall Arambula was in Missoula last week and there were roughly 280 people that attended the public meeting. She said they met also met with another 280 people during the stakeholder meetings.

West Broadway Corridor Vision Plan

Buchanan said the Planning Board voted unanimously to make a recommendation to the City Council that that Broadway Plan be adopted as part of the Growth Policy.

First Interstate Bank & Downtown Parking

Buchanan said there's continued work to find a location for a parking structure. She said she put together a letter to Macy's that was signed by herself, the Parking Commission, First Interstate Bank and Mike Ellis. The letter informed them of development that's going on around Macy's and the Master Planning effort that's currently going on. Buchanan said there are efforts being made to work with Macy's Operations Division and explore expansion possibilities to make Macy's more competitive in the market.

URD III

Buchanan said Staff has been working with Dr. Scott Matz and his wife on the property they own which is just south of Bob Ward's. They are ready to move forward with their project and Staff is going to look into extending Ernst St.

Hip Strip Property Owners' Association

Buchanan said she has met twice with this Association. She said there will be a request to create another URD. Buchanan said she encouraged the Association to be thoughtful about what they need to get out of an URD before they make their request.

ACTION ITEMS

2200 Dixon Avenue – Request to Proceed Without Prejudice

Nelson said this project, owned by Kelly Gregory, is just across the alley from the property owned by Dr. Matz. She passed around preliminary plans for new structure that will be built on the property. Gregory plans to construct a two unit condominium and a single-family structure. Nelson said Mr. Gregory is in the process of putting an application together, but in order to demolish the structure there is work that needs to take place immediately. Staff recommendation is to approve a Proceed Without Prejudice for the project located at 2200 Dixon Avenue.

MOTION

KEMMIS: I MOVE THAT WE APPROVE MR. GREGORY'S REQUEST TO PROCEED WITHOUT PREJUDICE FOR THE PROJECT AT 2200 DIXON AVENUE IN ORDER TO PROCEED WITH DEMOLITION BEFORE HIS APPLICATION IS REVIEWED BY THE MRA BOARD. THIS IS WITH THE USUAL STIPULATION THAT NOTHING IN THIS MOTION IMPLIES APPROVAL OF THE PROJECT WHEN SUBMITTED. Moe seconded the motion. 4 ayes, 0 nays.
Motion passed unanimously. Cates absent.

Headwaters Point – Request for Agreement Termination

Nelson said a couple of years ago Kent Jura came to the Board with a project at 1111 W. Broadway to construct an office building with parking on the first floor. Jura's final construction date was scheduled for May 1, 2008. She said Jura has requested termination of the Agreement due to financial constraints and the current local real estate market. Nelson said this will free up \$110,000 which will go back into the URD II contingency. Fraser asked if withdrawing Jura's request will affect that property in the future. Nelson replied no.

MOTION

ENGLUND: I MOVE WE ACCEPT MR. JURA'S REQUEST TO WITHDRAW HIS TIF ASSISTANCE APPLICATION FOR A PROJECT AT 1111 WEST BROADWAY AND THAT THE FUNDS ALLOCATED TO THAT PROJECT IN THE AMOUNT OF \$110,000 BE REDISTRIBUTED WITHIN THE MRA BUDGET. Kemmis seconded the motion. 4a yes, 0 nays. Motion passed unanimously. Cates absent.

Riverfront Triangle Urban Renewal Plan

Behan reviewed the history of the Riverfront Triangle and said one year ago the City Council adopted a Resolution to declare the area blighted. Immediately after that declaration, Behan said other projects needed to get moving and they needed to wait for certain things to happen. Therefore, the effort to get things moving on the Riverfront Triangle was shelved for a year.

Behan said one of the reasons Staff has struggled in trying to put together the Riverfront Triangle Urban Renewal Plan is because it's subject to three planning efforts: Riverfront Triangle Master Plan, Greater Downtown Master Plan, and West Broadway Corridor Vision Plan. He said the people involved with the Downtown Master Plan and West Broadway Plan felt the uses recommended in the Riverfront Triangle Master Plan were good ones. Behan said they did have other ideas as far as configuration changes and so on. Behan said the Downtown Master planners would like to emphasize more residential and denser residential and commercial than what's in the original plan. The West Broadway planners adopted the basic layout in the West Broadway Plan and recommended that more retail on the riverfront would be good to have. Behan said there was consensus that things need to be built higher because there's not much room to build out.

Fraser referred to a schematic of the area and asked if the parking was to be surface parking. Behan replied it's supposed to be six stories with two underground and four above. Discussion ensued.

Change tape 1 s1/s2

Behan said Chapter 3 of the Plan outlines residential, commercial and infrastructure redevelopment goals and strategies. He said the Plan emphasizes the need and requirement for the area to be built on a framework of public spaces that are interconnected. Behan said the Plan prioritizes and provides incentive to projects that present models of innovative design and use of materials and systems to achieve a neutral climate impact.

Behan said there is some pressure from City administration and City Council to move ahead so they can start making decisions about a Performing Arts Center, planning efforts and issuing a Request for Proposals for some or all of the Fox site. Behan said MRA will try to move this forward and would ideally take it to the Planning Board on June 3 and have the public hearing at a City Council meeting at the end of June.

Kemmis said MRA has learned something from the experience with the Madison Street Pedestrian Bridge about how important access across the river is to pedestrians and bicyclists and how people respond to that. He said he can't help but believe that the value of all of the property in this district would be substantially enhanced by a bridge over to McCormick Park. Kemmis said he would feel better if there were something in the Plan that opens the

door to a bicycle and pedestrian bridge. Behan agreed and said when the Fox site was cleaned up they put in a new drop out system for a storm drain which created the structural ability for a bridge to occur there.

Moe asked if there were plans for the property where the tire store was. Behan replied the new owners have submitted conceptual plans to the Planning department for review for a residential complex that meets the current zoning. He said the owners have asked what the process would be to get an additional floor and were told it would have to be a variance process that could take up to 18 months. Behan said the building will have to be fairly high-end residential because of the cost of the land. Their plans also allow for street level retail and Behan said the access there will have to be exclusively walking because there's not much on-street parking right now.

Englund referred to the Plan and said the transportation strategy portion committed to initiating a feasibility study regarding the Main/Front St. one-way couplet. He asked why it refers to only one block. Buchanan said it's been touched on in the Downtown Streets Plan and WGM Group addressed turning that couplet back to two-way. Buchanan said it will be addressed in a general sense in the Downtown Master Plan but before anything is done it will require a traffic engineering study to figure out what to do. She said every recommendation will be to make the streets two-way. Englund was concerned that MRA was committing itself to something big when he felt it has more important priorities. Buchanan said the statement in the Plan is an acknowledgement that it has to happen at some point if the streets are to go back to being two-way.

Fraser asked Behan what his proposed timeline is. Behan said in an ideal world he would get a recommendation from the MRA Board to the City Council today. He said if the Board feels comfortable with where the Plan is at and wants to keep giving suggestions then permission to move forward to the Planning Board would be helpful. Behan said if the Board is uncomfortable with anything then moving things back a couple of weeks would be okay. Fraser said he'd prefer to have the Board weigh in on the Plan more before it moves forward.

A Special Board meeting to discuss the Plan was scheduled for May 27th.

No action was taken on this item.

Change tape 1/tape 2

Affordable Housing Policy

Buchanan said she's been doing research and attended the American Planning Association's national conference at the end of April. She said she attended sessions that dealt with affordable housing and inclusionary zoning. Based on national trends and Missoula, she said some of her recommendations have changed from what they would have been a month ago, particularly relative to owner occupied versus rental property. Buchanan said what she's hearing is that 40%, at a minimum, of every new development should be affordable to meet the current need. She said she's also hearing that it's totally unrealistic in the real world to demand that. Buchanan made some recommendations in her memo and asked the Board for input on the mechanisms for doing loan programs, grants, no or low interest loans, etc. Buchanan said she liked the idea of creating a pool of money that's always there and lives

beyond the life of the district. Also, Buchanan said she believes that if MRA invests in affordable housing it should be affordable in perpetuity.

Fraser said he heavily supports the continual maintenance of affordability. He said he also likes the idea of creating a permanent pool of funds. Englund said he doesn't know how the housing can be made affordable in perpetuity. Buchanan replied the land could be put in a land trust like the Clark Fork Commons which is owner occupied. If it's a rental then it needs to be required of the owner of the complex. Andrea Davis from the Missoula Housing Authority (MHA) said the maximum for tax credits in the state of Montana is 46 years. Davis said she just attended a developer's conference and the tax credit market is changing rapidly. Discussion ensued. Buchanan asked if tax credit projects would be taken off the table if MRA required a project stay affordable in perpetuity. Davis said yes. Buchanan said she will do more research and find out what mechanisms are being used in other places.

Kemmis said MRA operates as a small circle within a whole series of concentric circles of policy makers. MRA operates within the City which is trying to establish a set of policies and there are also state and national policies. Ideally, he said he'd like for MRA to maintain as much flexibility as it can to respond to changing conditions at the other levels. Kemmis said he was more comfortable with MRA being able to provide incentives for investment in affordable housing than he was with MRA making a system of regulations that ties its hands. On the other hand he said he assumed if MRA had very strict guidelines it would give MRA more leverage in dealing with developers.

Buchanan said MRA could wait and see what the City is going to do for a program. She said there's nothing that's got a gun to MRA as far as a timeline other than the need in the community and MRA has the capacity financially to step up and do something. Fraser said he didn't mind MRA trying to leverage some other action. He said one of the big hurdles he sees is the long term maintenance and management of programs. He wondered what organizations would be around 46 years from now, who's doing the measuring, who's doing the qualifications, etc. Fraser said MRA rules should state that the MRA Board should have the ability every 5 years or so to look at and adjust the rules as it sees fit for Missoula, MT.

Englund wondered if MRA would miss opportunities with some really great projects if it makes a project remain affordable in perpetuity. Buchanan said in terms of the units being affordable in perpetuity, she said it's far easier to structure a program where that's not one of the conditions. However, everything she's been reading says that's something that needs to be discussed because 60 years from now the problem will not have gone away. Heather McMilin from homeWORD said it's good to keep flexible what forms of assurances it will get on the affordability whether it be land trust, deed restrictions, declarations, etc. She said MRA will want to have some sort of teeth in there because it doesn't want to do this great thing and then lose it right away. McMilin said it is important to get long term affordability. Buchanan said MRA does need to be somewhat restrictive.

Change tape 2 s1/s2

Fraser asked if the money from a bond would be going into projects that create property taxes. Buchanan replied it's a policy decision. She said if MRA allocates a percentage of it for 50% of median and below there's a good possibility that some of it would not generate property taxes directly. Fraser talked about past projects where MRA has done a payment in

lieu of taxes. McMilin said it would be good to have both options, tax generation or a payment in lieu, to offer flexibility for different projects. Discussion ensued. Buchanan asked how specific or unspecific the Board wanted the guidelines to be. Fraser said MRA would be better suited on a project by project basis.

Kemmis said he wondered if there was a way to build in a point system where projects could be rated according to a set of criteria and given points. He said this would give MRA some benchmarks to judge a project and see how much it's contributing to the overall policy.

Buchanan said she will start to put something together for a future meeting.

NON-ACTION ITEMS

Bob Avery from the Southgate Triangle Neighborhood announced that this would be his last MRA Board meeting. ⑧ He said he's enjoyed coming to the MRA Board meetings and that the Board and Staff work very coherently. He said he'd like to see MRA work with the Midtown Association and said URD III needs to get more projects going. The Board thanked Avery for his attendance and public service.

STAFF REPORTS

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 1:45 pm.

Respectfully Submitted,

Lesley Pugh
Secretary II