

MISSOULA REDEVELOPMENT AGENCY
CONDENSED SPECIAL BOARD MEETING MINUTES

May 16, 2012

FINAL

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

Board: Karl Englund, Rosalie Cates, Dan Kemmis (via Skype), Ruth Reineking, Nancy Moe

Staff: Ellen Buchanan, Chris Behan, Jilayne Lee, Tod Gass, Juli Devlin

Public: Steve King, City Public Works; James Grunke, Missoula Economic Program; Jeff Fee, Missoula Economic Program; Jeremy Keene, WGM Group; Peter Lambros, Southgate Mall Associates; Jeff Maphis, JCM Architect P.C.

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

February 15, 2012 Regular Meeting Minutes were approved as submitted.
April 18, 2012 Regular Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Behan said Buchanan was able to authorize a study of the Island Property to be conducted by Paul Callahan. This was discussed at a prior board meeting. Behan said MRA Staff sent out a request for qualifications (RFQ) for phase IV of the design of Silver Park. The RFQ's are due on the 21st of May. Behan said he hoped to have a recommendation for the Board at the June Board Meeting. Englund asked what was included in this phase. Behan said phase IV is the design of the park itself.

ACTION ITEMS

Scott/Toole Intersection Improvements (URD II) – Public Works Request for Additional TIF Funding (Buchanan)

Buchanan said in April 2011, MRA received a request from Public Works for financial participation in the design and construction of the Scott/Toole Intersection Improvements. Buchanan said a “mini-roundabout” was being discussed at that time and the MRA Board approved \$20,000 for the design and \$50,000 to assist with construction. She said the MRA Board also asked that the Toole/Spruce Intersection be addressed as part of the process. Buchanan said there are parking areas and curbs that need to be addressed with construction and the design needs to be compatible with the warehouse improvements located east of the Toole/Spruce intersection. She said there are several funding sources available to complete this project including labor from the City Street Department. Buchanan said the current cost estimates that are attached to the memo are greater than the original figures because Public Works and MRA would like to add scale street lighting for safety purposes. The street lighting estimate is \$40,000. King said he appreciated the participation thus far and believed this would improve traffic functions as well as provide a safe place for pedestrians. He said additional landscaping and irrigation is also a factor for increasing the project cost estimates. King said Public Works is asking for the additional funding now so the project can be constructed this year. Buchanan said if the MRA Board approved this action, MRA funding would increase from \$70,000 to \$110,000.

Moe said the memo discussed the option to enhance the roundabout itself with some type of artistic treatment that could be funded by the Public Art Committee (PAC). Moe asked if the PAC had been contacted for this project. Buchanan said she and King discussed the idea with PAC but hadn’t discussed the details with them yet. Buchanan said she wanted to get some feedback from the Board since not only would MRA be contributing the extra \$40,000 but also contributing towards the art work. Buchanan said the art piece could not be three dimensional because of the nature of the roundabout. Moe suggested that Public Works and MRA discuss with PAC what can and can’t be done and then see about their maintenance funds. King said since Public Works was requesting the additional \$40,000 for enhancements, he felt it was difficult to also ask for additional funding for art. He said because of the size of the roundabout, landscaping in the middle would not be an option because sometimes larger trucks will be driving over it. That’s when the idea of having art was brought up. King and Buchanan said they’re both excited about the project and having some type of art, but their primary scope is the functionality and lighting of the intersection.

Englund asked why trucks would be driving on the center area of the roundabout. King answered that it would be a mini-roundabout because they are working within the existing curb lines. He said the diameter of the intersection is much smaller than some of the other roundabout projects they’ve done. King said because of this, the larger trucks such as semis will have to actually drive over the roundabout to get to the other side. He said there are a variety of ideas that can be done to enhance the circle area without it actually being landscaped. Englund asked what the design was now and King said it was a concrete

dome shape. Kemmis said he liked the idea and the progress of the project. Reineking said she also liked the idea and thought it was a good place for a roundabout but asked if this project would have to go through public approval. King said yes but first he needed to gather all the information for the project so he had a full description for the public. Buchanan said the public was notified of this project about a year ago and the citizens of that neighborhood were very receptive to a roundabout. She said the upcoming public announcement would more or less be a follow-up of what they talked about a year ago.

Bob Giordano from Missoula Institute for Sustainable Transportation (MIST) said he follows roundabouts all over the country and thought this particular roundabout would work well. He said it might be Montana's first urban mini-roundabout with a fully mountable central island. He said one challenge he would be willing to help out with, is the cyclist/driver interaction. He said most bike lanes end where the roundabouts begin and rather than having the bicyclists hugging the outer edge, he suggests the vehicles allow them rights to the center lane. He said it is unsafe for cyclists to ride on the outer edge as vehicles are turning right, exiting the roundabout. Giordano said rather than a monolithic concrete slab he encourages other ideas such as clay paving, pine resin pavements, cobble stone, flag stone, etc. He said because of cost issues, he is willing to help organize fundraisers for this project. Reineking said she appreciates his willingness to help.

MOE: I RECOMMEND THAT THE BOARD APPROVE AN ADDITIONAL \$40,000 FOR THE SCOTT/TOOLE AND SPRUCE/TOOLE INTERSECTION IMPROVEMENTS AS REQUESTED BY THE CITY PUBLIC WORKS DEPARTMENT, INCREASING THE TOTAL AMOUNT OF TIF FUNDING TO \$110,000.

Reineking seconded the motion. No discussion. Motion passed unanimously. (4 ayes, 0 nays, 1 absent)

California Street Design (City Project 2008-007) (URD II) – Public Works Request for Additional TIF Funding (Gass)

Gass said this project is a City Public Works project in which WGM Group is the design consultant and MRA is providing the design funding. He said WGM's current scope of work is the design and alignment of curb, gutter, and sidewalk in the California Street Corridor. He said the Board approved the design funding back in December 2008. Gass said the Board is being asked to amend the Memorandum of Understanding (MOU) so that WGM can provide additional design concepts, conduct additional meetings with the City, and conduct additional survey work to meet the design needs of this project.

Cates entered the meeting at 12:15 p.m.

Gass said the City's intent is to have a design that connects the California/Wyoming Street infrastructure to the Old Sawmill District. He said the construction of the California Street Project was to be completed at the same time as the Millsite Project infrastructure but the Millsite construction has been delayed. Gass said there are other redevelopment projects in progress within the California Street corridor so Staff is encouraging Public Works to

complete the design work with WGM so there is more certainty for developers on how their projects will interface with the California Street Project. He said Staff is moving forward with a design concept for a separated trail on the east side of California Street which will connect California Street Bridge, Silver Park, Riverfront Trail, and the Milwaukee Trail. Gass said there is an interest from City Council to develop this trail option. He said Staff recommends the Board move to amend the MOU between MRA and City Public Works to provide an additional \$15,185 for professional services outside of the original scope of work.

Keene said this originally started as a basic street project that turned into an opportunity to look at unique alternatives.

Gass said Keene has done a good job in focusing on the trail. Buchanan said she believes a trail that is separate from the main street, sidewalk, and bike lane is more attractive to the 60% of people who would ride a bike "if". She said the Parks Department has concerns because if it does become a 10 foot wide multipurpose trail, then they are required to maintain it, not the Street Department. Discussion ensued.

CATES: I MOVE TO APPROVE THE STAFF RECOMMENDATION THAT THE BOARD AMEND THE MOU BETWEEN MRA AND CITY PUBLIC WORKS TO PROVIDE AN ADDITIONAL \$15,185 FOR PROFESSIONAL SERVICES OUTSIDE OF THE ORIGINAL SCOPE OF WORK INCLUDING ADDITIONAL CONCEPTUAL DESIGNS, MEETINGS AND COORDINATION, AND SURVEY WORK FOR THE CALIFORNIA STREET IMPROVEMENT PROJECT (CITY PROJECT 2008-007).

Moe seconded the motion. No discussion. Motion passed unanimously. (5 ayes, 0 nays)

NON-ACTION ITEMS

Missoula Economic Partnership – Update

Buchanan introduced James Grunke who is the newly appointed CEO of the Missoula Economic Partnership (MEP) and Jeff Fee with Saint Patrick Hospital who is one of the founding MEP Board Members. Buchanan said the MRA Board had requested an update on the MEP.

Fee said he serves as Chair of the MEP Board and appreciates the opportunity to talk to the MRA Board and discuss how they can work together in the future.

Grunke said he hopes this is the first of many conversations with MRA. He said MEP's website is a great tool and includes answers to many frequently asked questions. The website covers MEP's goals, programs that are offered, activities, how it was formed, information on business recruitment, etc. He said about 70% of MEP's funding comes from the private sector. Grunke said MEP's annual budget of \$640,000 is used to accomplish MEP's goals and objectives. Grunke gave some examples of current projects.

He said they recently met with Frontier Airlines representatives as an air service task force to discuss low cost carriers here in Missoula. They are looking into facilitating a 25% reduction in current fares, which would be equivalent to about \$5 million a year. He said what that means to MEP is equivalent to a new employer with a \$5 million payroll. Grunke said that's a great impact to the community. He said there's indication that MEP will be able to guarantee revenue for Frontier but there is risk sharing. Grunke said not only are they looking into a low cost carrier but they also want to establish better instate service. He said MEP is also working with the airport on establishing more international travel.

Grunke said MEP launched the Innovation Entrepreneurship Program in conjunction with Hellgate Ventures and MonTEC. He said the University of Montana has provided a place for entrepreneurs to collaborate on different topics. Grunke said they've contacted experts to speak free of charge. These collaborations will be virtual.

Grunke said MEP launched the Angel Investment Network and this investment opportunity should bring several million dollars to the community resulting in about 200 jobs.

Grunke said MEP started its recruitment efforts. He said the questions asked are what job is being recruited, who is being recruited, how to maximize job retention, etc. Grunke said he's worked with businesses that may have development opportunities within MRA's districts. More than anything, Grunke said, it's imperative to have a seamless conversation with strategic partners on how they can work together. Discussion ensued.

Grunke said MEP would like to be the single point of entry for economic growth and even though they may not have the financial resources to provide, they can point these individuals in the right direction. He said when they stumble on opportunities; MEP knows how to address them. He said MEP would like to be located downtown but MonTEC offered a free space so that is their location. Grunke said they've seen many entrepreneurs who are seeking advice on where to go or where to start.

Cates asked Grunke what MEP likes about the MRA programs and how they work for them. Grunke said he originally was here to raise money and that was it. He said he then came back temporarily until a CEO for MEP was hired. Grunke was then hired as the CEO so he said he honestly doesn't know enough about MRA but would like to learn more about the programs. Cates asked him if he was familiar with Tax Increment Financing and he said yes. Cates suggested MEP visit with MRA Staff about the different programs and invited MEP to attend a couple MRA Board meetings to really grasp the concept of what MRA does.

Grunke said economic development can't be done from an office. He said MEP goes out and talk to other businesses and learns more about the business and community.

Kemmis said he personally wanted to thank Grunke and Fee for attending the Board meeting and hopes MRA and MEP can have a closer working relationship. He said that will entail both MRA and MEP familiarizing themselves with one another. Kemmis said over the years MRA has contributed substantially to the city of Missoula including the

downtown area. He said Missoula, in his mind, has the most livable, attractive, and liveliest downtown in Montana and that's because of MRA and partnerships with others. He said MRA has and will continue to contribute to economic development whether there are other players or not. Kemmis said he would like to see MRA as part of MEP and be active with the deliberations and planning.

Grunke said he appreciated his thoughts and agreed that MRA along with other organizations should work together. Grunke said they hope to move to a downtown location soon, which would be one block from the Downtown Association. Grunke said MEP is not trying to take anyone's job away but they want to be the entry point for service delivery.

Southgate Property Development Concept – Presentation

Buchanan said a few years ago MRA met with the major property owners behind Southgate Mall to discuss development options for that area. They discussed the idea of comprehensive development. She said the issue now is the Urban Renewal District III will sunset in 2015 unless debt is issued for a project. If the district sunsets, then the opportunity to develop this area may be lost. Buchanan said Jeremy Keene from WGM Group and Jeff Maphis from JCM Architects have been working on ideas and possible plans for development in this location. She said they've also been working with the Parks Department on including a park if development occurs.

Peter Lambros, Southgate Mall Associates, said the area behind Bob Wards and Ashley Furniture is a tough area and doesn't present itself well. He said the land is broken up into pieces and lacks connectivity to the surrounding street network. Lambros said back in 2003 a market study was done. Lambros said, for three years, ideas were discussed in regards to that area which included a movie theater, mixed use residential/retail, office possibilities, etc. That was the vision in 2007-2008 but during that time the economy was struggling and cost of the project was an issue. Lambros said earlier in this meeting the discussion of what makes a healthier downtown or what brings people together was brought up. He said it is a quality of life issue for people to get from one service to another, one amenity to another with little effort. He said Keene and Maphis were given the challenge to come up with a plan that included trails, connecting streets, a park and possibly a small store where every day items or groceries could be purchased.

Keene said the land has the ability to contain quality housing. He said the Southgate Mall Property is centered on the idea of creating a place where people want to live and providing high level amenities that connect with central locations. He believes WGM's scope intertwines with the goals and objectives of MEP. Keene said one of the City's goals is to grow inward by finding places in Missoula that can be developed. The property behind Southgate Mall is one of them. He said he believes the area would interest the baby boomers; their kids have moved out therefore would like to downsize and move closer to services. He also said it would probably interest the echo boomers who are the children of the baby boomers because they would like the lifestyle and livability component. Keene said a housing survey showed 2/3 of the people said walkability is

important and eight out of ten people said they would rather live in a single family home rather than a multi-family home. He said that six out of ten people said they would rather commute if it meant they could live in a single family home. Keene said this is the challenge they face. WGM is trying to form a balance he said, by providing a single family feel and a park which provides open space.

Maphis said the buildings would enhance the area and transportation would flow whether it was by vehicle, bike, or walking. He said the buildings would be between two to four stories and have open space around them to provide better views and privacy. He said the buildings would have a more modern and unique design but would still “fit” in the City.

Englund asked if the plan included the whole site. Lambros said yes. Keene said the project would entail approximately 250 residential units, 60,000 square feet for commercial use and a two acre public park.

Englund asked what the next step is. Lambros said timing of the District's sunset plays a role. He said the rental statistics show the vacancy rate is very low. Building a partnership with MRA, he said, is valued assuming the project is deemed as a benefit and can be built in the near future. He said this needs to be accessible to the majority who are renting now. Lambros said the 250 units will be built in phases and shouldn't be built solely for financial gain but because it's the best solution for this land. The connectivity he said is the number one priority to bring this together. Lambros said the Beach Transportation owners are receptive to the idea but also want to be conservative with their decision. Lambros said the alternative to this project is the possibility of another bus depot or just another building and then what is done with the rest of the land.

Englund said development of this land has been an interest of MRA's for a long time and the desire is to see something other than a single building or a bus barn. He said MRA can provide tools and has the capability to bond. He said MRA has the desire to work with this development project, which is something they've been hoping for. King said from a Public Works and transportation stand point, this is a dream project. He said this “package concept” is great and makes perfect sense. King said two of the larger challenges are crossing the railroad and traffic on Mary Street. He asked if they were ready to be included in the city's transportation plans. King said in the past these roads have been part of the transportation planning and fell through. King asked if it is time to add them back to the Long Range Transportation planning process this summer or is it premature. Keene said he had been in contact with transportation planning and they are providing traffic findings which is useful information. He said it may not be on the funding list but is on the list for potential projects.

Cates asked what the definite steps are to begin this project. Buchanan said Keene, Lambros, and Maphis have more work to do but once they feel it's feasible then the MRA Board will be presented with a request. Englund said they were ready for it.

STAFF REPORTS

Director's Report

Buchanan said the Front Street Parking Structure project is going very well and the offer to purchase the retail space is moving forward. She said the space will be used for a mini healthy food store with a full kitchen. She said it's more of a take and go but they will also have seating available. Kemmis said the Director's Report memo mentioned whether or not MRA wanted to pursue the mid-block pedestrian crossing between the parking structure and the Bank Street lot. Buchanan said MRA had visited the idea once before and the Board had shown interest but because of the Parking Structure Project budget constraints the crossing was not completed. The crossing, she said, would cost about \$25,000 but she wants to get more specific costs before it's brought to the Board.

Reineking asked what the mid-block crossing was. Buchanan said it would be a raised crossing, like the one MRA paid for on Catlin Street, across Pattee Street at Mid Block that would connect the parking structure to First Interstate Bank. She said people are crossing there now rather than walking down to the intersection and the volume of people will increase once the parking structure is complete. A formal mid-block crossing would provide a safer route for pedestrians. Buchanan said the other item that was cut from the Parking Structure was the photovoltaic panels. She said she's hoping that item can be added back in once the retail space is sold.

Buchanan said there was a storm drain line from the Civic Stadium that was draining water onto Millsite Revitalization Project (MRP) property. She said Western Excavating estimated \$4,500 to fix the issue which is within her authorization authority. Buchanan said this would be paid from the Replacement and Depreciation (R&D) Account. She said the R&D funds were funds transferred from Play Ball to the City that totaled about \$15,000. She said Play Ball has obligated themselves to raise \$250,000 to fund the R&D Account, which MRA would manage. Discussion ensued.

Moe asked Buchanan if she could explain the Front and Main Street Conversion. Buchanan said the idea is to convert those streets into two way streets. Moe asked for clarification as to why MRA would be managing the study. Buchanan said \$144,000 was left from the Signal Optimization Project, of which \$100,000 will be allocated to the Front and Main Street Conversion. She said Public Works and MDT wanted the funds to be used for Russell Street. Buchanan said the MRA Board gave Staff approval to go ahead and manage the study and issue the RFP assuming there was time and capacity to do so. Kemmis said this proposal or idea has aroused some controversy in the neighborhoods and asked that the neighborhood associations be notified as to what's going on and how it will impact the neighborhood. Buchanan said this project will be a public process and will be done as part of the Downtown Master Plan.

BUDGET REPORTS – URD II, URD III, Front Street URD, Riverfront Triangle URD

Lee said the reports have been updated with all the FY12 budget amendments which will go through the City Council process at the end of the fiscal year. She said as a reminder the budget always is passed before MRA receives its revenues. Lee said in URD II the contingency amount last month is different from this month because the \$250,000 Civic

Stadium payment due August 1st has to be set aside in the FY12 budget. She said the revenue has to be allocated from FY12 into the Civic Stadium fund. She said MRA's revenue is received in December and June of each fiscal year.

Kemmis thanked Gass and Devlin for getting the Skype ready for the Board meeting; it made a huge difference compared to a regular conference call.

Cates said she was willing to bring her laptop to view Board Meeting documents if anyone was interested in going paperless.

STAFF ACTIVITY REPORTS – April 21, 2012

ADJOURNMENT

Meeting adjourned at approximately 1:45 p.m.

Respectfully Submitted,

Juli Devlin