

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

October 10, 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 p.m. Those in attendance were as follows:

Board: Karl Englund, Nancy Moe, Daniel Kemmis, Ruth Reineking, Rosalie Cates

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

Other: Mayor John Engen

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

Reineking congratulated the staff on the progress at Silver Park. She said it looks great.

Buchanan thanked Nancy Moe for accommodating this special meeting time.

Buchanan passed around a marketing brochure that Partners Creative just completed for the purposes of marketing downtown Missoula. She said the brochure was created for the Missoula Downtown Association (MDA) and Business Improvement District (BID) and that both are very pleased with it. The MDA, BID and Downtown Foundation have decided to pursue restructuring into one organization to increase efficiency. It will be called the Missoula Downtown Partnership or Downtown Missoula Partnership. One of the goals is to create a new position in the Partnership that would work towards "sealing the deal" on getting businesses to locate downtown. Buchanan said MRA's participation in the Downtown Master Plan, MDA, BID and Foundation activities is critical.

Rosalie Cates entered the meeting at 12:10 p.m.

ACTION ITEMS - None

NON-ACTION ITEMS

Strategic Planning

Big Picture from 30,000 Feet

Engen said the most important tool Missoula has for economic development is tax increment financing (TIF). He has tried and continues to try to spread the word and the understanding of TIF. Engen said he feels the new City Council members will be interested in TIF and how it can be used. At a local level he feels the City and MRA have good support for the use of tax increment as an economic development tool. He feels there is a good balance of how TIF is being used across the City.

Preparation for the 2015 Session of the State Legislature

Engen said the Montana legislature has entertained several bills over the last few sessions that attempt to weaken TIF. He said he spoke with attorneys at Dorsey & Whitney last week and emphasized the idea of trying to enhance the TIF tool versus always trying to defend TIF when it's being attacked. He encouraged them to help the City and MRA be proactive in finding ways to improve the TIF tool.

The State of Montana has a \$5 million budget surplus and Engen wants to try to expand TIF use around the State. He would like to go into the next legislative session with a number of bills that make the TIF tool even better. He said the worst case scenario is that these bills don't pass; but at least the conversation has been started. Engen said that Alec Hansen, Executive Director of the Montana League of Cities and Towns, said he thinks the time is ripe for those conversations.

Engen said he is trying to round up a small coalition of the larger cities in Montana to partner with moving some of these ideas forward, without conflicting with the League of Cities and Town's agenda, but still recognizing each City's individual specialties or special circumstances.

Kemmis said he was pleased that Engen is suggesting this. He said he would be happy to help in a productive way. Kemmis asked if Engen has talked to the Governor's Chief of Staff, Tim Burton, about this. Engen said he is always talking to Governor Bullock about TIF. Engen said he thinks the Governor and the Department of Revenue Director, Mike Kadas, understand the value of TIF. Buchanan suggested starting by contacting key business individuals across the State who have invested in projects because of the availability of tax increment.

Riverfront Triangle Update

The Mayor updated the Board on the status of development of the Riverfront Triangle. He reported that the scope of the redevelopment had grown to potentially include a comprehensive look at the entire district with a mixture of uses, with much of this

change in approach being catalyzed by his request to the Hotel Fox Group to look at more extensive conferencing space than was in their original scope. This new approach has brought interest by possible new partners to the effort and the feasibility of a master development under a new partnership model is being evaluated. The goal is to bring a proposal to the City Council after the first of the year when the Hotel Fox Group's reservation on the City owned property expires. At that time, the group will either be in a position to propose a project to the City or request an extension.

New District Possibilities

North Reserve Street

Engen said there have been discussions with property owners in the vicinity of North Reserve Street regarding the possible redevelopment opportunities in that area. Engen said he feels North Reserve is a prime area for an urban renewal district (URD) because there are some long term challenges to redevelopment there. A potential new district could start at the railroad tracks and go north to Interstate 90, and possibly be bound by Scott Street on the east and Reserve Street on the west. Currently, several of the properties, including the Roseburg property, are not in the City limits. Engen said there might be an interest on the part of some of the owners in being annexed into the City. Roseburg is going to be making a significant investment in equipment in the near future. Discussion ensued regarding including property that is not part of the City in an urban renewal district. Buchanan said the property would be handled the same as similar properties in URD II, such as the Old Sawmill District, Pink Grizzly, and the Hart refinery site. Upon annexation into the City, the properties become part of the URD.

There was discussion about the possibilities in this area and creating public amenities such as parks, trails, and transit possibilities. Engen said the City through TIF could bring amenities to this area that would otherwise not be possible.

Englund asked about the staff capabilities of creating and managing more districts. Buchanan said she'd like to talk about that at the end of the discussion. There are more ideas for areas where new TIF districts make sense.

Englund said he and Moe discussed the Board's role with respect to the creation of new districts. He said they wondered if it might be more of a City policy call. He asked whether it was more the Board's role to ensure that whatever decision is made is implemented and there are staff resources to do so. Engen said this has to be a collaborative effort. The North Reserve district idea nets the City a large piece of tax base. Behan added that there are a number of City Council members that will rely on the MRA Board's opinion. Englund said he wants to ensure that the Board doesn't overstep its role.

Cates asked what some of the blighting conditions in the North Reserve Street area might be. Examples that were given included lack of street network, vacant properties

and old industrial sites. Cates asked about whether a brownfields designation would be applicable. Buchanan responded that certain areas could easily qualify as brownfields.

East Broadway District

Buchanan said she and Behan drove the East Broadway corridor to get a better understanding of its condition and possible blighting aspects. She said the Eastgate Shopping Center has recently been purchased by an out of state developer. Behan said he thinks there is huge development potential in this area.

Buchanan said if blighting conditions are found in the area, the MRA's preference is to create a new district and not expand the current Front Street district but that both options would be evaluated. Behan said whether you amend a boundary or create a new district, the work to determine blight is the same.

Buchanan felt the relocation of Missoula College (MC) to East Broadway will encourage redevelopment. Buchanan said The University of Montana (UM) President Royce Engstrum said MC will create parking on Montana Rail Link Right-of-Way (ROW). Englund asked about UM having to comply with local building and zoning codes. Behan said they would have to comply with State codes because they are exempt from local codes. Cates said she thought this is a good place for a district.

Expansion of District II

Buchanan suggested MRA look at expanding URD II or create a new district to capture the MonRock gravel pit site and the rest of South 3rd Street West. Several Council members have asked MRA if the district could be expanded to include the rest of 3rd Street to Reserve Street. The MonRock site would be nice to include since there is the potential of eventually extending the Riverfront Trail all the way to Reserve Street. MonRock's useful life was discussed. Several years ago they were looking at abandoning the gravel pit but it is still being used.

District III Boundary Clean-up

Buchanan said the other URD boundary she would like to clean up is the URD III western boundary from Eaton Street to Clark Street. Five blocks of residential property between Eaton and Clark were omitted when the district was created and the area that was excluded is no different than what is within the district.

Direction, Goals, Marching Orders

With respect to the question about staff capacity, Buchanan said there are consultants who conduct studies of blight and develop urban renewal plans that MRA could hire to do the analysis and create the plans in the proposed areas. She felt once the districts get rolling; the current staff structure at MRA could handle the work load. There is still a budgeted position at MRA that is currently vacant.

Englund asked about the impact of new districts on the taxing jurisdictions. Discussion ensued. Englund asked what the next steps should be and what the Board wanted to prioritize. MRA staff and Board agreed that the North Reserve and East Broadway areas are potential catalyst districts and should be priorities. Behan said historically MRA has gone to City Council and recommended that certain areas be evaluated. Engen said the North Reserve area would be his first priority. East Broadway would be the next priority.

Reineking asked about procedure. Buchanan said she would like a directive from the Board at next week's meeting to look at these areas for potential new districts. Then MRA would take the idea to City Council. Kemmis said he would have some hesitancy if MRA was considering amending the area west of URD II at the same time as creating new districts. All agreed that North Reserve and East Broadway are the priorities.

MRA & Housing

Engen said he felt MRA could be a significant partner in the City's efforts to improve housing opportunities in Missoula. He thought MRA could start formalizing relationships so it could help with housing projects in the URDs. He wasn't sure what the model would be but he has always felt MRA could help tremendously with potential housing projects. He would like MRA to look at drafting some sort of goal or vision document with the Missoula Housing Authority. Some ideas include understanding the need, how it could be addressed and possibly making student housing more attractive to developers.

Buchanan said MRA started down this road a couple of years ago and the Board suggested the City develop a policy that would allow MRA to play a role. Cates said the City doesn't have a point person for housing. The Missoula Housing Authority has de facto acted in this role. The goal is to determine what is missing in the housing market and then determine if the City, through MRA, can make a difference.

From a strategic point of view, Kemmis said he understands the need to have some institutional firepower. He said he wonders if it really fits MRA's mission. He said it's a hard call for him as a Board member whether MRA should step up and take on more responsibility.

ADJOURNMENT

Meeting adjourned at 1:55pm.

Respectfully Submitted,



Jilayne Lee