

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

September 25, 2012

FINAL

A regular 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, Ruth Reineking, Daniel Kemmis (Skype), Rosalie Cates (Phone)

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

Public: Chris Kelly, HDR Engineering; Melissa Matassa-Stone, WGM Group; Steve Loken, Loken Builders

CALL TO ORDER

12:05 p.m.

APPROVAL OF MINUTES

July 17, 2012 Regular Meeting Minutes were approved as submitted.

August 2, 2012 Special Meeting Minutes were approved as submitted.

August 16, 2012 Regular Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Behan congratulated Buchanan for all her hard work with the Millsite Project. He said there was an amazing amount of work that needed to be done before last Friday's closing of the Silver Park Property.

ACTION ITEMS

Dakota Greens (1300 block of Dakota) (URD II) – TIF Request (Behan)

Behan said Steve Loken owns a piece of property on Dakota Street and intends to redevelop it for residential use. There is a section of Loken's property that currently consists of residential buildings as well as Loken's shop. At this point, Behan said the Dakota Greens Project will be redeveloped in two phases. Behan said the first phase will

include two apartment buildings. One building will consist of nine units while the other building will consist of three units. Behan said the second phase would include construction of six townhouses on the northeast corner of the property along Dakota Street. Behan said the remainder of the site will be used for parking, yard space, and a shared garden area.

Behan felt it was relevant to discuss MRA's past involvement in that area to help explain the cost of the Dakota Greens Project. MRA has been involved with several projects in that area and providing utilities has been a challenge. Behan said this once semi-industrial use area has poor municipal sewer and potable water coverage. Behan said this is one more project that will help that connectivity for future use by other properties. He said Loken's previous projects illustrate efficient building designs and effective re-use of urban space. He said Loken works to influence non-motorized transportation systems so that they fit within the urban context.

Behan said the total cost for the first phase (12 apartment units) is approximately \$1,154,000. He said the total cost of the second phase is just over \$1,000,000. Behan said because the items being asked for, such as utility extensions, are interrelated and because the two phases may overlap, he has combined the two phases for MRA purposes. What's being asked for today is assistance for deconstruction of buildings, site clearing including foundations, extension of utility mainlines and upgrades, and associated street repair, curb, sidewalk, and Dakota Street right-of-way landscaping for a total cost of \$149,734.

Behan wanted to highlight that, under the economic stimulus section of the memo, the 1:7 public to private investment ratio should have read 1:14 ratio. He said when the phases are combined the project becomes a 1:14 ratio. Behan said the land value isn't included because Loken has owned the land for some time but if the land was included then the result would be an increased ratio of about 1:15.5.

Under the tax generation section of the memo, Behan said after reviewing other increased taxes in that area and given the standard calculations that the Department of Revenue (DOR) provides, the taxes may increase \$8,000-\$10,000. Behan said this project would have a 12-15 year payback which is a little longer than a commercial project. He said this project will contain a variety of models that other developers can look at to help integrate greener designs and construction methods.

Behan said there are tenants on site currently and Loken has made temporary arrangements with them until the new space is available. MRA has requested a letter from Loken so that the Relocation Policy required by MRA is not triggered. Loken had the water and sewer lines surveyed so he had a better idea of what the estimated costs would be. Behan said the costs affiliated with surveying are generally eligible for MRA assistance however there was no permission to proceed without prejudice therefore those costs are not part of the Staff recommendation. Behan said if the surveying costs (\$663.75) were considered then the total assistance amount asked for would be \$150,397.75.

Loken said he's owned this property for several years but was waiting for the right time to develop with respect to the economy and demand. He said when the City originally invested in the bike and pedestrian trail meandering through a blighted part of town he realized that Missoula's future hinged on integrating building efficiency and alternative transportation. Loken said with this project he would like to attract people who don't need large cars or trucks. He said he would like to participate in reducing vehicle traffic and encourage people to use the pedestrian trails in this community. He said he hopes this will be an example to the City to help reduce off street parking requirements for multi-family and higher density projects, like this one, that are within a block or two of pedestrian trails. His goal with this project is to provide efficient buildings and transportation and use as much recycled content alternatives as possible.

Cates said she has not reviewed the Relocation Policy recently but asked if a letter from the property owner was sufficient. She said she doesn't want to set a precedent regarding the Relocation Policy.

Behan agreed and wanted to also make sure MRA hasn't inadvertently triggered the Policy especially when there's demolition involved. He said MRA also needs to know that the current tenants have been adequately relocated.

Kemmisis said the Board was given information stating the pay back period would be over 10 years, so wondered why Behan discussed a 12-15 year pay back period. Behan said he added a few years because something might happen that could alter the timeline.

Reineking said she liked the project and liked that it was near a pedestrian path. She said if Loken can accomplish the off street parking then that's great too. Discussion ensued.

Kemmisis asked for clarification of the extra \$600. He asked if that was money already spent. Behan said this was money spent on the survey work that was already done. He said there was no permission to proceed so technically these costs are not eligible but because that is a Board rule the Board can make exceptions to that rule. Kemmis asked what direction the Board is inclined to go because his concern is if an exception is made then he wants clarity on the basis of that decision. Behan said his recommendation is to stick with the rule because this amount doesn't make or break the project; he recommends denial of the surveying costs.

REINEKING: I MOVE TO ACCEPT THE STAFF RECOMMENDATION THAT THE MRA BOARD APPROVE TIF ASSISTANCE TO THE DAKOTA GREENS PROJECT LOCATED AT 1303 THROUGH 1327 DAKOTA STREET IN AN AMOUNT NOT TO EXCEED \$149,734.

Kemmisis seconded the motion. No discussion. Motion passed unanimously. (5 ayes, 0 nays) Cates on the phone. Kemmis on Skype.

Wyoming Street, Clegg Lane to California Street – Design and Engineering Services (URD II) – TIF Request (Buchanan)

Buchanan said the City has closed on the Millsite Project and the City now owns the 14 ½ acre Park land. She said as part of that transaction, the City/MRA has agreed to take on the role of designing and building Wyoming Street between Clegg Lane i.e. Railroad Trestle and California Street. She said the Millsite Revitalization Project (MRP) and developers of the Millsite Property, engaged WGM Group a number of years ago to complete the civil engineering work on the Old Sawmill District (OSD) Project. WGM Group has been working on the design of Wyoming Street and if the City decides to move forward with the design and construction of Wyoming Street, MRP has agreed to donate the work that's been done thus far to the City. Buchanan said she talked to a number of people from the City Administration and asked if MRA could move forward without going through the normal City procurement process. She said she was advised by City Administration to move forward with WGM Group because doing a RFP in this case would just be more of an exercise rather than a process since WGM would plainly be the most qualified firm for this project. Buchanan said WGM has worked on this project for the past eight years, they have designed in concept all of the infrastructure, designed the interface with adjacent and intercepting streets, and developed the grading plan for the overall project. Buchanan said WGM submitted their design and engineering proposal which was included with her memo.

Buchanan said she looked at fees of comparable past projects. She said the most comparable project was the North Higgins Redesign Project. She said the pedestrian streetscape design is very similar among the two projects. She said there's similar curb extensions and a extensive pedestrian and bicycle network. Buchanan said both of these projects are about \$1.5 million in construction costs. She said the fees for the North Higgins Project were approximately 19% and the fees proposed for the Wyoming Street Project are about 14.5% so the City is definitely getting a benefit from the work that has been done in the proceeding years by WGM Group. Buchanan said the Staff recommends the proposal from WGM Group to complete the design and put the project out to bid for a fee not to exceed \$220,000. The goal is to have this project out to bid by February of 2013, construction started in the spring, and the road completed by next summer.

Matassa-Stone, the engineer from WGM Group, said she appreciates the opportunity to work with the City and MRA and feels the timeline Buchanan provided is very doable. She said WGM would like to minimize any interference with Civic Stadium events. She said building Wyoming Street is a great catalyst project that will help with redevelopment of this area.

Kemmis said the second paragraph in WGM's letter says "The project is generally described as the construction of four blocks of Wyoming Street through the Old Sawmill District, from California Street (excluding that intersection) to Hickory Street/Clegg Lane (including the transition at the intersection)" which was a little confusing and asked for clarification. Matassa-Stone said WGM Group is working on a separate project with the City which includes the design of California Street as a whole. She said the curb

extensions on California Street are part of that project not the Wyoming Street Project. She said WGM needs to work on mapping the existing roads and grades to determine how to best transition Clegg Lane and Hickory Street which will be part of the Wyoming Street Project.

Kemmis had a question about public involvement. He said a number of stakeholders were listed in WGM's letter but it didn't include neighborhood associations so he asked about WGM's involvement with surrounding neighborhoods. Buchanan said the Millsite Project has had public involvement for the last eight years in which the design of Wyoming Street was part of the public process. She said the Riverfront and McCormick neighborhoods were involved throughout this process so she didn't feel additional public process was necessary. She said there was unanimous support from many individuals in these neighborhoods who attended City Council meetings as well as Planning Board meetings when zoning was being approved and subdivision was being considered. Kemmis asked Buchanan if she thought the support is so clearly stated that it doesn't need to be reiterated. She said she has talked numerous times with the neighborhood councils and the question that has been asked multiple times is when the road is going to be built.

Kemmis said it may not hurt to include the neighborhoods in the list of stakeholders so that later someone doesn't say they've been excluded from the process. Buchanan said that could definitely be added. Cates agreed with Kemmis and said it is really important the documents reflect the communication with the neighborhoods and show they are part of the stakeholders.

Reineking asked if there were any bus stops on either side of Wyoming Street since she did not see one on the drawings. Matassa-Stone said there is one bus stop that has been proposed near the intersection of Wyoming Street and Moose Creek Trail. She said WGM has discussed this with Mountain Line.

REINEKING: I MOVE THAT WE ACCEPT THE STAFF RECOMMENDATION FOR THE BOARD TO APPROVE THE REQUEST TO ENTER INTO A CONTRACT WITH WGM GROUP FOR THE DESIGN OF WYOMING STREET BETWEEN CREGG LANE AND CALIFORNIA STREET PER THE ATTACHED PROPOSAL FROM WGM GROUP AT A FEE NOT TO EXCEED \$220,000 AND AUTHORIZE THE CHAIR TO SIGN THE CONTRACT.

Kemmis seconded the motion.

Englund asked that the motion include the understanding that Staff reach out to the neighborhood groups.

Motion passed unanimously. (5 ayes, 0 nays) Cates on the phone. Kemmis on Skype.

Silver Park – Phase IV Design and Engineering Contract (URD II) – TIF Request (Behan)

Behan said in June 2012 the MRA Board approved entering into a contract with Territorial-Landworks, Inc. and their partners CTA Architects and Fearless Engineers on a preliminary design scope for Silver Park. He said because there were so many questions and issues with designing the Park, part of the preliminary scope was to interact with a variety of agencies such as the Parks Department and Flood Plain Administration, so the Silver Park Advisory Committee (MRA, Millsite Revitalization Project (MRP), Parks Department, and Silver Foundation) could inform the Silver Park Master Plan. He said this process went very well and provided information to the design team in order to produce a scope of services and design costs as needed.

Behan said originally the Park plan was to have large open spaces with subsurface drainage that kept storm water on site. The idea now is to still have the large open spaces but the Department of Environment Quality (DEQ) requires most of the drainage must be taken off the site. Behan said the Silver Park Design Team was very creative in coming up with a different master plan that includes open play areas, a boulder climbing structure, shelters, pavilion plaza, trails, etc. Behan said there's more work to be done with the selected agencies but now the Design Team is able to move forward with the scope of services.

Behan said the second part of the Preliminary Design Scope was to come up with estimated construction costs. He said MRA Staff has been working on a budget; the maximum amount that District II can bond for is about \$5.7 million. He said the three projects (Park, Wyoming Street and Trestle) must share that amount and the Park was tentatively allotted \$2.5 million. He said for the most part the Park can be designed within that budget. If anything, he said, the lighting along the trail on the south side of the Park might be cut. Behan said the Parks Department feels that lighting is not needed there anyway.

Behan said with this project there is a need to engage in partnerships for cost saving purposes. The City Street Department many times purchases rocks for their sumps. Behan said there is plenty of rocks in Silver Park that need to be removed to create top soil. The Street Department could provide the screens and rocks could be filtered out and used by the Street Department. He said it is also possible that the College of Technology (COT) can offer students and machinery to do the grading. If the partnerships work, Behan said this can save approximately \$500,000.

Behan said the Committee has an affordable plan to move forward with the design services and the Staff recommends the Board approve an amount up to \$392,133 to complete design, produce bid documents and contracts, administer construction contracts, and provide construction engineering, oversight, and quality control. He said this also includes a \$23,425 contingency for any unexpected costs that may come along the way or increased time the design team must spend in agency meetings. Behan said this amount also includes time to oversee tree and shrub planting in early spring 2014 assuming most

of the construction work would be done in 2013. He said MRA has a good scope of services and construction estimates that are within 16% of the working budget.

Englund asked how MRA insures the cost will fall below \$2.5 million. Behan said that's all the money MRA has to spend and the engineers understand that and have been willing to come up with other ideas to stay within that budgeted amount.

Buchanan said all three projects have to be looked at: the cost to build Wyoming Street, the cost of the Park, and the cost to rebuild the Trestle. She said the question is what to complete first. She said the Trestle Project can be delayed until 2017 but ideally the goal is to build all three now. By 2017, Buchanan said the debt on the Stadium is paid off so that's \$500,000 that would be available. She said if completing all three projects right now means sacrificing significant aesthetics of the Park then MRA should wait on the Trestle. Discussion ensued.

REINEKING: I MOVE THE BOARD APPROVE AN AMOUNT UP TO \$392,133 AND AUTHORIZE THE CHAIRMAN TO SIGN AN AGREEMENT FOR THE DESIGN TEAM LED BY TERRITORIAL-LANDWORKS, INC. TO COMPLETE DESIGN, PRODUCE BID DOCUMENTS AND CONTRACTS, ADMINISTER CONSTRUCTION CONTRACTS, AND PROVIDE CONSTRUCITON ENGINEERING, OVERSIGHT, AND QUALITY CONTROL. PAYMENTS MUST BE MADE ON THE BASIS OF INVOICES DETAILING TIME SPENT AND MATERIALS USED IN THOSE ACTIVITIES.

Cates seconded. No discussion. Motion passed unanimously. (5 ayes, 0 nays)
Cates on the phone. Kemmis on Skype.

MRL Trestle – RFQ for Design and Engineering Services (URD II) – (Behan)

Behan said the Trestle has been an item of discussion for several years and there are reasons to rebuild the Trestle under the railroad where Clegg Lane and Wyoming Street would come together. He said there is an agreement between MRL and the City that requires some safety measures to protect the Trestle and vehicles traveling under the Trestle for a period of five years or until traffic levels under the trestle increase to 6,000 vehicles per day, at which time it has to be replaced. Behan said during the platting process prior to any development it was assumed that around 3,800 cars would travel under the Trestle simply to connect Orange Street and Russell Street. He said there is a time deadline to review the Trestle design and he understands the costs will not go down. One unknown is the future use of the railroad so Behan said the selected designer and MRA will need to be creative when redesigning the Trestle knowing that it could be used for other purposes.

Behan provided history of the Trestle that can also be found in his memo. He said the first phase is to have an engineering firm create an initial report that includes some creative ideas regarding future uses and explains the range in cost from improvement to replacing the Trestle. He said a 305 foot long structure is no longer needed but maybe a 60 foot long structure is. Once the report is completed then the questions would be "how are we

going to move forward" and "can we afford the replacement now or will the project need to be delayed". Behan said the Staff recommends issuance of a Request for Qualifications for structural engineering design, contract, and project construction supervision. He said a review team will be put together and welcomed the Board members to sit in at any time. He said Staff hopes to come back to the Board within the next month or two with a recommendation and direction from there. Behan said there are very few bridge designers in the vicinity but one designer, Chris Kelly, HDR Engineering, did attend the meeting today.

REINEKING: I MOVE THAT WE AUTHORIZE ISSUANCE OF A REQUEST FOR QUALIFICATIONS FOR STRUCTURAL ENGINEERING DESIGN, CONTRACT, AND PROJECT CONSTRUCTION SUPERVISION, AND OTHER SERVICES RELATED TO IMPROVEMENT AND PROTECTION OR REPLACEMENT OF THE MRL TRESTLE.

Kemmis seconded. No discussion. Motion passed unanimously. (5 ayes, 0 nays)
Cates on the phone. Kemmis on Skype.

Cates left the meeting at 1:00 p.m.

Aerial LiDAR Mapping (URD II) – TIF Request (Gass)

Gass said this is a TIF request to participate with the LiDAR Mapping Project. He said WGM Group won the design contract for the Russell Street corridor reconstruction and are teaming up with Sands Surveying who is going to do the LiDAR Mapping Project. Gass said LiDAR stands for light detection and ranging, which uses optical remote sensing. He said the LiDAR measurement unit is attached to an aircraft, and a laser scans the land surface and measures longitude, latitude, elevation; records light reflectivity; and has the ability to record 100,000 points per second. The output is then processed through a CAD or GIS program to produce a virtual 3-D aerial photo with a high degree of locational and elevation accuracy. Gass showed a quick video of how it works.

Gass said WGM will use this mapping method when they work on the Russell Street corridor. He said MRA has been given the opportunity to participate in gathering survey data for future MRA projects such as the West Broadway Island Project and the California Street Improvements Project. Both of these projects have a surveying component, Gass said, that he estimates at approximately \$14,500. He said WGM Group and Sands Surveying have provided a cost estimate of \$12,950 to add MRA's project areas into what will already be mapped. He said California Street Improvements Project will require additional underground surveying to map the utilities. He said given this survey data engineers can provide better designs with higher confidence levels which will hopefully bring in lower bid costs and less change orders.

Gass said Staff recommends the Board move to authorize Staff to enter into an agreement with WGM Group to add the MRA West Broadway Island and California Street Improvements projects to the Russell Street LiDAR Mapping Project for a

cost not to exceed \$12,950 and authorize the MRA Board Chairman to sign the Agreement.

KEMMIS: SO MOVED.

Reineking seconded. No discussion. Motion passed unanimously. (4 ayes, 0 nays, Cates absent) Kemmis on Skype.

NON-ACTION ITEMS - None

STAFF REPORTS

Director's Report

Front Street Parking Structure

Buchanan said there have been delays with respect to steel delivery which has pushed back the original completion schedule. She said the Parking Structure will hopefully be finished by mid November if not soon. She said the construction on Front Street will be done by Thanksgiving so that construction is not affecting businesses around the holiday season.

Buchanan said the crosswalk at mid Pattee Street is under construction.

Downtown Master Plan Implementaion

- Wayfinding – Buchanan said the Wayfinding Design is underway and has been sent out for comment.
- She said the Front/Main Street Conversion was ranked high for two-way traffic in the Long Range Transportation Plan, suggesting about a half million dollars in funding for the construction. She is not sure when that will happen because Russell Street has used a large chunk of Transportation funds.
- Buchanan said the BID is working with the City of Great Falls to bring Joe Minicozzi, Urban3, LLC, to Missoula to develop and present a very extreme measure of how more taxes are generated by urban core dense development than the larger developments for example on Reserve Street. She said Minicozzi has access to data that compares property taxes, for example what First Interstate Bank located downtown is generating verses other banks near or on Reserve Street. She said he can also demonstrate employment per acre that's created by the denser development. She said this is a powerful tool when making decisions on where to invest resources. Buchanan said MRA Staff agreed to contribute \$500 towards Minicozzi's studies and wanted the Board to be aware of this. She said Minicozzi will be in Missoula on October 22nd to present to City Council.

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

Lee said the reports that were provided were follow-up reports from FY12. She said the City auditors are here but hopes to have FY13 information for the next meeting. She's still waiting on some information including the mill levies from the County.

Reineking asked about the Exchange Agreement with MRP. Buchanan said the agreement hasn't been finalized yet but hopes to have it complete by November.

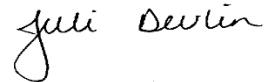
STAFF ACTIVITY REPORTS – None

ADJOURNMENT

Executive Session began at 1:20 p.m.

Meeting adjourned at approximately 1:45 p.m.

Respectfully Submitted,



Juli Devlin