

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

October 16, 2013

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, Daniel Kemmis, Rosalie Cates, Ruth Reineking

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

Public: John Lentz, Max Wave; Jason Shreder, Max Wave; Dave Ryan, Max Wave; Sue Larew, Max Wave; Greg Howard, Great Burn Brewing Company; Mike Howard, Great Burn Brewing Company; Jason Kind, Kind Construction

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

September 18, 2013 Regular Board Meeting Minutes approved as amended.

PUBLIC COMMENTS & ANNOUNCEMENTS

Buchanan said the West Broadway Island action item has been pulled from the agenda since the scope of services is still being negotiated.

ACTION ITEMS

Great Burn Brewing Company – 2230 McDonald (URD III) – FIP & TIF Request (Behan)

Behan said Great Burn Brewing Company is planning on utilizing the building at 2230 McDonald Avenue for a craft brewery and public taproom. He said the building is near the Bitterroot Branch Trail and is within walking distance of the major redevelopment site on south Brooks Street (old Kmart site) which makes it a great location. Behan said the building is located in District III and can be seen as blighted. He said the total project cost including machinery and equipment is estimated at up to \$430,000. He said the Great Burn Brewing

Company project is eligible for assistance under the Tax Increment Financing (TIF) program and the Façade Improvement Program (FIP). The FIP program allows for a grant request of up to the lesser of 25% of the total project cost or \$50,000 for eligible façade improvements.

Greg Howard, Great Burn Brewing Company, said the existing sidewalks do not meet Americans with Disabilities Act (ADA) specifications. He said the façade improvements will not only be functional but will also create a new look for the building and surrounding area.

Cates asked if the requested amount in Behan's memo is sufficient for the sidewalk improvements. Jason Kind, Kind Construction, said he and Behan had discussed the cost of replacing the sidewalk since the existing sidewalk does not comply with ADA. He said he felt the amount was sufficient. Kemmis asked in what way the sidewalks were not ADA compliant. Kind said sidewalks are required under ADA to have a certain grade and/or cross slope. He said the sidewalks in their current condition are pitching towards the street and have about a 5% slope compared to the required maximum cross slope of 2%.

Kemmis said he understood Great Burn Brewing Company would be leasing the building on McDonald Avenue and asked if they were willing to discuss the lease term. Howard said the lease agreement was five years with the guarantee to lease an additional five years. Behan said a statement from the current owner was received accepting the project and the owner spoke in favor of the conditional use permit.

Kemmis said this location is off of the main drag (Brooks Street) so he asked if part of the justification for investing in this location is because it might presumably encourage reinvestment in the surrounding area. Behan said he hopes the investment at this location will encourage reinvestment, but there is no talk of future projects in the surrounding area at this point in time. Behan said the amount of vacant land near the building may bring redevelopment opportunities and the brewing company could be a catalyst of future development in that area. Buchanan clarified that when the FIP was first developed, resources were limited in District III and projects focused on major arteries. She said because revenue in District III has increased, the main investment areas no longer need to be restricted to Brooks Street, Russell Street, or South Avenue.

REINEKING: I MOVE TO ACCEPT THE STAFF RECOMMENDATION OF AN ASSISTANCE PACKAGE FOR TRIPLE DIVIDE BREWING COMPANY TOTALLING UP TO \$53,449 THAT INCLUDES FAÇADE IMPROVEMENT PROGRAM GRANT OF FUNDS UP TO \$44,980 AND TIF PROGRAM REIMBURSEMENT OF PUBLIC RIGHT-OF-WAY IMPROVEMENTS OF UP TO \$8,469.

Cates seconded the motion.

Englund asked if the motion included the second section of the recommendation located in Behan's memo.

Motion continued.

REINEKING: IF APPROVED, THE DEVELOPER MUST SUBMIT A FINAL LANDSCAPE PLAN TO MRA STAFF PRIOR TO EXECUTION OF A DEVELOPMENT AGREEMENT FOR FIP PROGRAM ASSISTANCE.

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

Max Wave (URD II) – TIF Request (Buchanan)

Buchanan said the Max Wave Committee is dedicated to building a second play wave in the Clark Fork River. She said the Committee has been raising funds for this project since 2009. Buchanan said Max Wave is similar to Brenan's Wave but will be more expensive and expansive compared to Brenan's Wave. She said the Max Wave Committee has raised over \$171,000 and has paid for all of the engineering and initial permitting efforts. The Committee has experienced difficulties with permitting; therefore, the Committee has engaged Morrison-Mairele to obtain the necessary permits, conduct a peer review of the design and engineering, conduct a biological assessment and provide project management. The cost of these services is \$33,286 and the Committee has requested MRA to consider a grant for \$35,000 so that they can proceed with the permitting phase. Buchanan said District II has adequate funds for this request. She said the Committee will most likely ask for additional funds when the construction phase begins.

Max Lentz was a Hellgate High School student who died in a kayaking accident in 2007. John Lentz, Max's father, said when the Max Wave Committee learned the City was purchasing the West Broadway Island, the Committee understood that the Max Wave project had to be coordinated with the design of West Broadway Island project. Lentz said the Committee would like to move forward with the permitting phase so that the project doesn't fall behind the Island project. He said Max Wave is a great project along with the Silver Park project and the West Broadway Island project. Lentz said hopefully the three projects will help drive efforts to clean up the river and the river bank behind the Civic Stadium. He said the Flynn-Lowny Irrigation District has a lot of leeway when it comes to maintaining the ditch in order to guarantee water to users, as an example. Lentz said earlier this summer an excavator was in the river building up the irrigation weir and the District company has installed concrete jersey barriers to stabilize the banks. He said the work done for Max Wave should alleviate any future maintenance by the irrigation company.

Dave Ryan, Max Wave, said the Max Wave Committee recently attended a meeting with Missoula Parks and Recreation staff as well as with Buchanan and Behan and was pleased to hear about the Parks Department's river bank clean-up ideas and MRA's plans for the West Broadway Island. He said Max Wave will be designed to reconstruct the river near the boat ramp so that access to the river is easier and safer. He said the river is about 10 feet deep at the end of the boat ramp so the engineers have designed a plan where large rocks will be used to maintain a shallower depth. Ryan said the engineers believe the deepness near the boat ramp is caused by the irrigation company dumping rock on the opposite side of the river, diverting water near the boat ramp.

Sue Larew, Max Wave, said the committee has been raising money for the past few years through community events. She said a second wave near the downtown location will support economic development and bring more business to the downtown area.

Jason Shreder, Max Wave, said prior to the construction of Brennan's Wave the riverbed was covered with rebar and concrete. He said Brennan's Wave is not only used for kayaking and surfing purposes but is also used for fishing, children playing in the river or on the beach, picnics, etc.

Kemmis asked the Max Wave members how Missoula will benefit from a second play wave. Ryan responded that there are other cities that have multiple waves for different activities or different skill levels. Larew said because of Brennan's Wave they have been able to hold large whitewater events and will be able to continue these events among others with Max Wave. She reiterated that these two waves are within the city limits and are near the downtown area which is a perk for downtown businesses.

Kemmis said during the construction of Brennan's Wave he was able to watch, from his office in the Milwaukee Road Depot, the wave being built and the trucks offloading the boulders. He asked if the construction of Max Wave would be similar to the construction of Brennan's Wave and have trucks entering the river from the south shore. Lentz said the river would most likely be accessed from the south shore since the north shore is fairly steep. He said options would be discussed and decisions would be based on lowest impact to that area.

Kemmis asked why the requested amount was \$35,000 when the memo provided a specific cost of \$33,286 for the contract. Ryan said from an engineering standpoint there can be unknowns which result in additional time spent with permitting or design. Kemmis said he understands the concept but didn't think it was standard MRA practice. Buchanan suggested the Board could authorize a grant "up to" \$35,000 and would be limited to the repayment of engineering costs.

Cates asked if there was assurance that the irrigation company wouldn't place additional jersey barriers in the river or change the water flow that could affect Max Wave. Lentz said Max Wave will still be used primarily as an irrigation diversion for Flynn-Lowny Irrigation District. He said the whitewater feature would be secondary but the irrigation district is very supportive of the Max Wave project. He said Max Wave will alleviate most of the maintenance work that the irrigation district would typically have to perform. Lentz said the construction of Max Wave would not only produce a whitewater feature but would also create a safe floater's passage and include a fish passage component.

Englund said he is aware of repairs being done on Brennan's Wave and asked if the repairs were anticipated and if the repairs affect the viability of Max Wave. Shreder said some maintenance and repairs to the waves are pretty standard like any other structure in a flowing river. Larew said the Max Wave Committee will ensure funds are available for future repairs and maintenance.

Kemmis said it was his understanding that Allied Engineering had already been paid from Max Wave's fundraising for the engineering plan. He asked if the purpose of hiring Morrison-Mairele was to do a peer review of that engineering plan. Lentz said yes, Morrison-Mairele would be reviewing the Max Wave engineering plan. Kemmis asked of the \$33,286 that was in Buchanan's memo, what was the estimated amount for permitting costs and peer review costs. Ryan said the estimated breakdown was \$9,600 for peer review, \$2,000 for project management, \$15,000 for permitting, and \$7,200 for the biological assessment which is a component of permitting. Kemmis asked Buchanan if she thought the \$15,000 for permitting was pretty typical. Buchanan said she thought the permitting figure was pretty light in terms of the issues Brenan's Wave ran into. She said Max Wave will require more extensive permitting than Brenan's Wave because the Corps of Engineers has deemed Max Wave a change of use rather than a diversion.

KEMMIS: I MOVE THAT THE BOARD APPROVE THE REQUEST FROM THE MAX WAVE COMMITTEE FOR A GRANT OF UP TO \$35,000 TO BE USED TO COMPLETE A PEER REVIEW, CONDUCT A BIOLOGICAL ASSESSMENT AND OBTAIN THE REQUIRED PERMITS TO ENABLE THE PROJECT TO PROCEED.

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

Milwaukee Trail Lighting – Design and Construction Engineering (URD II) – Request to Amend Agreement with CTA Group (Behan)

Behan reviewed the map attached to his memo and said the section highlighted in red is the section of the Milwaukee Trail that is already lit. He said the green highlighted sections are areas that still need lighting. He said at the June 2013 meeting, the Board approved the use of federal CTEP funds for construction of lights in the final two sections. Behan said using federal funds requires more paperwork and documentation from the engineers. He said it has also become evident that the property lines in the unlit sections are ambiguous from California Street to Russell Street and Garfield Street to Catlin Street necessitating a survey to be included in this scope change. Behan said **staff recommends the Board approve an increase of up to \$6,495 in additional compensation to CTA Architects and Engineers for design, bidding, and construction engineering services for the Milwaukee Trail Pedestrian Lighting Project.**

CATES: I MOVE THE BOARD APPROVE THE STAFF RECOMMENDATION.

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

Creation of New Urban Renewal Districts – Recommendation to City Council and Authorize Request for Proposals for Professional Services (Buchanan)

Buchanan said a Strategic Planning Workshop where the idea of forming new urban renewal districts was discussed on October 10, 2013 and the Board's response was to proceed with a

request that staff send a recommendation to City Council to authorize MRA study findings of blight in the areas of North Reserve to Scott Street and East Broadway. During the October 10 meeting, the Board discussed the staff's capacity to create and manage two new urban renewal districts. It was suggested that a Request for Proposals (RFP) be issued for professional services to hire a consultant to develop the findings of blight and the urban renewal plans for both of the proposed districts. Buchanan said staff is able to manage the new districts but it is quite time consuming to create a new district. She said staff is recommending the Board make a recommendation to City Council to direct MRA staff to move forward with the study of blight for the two proposed districts outlined in her memo. Buchanan said staff is also recommending the Board direct staff to issue an RFP for consulting services to conduct the findings of blight and create urban renewal plans.

Englund asked if it made sense to conduct a study of blight when a large percentage of the properties within the new proposed district would not be part of the district because those properties are not within the city limits. Buchanan said when District II was created in 1991 the Millsite was not part of the district. It became part of the district when it was annexed into the City in 2005. She said as of today there are still properties that are not included in District II such as the Hart Refinery and the Pink Grizzly. Buchanan said the new urban renewal plan will need to acknowledge these properties as areas outside the city limits which upon annexation would automatically be included in the district.

Englund said assuming this recommendation passes with City Council and findings of blight are found, would the staff then prepare the urban renewal plan or would a consulting service create the plan. Buchanan said the RFP for consulting services should include the study of blight and preparation of the urban renewal plan. Englund asked what the estimated cost is for an urban renewal plan. Buchanan said the cost for consulting services for both new districts would be approximately \$20,000-\$30,000.

Cates asked if the boundaries of the new URD's were elastic depending on the outcome of blight findings. Buchanan said that was correct. She said staff was pretty confident with the proposed North Reserve to Scott Street boundaries but the proposed East Broadway boundaries were a little more uncertain. Kemmis asked if the eastern extension of the proposed East Broadway boundary should also include the irrigation diversion on the south side of the river. Buchanan concurred.

Kemmis said he agreed with presenting the two proposed areas to City Council but said he wasn't so keen on the idea of doing one single RFP for two separate studies. Buchanan said having one RFP would save on funds. Kemmis asked if the study of blight and the development of an urban renewal plan are typically done at the same time. Buchanan said the study of blight and the development of a plan are typically done in-house. Behan said the study of blight was contracted out for District I which sunset at the end of June 2005. Kemmis asked if the study of blight and formulating a plan were directly linked. Behan said yes. He said once the findings of blight are established, they become the basis for the urban renewal plan.

KEMMIS: I MOVE THAT THE MRA BOARD RECOMMEND THAT THE CITY COUNCIL REQUEST THE MRA TO CONDUCT STUDIES OF BLIGHT FOR THE NORTH RESERVE TO SCOTT STREET AND EAST BROADWAY AREAS ADDRESSED IN THE MEMO OF OCTOBER 10, 2013.

Cates seconded the motion.

Motion passed unanimously. (4 ayes, 0 nays) Moe absent.

KEMMIS: I MOVE THAT THE MRA BOARD DIRECT THE STAFF TO ISSUE A REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES TO CONDUCT STUDIES OF BLIGHT AND CREATION OF URBAN RENEWAL PLANS IF BLIGHT IS SUBSTANTIATED AND IF MRA IS SO REQUESTED BY THE CITY COUNCIL.

Reineking seconded the motion.

Behan said there will be a formal action for the City Council to make the declaration of blight by resolution, so that will be the basis of the request for the urban renewal plans.

Motion passed unanimously. (4 ayes, 0 nays) Moe absent.

NON-ACTION ITEMS - None

STAFF REPORTS

Director's Report - None

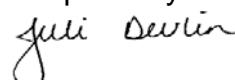
Budget Reports

Lee said she was still waiting for the City to complete the FY13 reconciliation in their Edens database system. She said she would be working with the City auditors over the next several weeks.

ADJOURNMENT

Meeting adjourned at approximately 1:10 p.m.

Respectfully Submitted,



Juli Devlin