

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

February 28, 2013

FINAL

A **Special** 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, Nancy Moe, Daniel Kemmis, Ruth Reineking

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

Public: Greg Stahl, Hunting GPS Maps; Vince Gavin, Gavin-Hanks Architects; Ryan Schumacher; Eric Siegfried, Hunting GPS Maps; Dallas Neil, Lifestyle Fitness; Mike Day, Territorial Landworks, Inc.; Ezra Williams, CTA Architects Engineers; Don McCammon, HDR Engineering, Inc; Melissa Matassa-Stone, WGM Group; Ed Wetherbee, Millsite Revitalization Project (MRP); Pat Corrick, Farran Group; Kevin Slovarp, City Engineer

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES - None

PUBLIC COMMENTS & ANNOUNCEMENTS

Buchanan said a ribbon cutting for the Front Street Parking Structure is scheduled for March 1 at 5:00 PM. She said Kemmis would be speaking during the ribbon cutting on behalf of MRA. She said a party would be arranged at a later date once the market opens in the retail space of the new parking garage.

ACTION ITEMS

Montana Mapping and GPS (1925 Brooks Street) (URD III) – FIP and TIF Request (Behan)

Behan said Montana Mapping and GPS is the type of business that many of the economic development plans and urban renewal plans have tried to emphasize and promote in Missoula. He said Montana Mapping and GPS is a non-polluting, labor intensive company that provides good paying jobs. Behan said the building they purchased has been used by various businesses in the past and was vacant for quite some time. The developer is asking for assistance with façade improvements to the building as well as asking for assistance with landscaping around the building. He said Montana Mapping and GPS is also asking for assistance for extending telecommunication lines and relocating power lines. Behan said there are three large billboards on the property and the owners of the billboards have no intention of moving them. The developer would like to soften the visual impact of these billboards through landscaping and fencing. Behan said staff recommends the use of Façade Improvement Program (FIP) grant funds up to \$50,000 for the building improvements as well as FIP loan funds up to \$28,895 for landscaping. He said the request for TIF funds of up to \$15,000 is also being recommended for utility extensions and upgrades.

Erik Siegfried and Greg Stahl from Montana Mapping and GPS provided information on the company and its future. Vince Gavin, Gavin-Hanks Architects, provided photos of the existing building as well as future proposals for the building improvements and landscaping. Gavin said Montana Mapping and GPS would like to create more of an outdoorsy look and feel.

Kemmis said the billboards are an issue and he would feel more comfortable about doing façade improvements if the billboards weren't there. He asked about the possibility of MRA negotiating with the billboard owners in purchasing the billboards to either get rid of them or relocate them. Behan said many years ago before his employment with the City, MRA helped purchase the billboards in the downtown area. He said laws regarding ownership of billboards have changed over the years and it's not easy to purchase them. Behan said these particular billboards are owned by a national company. He said his past experience and discussion with this national company typically entails the purchaser making a lump sum payment equivalent to a lease rate for 50 years.

Moe said the memo mentions implementing a fiber optic line and asked if the line would also be available to other businesses. Behan said a fiber optic line is currently available in the vicinity but the line would be extended so if other businesses wanted to connect they could. Moe asked if any street work would be required. Behan said no and mentioned the current sidewalks were built last year.

Moe asked if Montana Mapping and GPS would be maintaining the landscaping. Siegfried said yes. Moe asked if the utility extension and upgrades would affect any neighboring businesses. Behan said no, there would be no construction necessary for the utility extension.

KEMMIS: I MOVE THAT WE ADOPT THE STAFF RECOMMENDATION.

Moe seconded the motion.

Moe said she assumed this motion includes that Montana Mapping and GPS must submit a landscape plan to the staff for review. Behan said yes, and a maintenance requirement would be part of the development agreement.

Motion passed unanimously. (4 ayes, 0 nays)

Wyoming Street, Silver Park, MRL Trestle (URD II) – Award Bids (Buchanan)

Buchanan said MRA opened bids on the afternoon of Tuesday, February 26. She said the bonding capacity is limited to \$5.75 million because of the Civic Stadium Agreements. She said the bids came in at or below what was budgeted so staff is now in a position to make a recommendation to the Board for the various contractors. Buchanan said the recommendation includes three contractors working simultaneously. The responsive lowest bidders were Frontier West (\$615,420) for the Trestle Replacement, LS Jensen (\$1,377,618.40) for Wyoming Street, and Quality Construction (\$1,584,578.23) for Silver Park. The Bond Resolution to issue and sell URD II Bonds was presented to the Administration and Finance (A&F) Committee on February 27 and was approved unanimously. Buchanan said a change was made from a public offering of bonds through D.A. Davidson to placing those bonds with First Security Bank which keeps the money local. Bonds will be sold to First Security Bank with a low interest rate of 3.15% which is a cost savings, and doing business locally will save time. She said the Bond Resolution is on the consent agenda for Monday evening (March 4) and assuming City Council approves the Bond Resolution, then on Tuesday, March 5 the closing documents will be signed and on Wednesday, March 6 the bonds will be sold.

Buchanan said there will be additional costs from Northwestern Energy for utility installation. She said the numbers have not been finalized yet but she is recommending up to \$40,000 which is on the high side. She said the utility installation is time sensitive and the work needs to be started before the next regular Board meeting (March 20). Buchanan said there will also be costs that Montana Rail Link (MRL) will incur with respect to the bridge work at a cost not to exceed \$53,000. She said MRA would also like to set aside a contingency number not necessarily to be part of the contracts but money that MRA can use in the event of change orders. Buchanan said even though the bids came in below budget, staff recommends staying at the \$5.75 million in order to have contingency for possible change orders. She said with most projects MRA sets aside 10-15% of the project cost for contingency. She said if the contingency funds are not spent then the money would be deposited in the debt service fund and would be

used to pay debt service rather than using cash from the district. Buchanan said Wyoming Street and Silver Park were bid with a number of alternates because of the uncertainty of bid amounts. Englund suggested discussing each project one at a time.

MRL Trestle

Don McCammon, HDR Engineering, Inc. said the bids came in good and HDR is looking forward to working with Frontier West. He said Frontier is looking for work therefore provided a low bid. Moe asked if the MRL Trestle bid included the multi-purpose walk/bike path that the Parks and Recreation Department requested. Buchanan said the bid included the widened sidewalk under the Trestle that will require a retaining wall. She said the Trestle bid also includes some of the irrigation ditch enclosure. Moe asked if the trail (widened sidewalk) had a visual way of extending and connecting to future trails in Silver Park. Buchanan said yes.

Moe asked if Montana Rail Link (MRL) was required to approve the Trestle and if so if that had been done. Buchanan said the City of Missoula will own the Trestle even though MRL's railroad tracks will be located on the Trestle.

Englund asked why the huge difference between what was estimated and what was bid. McCammon said Frontier West is in need of work so they bid fairly low, but they did build in some profit on fixed items.

MOE: I MOVE THAT THE MRA BOARD AWARD THE CONTRACT ON THE TRESTLE REPLACEMENT TO FRONTIER WEST IN THE AMOUNT OF \$615,420.

Kemmis seconded the motion.

Moe added the payment should be subject to approval by staff.

Motion passed unanimously. (4 ayes, 0 nays)

Silver Park

Mike Day with Territorial Landworks, Inc. said the only change from the original Silver Park Master Plan is that the bouldering facilities will no longer be installed. He said there were uncertainties as to when the bouldering facility could be constructed and there were concerns with safety and vandalism. Buchanan said even though the boulder area will not be installed now, an area will be prepared for it in the future. Discussion ensued.

Ed Wetherbee, Millsite Revitalization Project (MRP), asked about the status of the pavilion. Buchanan said both the pavilion and the picnic shelter would be timber frame structures which are included in the bid.

KEMMIS: I MOVE THAT THE BOARD APPROVE THE CONTRACT WITH QUALITY CONSTRUCTION FOR THE SILVER PARK WORK IN THE AMOUNT OF \$1,584,578.23.

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

Kemmis said he wanted to thank MRA staff and the Parks and Recreation staff for an amazing piece of work.

Northwestern Energy Costs and MRL Costs

Englund asked if anyone had questions or concerns with the \$40,000 for the Northwestern Energy gas line installation or questions regarding the \$53,000 for MRL costs for the Trestle replacement. Moe said she is reluctant to approve an amount up to \$40,000 and \$53,000 when there are no bids involved. She asked if these figures were reasonable and who decides on what to charge. Buchanan said the cost for the gas line has dramatically dropped within the last few days. She said the issue is whether to put the gas line in during the construction of Wyoming Street. She said MRA could pay for the gas line now; if not, the entire cost of the gas line would then be the responsibility and burden of the first future developer in the Millsite. Discussion ensued.

Kevin Slovarp, City of Missoula Engineer, asked if the gas main was going to be within the asphalt of the roadway. Melissa Matassa-Stone, WGM Group, said no. Buchanan said the gas line location will be behind the piece of sidewalk that will be built on the north side of Wyoming Street near the Trestle.

KEMMIS: I MOVE FOR APPROVAL OF A CONTRACT WITH NORTHWESTERN ENERGY FOR GAS LINE INSTALLATION OF THE WYOMING STREET PROJECT IN AN AMOUNT NOT TO EXCEED \$40,000.

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

KEMMIS: I MOVE FOR APPROVAL OF A CONTRACT WITH MRL FOR ITS COSTS FOR THE TRESTLE REPLACEMENT NOT TO EXCEED \$53,000.

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

Wyoming Street

Buchanan said there were five bid alternates with the Wyoming Street project primarily because there were unknowns as to how the bids would come in. Buchanan went over the different bid alternates that can be found outlined in her memo. She said the recommendation today is to include sidewalks and street trees. She said there is

concern about possible vandalism of the street trees but MRP has expressed their interest in planting the street trees now.

Buchanan said alternate one includes using colored concrete on the sixteen foot commercial sidewalks. She said MRP has shown an interest in using brick pavers for the entire sixteen foot span of sidewalk so it was bid as an alternate. She said the third alternate is to use pavers for five feet and regular concrete for the remaining eleven feet. Buchanan said ten feet of sidewalks in the commercial area will be built in phase one. The additional six feet will be built later once development occurs since the sixteen foot sidewalks will run all the way up to the future buildings.

Buchanan said the City of Missoula is building a city street (Wyoming Street) to provide east and west connectivity in the city. She said the City is not building the Old Sawmill District's required subdivision street. She said if the developers want enhancements beyond what would regularly be found on a city street then the developer should pay for it. Using brick pavers on the sidewalks or other walking surfaces, Buchanan said, is a concern of hers and Sloarp's. She said there may be soil settlement issues which can cause pedestrian trip hazards when using pavers. Buchanan said her recommendation is to either build the five foot paver strip behind the curb with regular concrete or use the patterned concrete for the entire sixteen feet.

Kemmis said Buchanan had mentioned her concern of vandalism and asked if this was a concern for the trees and grates or just the trees. She said her concern is the vandalism of the trees along the park but hopes it will be limited since the trees will be located near an active street. Wetherbee said MRP would be taking the responsibility of fixing or repairing trees that may be vandalized along Wyoming Street. Kemmis asked what kind of trees would be used. Matassa-Stone said maple trees would be used in the commercial area and linden trees would be used in the boulevards. She mentioned that the lowest branches would be several feet above ground; around sight distance.

Moe asked if there would be enough traffic traveling through once the street was complete to provide a safety element, should the planting of trees be delayed until development occurs. Buchanan said WGM Group did traffic modeling about six years ago on this connection and provided estimates between 3200-3500 vehicles per day without development.

Wetherbee thanked everyone for their hard work and said he was thrilled that bids came in under budget. He passed around several pictures of places that have used the brick pavers and said brick pavers can be used effectively and safely. He said MRP wants the Old Sawmill District to have a village concept which is a little different look for Missoula. Wetherbee said brick pavers are very appealing and are being requested by MRP for the sixteen foot width of the sidewalk for the commercial district area. He said if MRA were to commit to the brick pavers for the first ten feet of sidewalk completed in phase one then MRP would commit to the additional six feet of brick pavers once development occurs. Wetherbee said MRA has invited MRP to come back to the Board

with future financial requests. He said he understands there is no commitment at this time but hopes the offer still stands.

Wetherbee said he understands the concerns that Buchanan and Slovarp have but said several levels of base material would be in place prior to laying the brick pavers so that pavers wouldn't shift.

Matassa-Stone said she knows there are concerns dealing with trip hazards, weather conditions, snow removal, and maintenance of the brick pavers so she said WGM Group can provide more facts if that will help with the decision making process on whether to use brick pavers for the whole sixteen feet or not.

Slovarp said he's not concerned with using brick pavers where the tree grates will be located since that area will not be an active walking surface. He said he does have concerns in using brick pavers for the entire span of sidewalk because of maintenance concerns, trip hazards, heaving from tree roots, heaving from water getting into the substrate, weather conditions, etc. He said he is not approving the use of brick pavers as of now and will need additional information to decide otherwise. Slovarp said he's open to the idea but still needs convincing. Buchanan said the previous usage of this site (sawmill) is also a concern. She said for her it's not about the money, it's about process. Buchanan asked "what is our role as the City in building city streets"? Wetherbee said he's asking the City to consider the use of brick pavers. He said this street is not a normal city street or a normal city project. He said MRP has a large vested interest in this site and the vision for this site is a little different than other projects in Missoula.

Moe said she is not comfortable approving the request from the developer if the proposal has not received approval by the City Engineer. Discussion ensued.

MOE: I MOVE THAT THE WYOMING STREET CONSTRUCTION PROJECT BE AWARDED TO LS JENSEN FOR \$1,377,618.40 WHICH INCLUDES THE BASE BID ON SCHEDULES A, B, AND C AND BID ALTERNATES 3, 4, AND 5.

Kemmis seconded the motion.

Wetherbee asked if the motion is passed, does it allow the option to come back and talk about the use of brick pavers for the sixteen foot sidewalk. Englund said it allows for future discussion.

Motion passed unanimously. (4 ayes, 0 nays)

Buchanan said because of the progress with these three projects (Wyoming Street, Silver Park, and MRL Trestle) there has been discussion as to what Clegg Lane would look like going through McCormick Park. She said the Parks and Recreation Department and Development Services hired WGM Group to provide a 30% design. The design she said has provided a different alignment of the Hickory Street and Clegg

Lane intersection which was not a surprise. Buchanan said the grades will need to be dropped to tie Wyoming Street under the MRL Trestle to Clegg Lane. She said more curbing will be required than what was just approved by the Board in schedule B. She said once the design is identified at 100% and additional design funds are available through Development Services and/or the Parks and Recreation Department, then MRA staff may come back to the Board to consider cost sharing.

Englund said on behalf of the Board it is understood the tremendous amount of work that has been put into this project and appreciates everyone's involvement.

MRL Trestle (URD II) – Additional Professional Services Request (Behan)

Behan said for the reasons discussed in his memo, HDR Engineering, Inc. will be providing additional design and inspection work for the Trestle that will result in an increase of costs totaling \$9,500. Moe asked Behan if he could elaborate on what it meant by "due to unforeseen circumstances during design" which came from the third bullet in Behan's memo. Behan said at one point in time the irrigation ditch culvert was part of all three projects (Wyoming Street, MRL Trestle, and Silver Park). He said the most imperative location and possibly the most complicated section of the culvert is under the Trestle. He said that's why some of the culvert work has been shifted under the MRL Trestle engineering contract and the remaining culvert work is under the Wyoming Street engineering contract.

KEMMIS: I MOVE THAT THE BOARD APPROVE THE AMMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR THE MRL TRESTLE REPLACEMENT BETWEEN MRA AND HDR ENGINEERING, INC. TO INCREASE THE TOTAL COST OF SERVICES BY AN AMOUNT UP TO \$9,500 FOR ADDITIONAL DESIGN AND INSPECTION WORK.

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

NON-ACTION ITEMS

Lifestyle Fitness – Discussion

Behan presented a photo showing the plan for the Intermountain Lumber Site on Russell Street including the seven apartment buildings, community garden area, clubhouse, public gathering area, commercial businesses, etc. He said Dallas Neil with Lifestyle Fitness is present to talk more about his interest in opening a Lifestyle Fitness Center in one of the commercial lots. Behan said the commercial building will be two stories and have about 28,000 square feet. He said the roof will also provide a garden space. Behan said he is introducing this item today because Neil has submitted an application for assistance which includes moving power lines. Behan said before making a request for funds, staff wanted to first see what the progress was with the URD II Bonds and what the bond payments were going to be. He said one idea is to

enlarge the bond for the Intermountain Apartment project and combine it with the Lifestyle Fitness project.

Neil introduced himself and said in order to build or even get a building permit for the commercial lot, the power lines need to be relocated. He said the relocation of the power lines will benefit the Salvation Army lot (Silver Crest Apartments) and the additional Intermountain commercial lot. Englund asked where the power lines would be moved to. Neil said the lines themselves would be rerouted to the power poles across the street.

Pat Corrick, Farran Group, gave a brief update on the Intermountain Site and said three buildings have been framed, most of the demolition is complete, and the first set of walls will go up next Tuesday, March 5.

STAFF REPORTS

Director's Report - None

Budget Reports - None

Executive session began at 1:55 p.m. Executive session was open to the public at approximately 2:28 p.m.

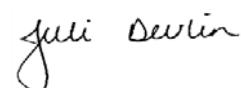
KEMMIS: I MOVE THAT THE BOARD APPROVE THE EXPENDITURE OF UP TO AN ADDITIONAL \$5,000 FROM FY13 BUDGET FOR PERSONNEL COSTS.

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

ADJOURNMENT

Meeting adjourned at approximately 2:30 p.m.

Respectfully Submitted,



Juli Devlin